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ONTRADE

The International Trade Journal of WTC Mumbai

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CONFIDENCE RESTORED: TRADE REVIVES

Cover Story
Solar Energy in India:
Can it ever
make it big?

In Conversation with :
• Vishal Kumar Dev, CMD, IDCO
• Anthony Hemstad, President,
WTC San Francisco



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From the Editor's Desk



It is heartening to note that the faith in the Indian economy has been restored, reviving it to higher levels of growth. With changing macroeconomic conundrum, we have attempted to bring forth its impact on every strata of society.

PM Modi's efforts to bring the Indian economy back on track with a promise of 'Acche Din' continues to have far reaching implications. The trading community has no doubt been enthused with a pragmatic budget with renewed spirit, reinforcing continuity and stability. As a result, the investor-friendly and futuristic government has restored confidence in the economy. With reforms underway, as trade revives, global economies look towards India as a favourable investment destination.

In the wake of the above, WTC Mumbai stays committed in promoting international trade and assisting the business community through its activities. I am pleased to acknowledge the overwhelming response that the Global Economic Summit 2014 on Asia: Powering Global Markets has brought with it, confirming Asia's place of prominence in world economies. Another milestone achievement this quarter was the establishment of WTC Bhubaneswar with its presence gaining momentum and the continued efforts of our team in ensuring fruitful activities in the State of Odisha. We hope to initiate WTC Goa and WTC Jaipur shortly. We have attempted to provide a fresh look to the quarterly journal now with a new name '**On Trade**', **The International Trade Journal of the World Trade Centre** (previously **World Trade Research and**

Information Report). This issue will feature interviews, authored articles, book reviews, trading and investment opportunities.

Finally, I would also like to share what the Centre has planned ahead which includes International Arbitration, Smart Cities and Economic Conclave. Bearing in mind the objective of the Centre, we propose to organize programmes in the tier II and tier III cities with a mission to equip entrepreneurs through training and mentoring programmes for trade development. As we move towards an interesting phase ushering news ways of approach, we welcome your suggestions on ways to improve this communiqué, while partnering in the journey of progress.

Happy Reading!
Mr. Y. R. Warkerkar

Global Economic Summit **2014**



ASIA: POWERING GLOBAL MARKETS



Solar Energy in India: Can it ever make it big ?

- Rahul Mazumdar

The pink paper during the much publicized World Environment Day every year finds some green footprints. The day passes by with a mention of the solemn reality of climate change, and energy crisis engulfing us, but unfortunately none that are being iterated actually turns into action on ground.

The Government few months back in its maiden budget announced some solar ultra mega solar power projects in Rajasthan, Gujarat, Tamil Nadu, Andhra Pradesh and Ladakh, including solar parks on the banks of canals. The solar industry in India has huge potential. Will all these initiatives shine upon the solar industry within a limited timeframe? According to a study by Energy Research Center of the Netherlands, compared with electricity from coal, photovoltaic electricity over its lifetime uses 86% to 89 % less water, occupies or transforms over 80 % less land, presents approximately 95 % lower toxicity to humans, and contributes 92% to 97 % less to acid rain. The irony is, India is blessed with an average 300 days of sunlight in a year and much of the nation lies near the equator — ideal conditions, geographically speaking for harnessing solar power, and yet we are unable to capitalize. The sun shines at its brightest precisely when demand is highest, at noon. Solar power can by default meet a significant midday demand, shaving off the peaks in grid power prices and driving down the price of grid power overall.

While the major drawback is its periodic nature and capturing this energy for round-the-clock delivery at cost-effective pricing, innovative solutions have to be built to address these concerns. For example, the rent-a-roof project, wherein residents give their rooftops on hire to private solar energy companies who in turn pay them an amount for every unit of energy produced, should be seriously considered. Policy makers may also consider utilising rooftops of government owned buildings for installing solar panels. The National Solar Mission target coincides with India's 75 years of Independence, and envisages generating 20 GW of solar energy by 2022. Unfortunately the program has seen

“Solar energy needs to occupy a key mix of India's energy mix soon. India is aware of this challenge, but tangible results are a far cry”.

limited success. Today the sector accounts just 8% of India's renewable generation capacity. California in USA, alone generates more energy from solar than entire India. Though the Government is currently concentrating on viability gap funding which is largely coming from National Clean Energy Fund, it is felt that the generation based incentives (GBI) should be encouraged. GBI encourages the developer to put efficient systems and sustain it till the end to avail benefits.

Infact, production incentives may be preferred to investment incentives because it promotes the desired outcome of generation of electricity from renewable energy. In addition, production incentives are most likely to encourage investors to purchase the most reliable systems available, or to maintain them and produce as much energy with them as possible. While India's energy demand for the next decade is projected to be among the highest in the world, there is already an increasing energy gap between domestic demand and supply. Around 8 lakh MW power capacity is needed by 2031-32 against 2.3 lakh MW now. Policy makers in India should leverage from hi-tech innovations in alliance with global partners, and learning from overseas success stories. The growth of Germany's solar capacity has been nothing short of astonishing. One of the key drivers responsible for this rapid growth is its use of feed-in tariffs, which pay renewable energy generators an above-market rate for power put onto the grid under contracts with 15 to 25 year duration. Another instance is wherein 40 states in USA have given property tax incentives for renewable energy. Neighbouring China



has announced incentives for the installation of about 14 GW of solar capacity in 2014 alone making it the world's largest solar market. Government in India had also introduced an array of such plans, which may take some more time to take off as designed. For example, making the existing RPO (renewable purchase obligation) mechanism strictly enforceable will go a long way in bridging the demand-supply gap in energy.

Government may like to incentivize enabling access to solar energy under the amended Company Act as a CSR activity by corporates. Government may also explore the option of providing tax holidays to all forms of solar energy industry, something on the lines provided to the software firms a decade back. Another possible initiative may be to classify renewable energy as a separate sector, and not within power, for exposure limits for Banks and financial institutions, India's fragile energy infrastructure is a weak point that is hindering future growth.

The spillover of solar energy remains phenomenal. Government at the centre should seriously consider to begin with discarding tax breaks for the fossil-fuel industries, and instead support setting up of renewable energy projects on a mass scale. India, in fact, ranks fourth in the world in funding over US\$ 43 bn in fossil fuel consumption subsidies. Huge import of crude oil on the other hand is escalating the current account deficit. A decade back the Golden Quadrilateral connected almost entire India. Cannot a similar initiative in solar energy take off lightening the aspirations of millions again? Time is really ticking away. The country has to nurture the solar industry on a priority basis, before the smoke on the horizon becomes too thick to handle. We have to do it, if not for us, atleast for posterity. Hope this Government makes an effort towards making solar energy Big enough in the next five years.

(The author is a Chief Manager, Research & Analysis Group with EXIM Bank, India. The views expressed are personal.)

“RBI has stated that in 2012-13 Odisha topped in attracting investment”

says Vishal Kumar Dev, CMD, IDCO



Infrastructure development is at the forefront of the economic agenda for the State of Odisha. In an interview with the World Trade Centre Mumbai, Mr. Vishal Kumar Dev, Chairman-cum-Managing Director, IDCO shares his modus operandi on its mandate.

If India is to have a self-accelerating process of economic development, it is mandatory to have a progressive infrastructure in place. To this end, how is the State of Odisha gearing itself to embrace such development?

Infrastructure Development has been an agenda which has been accorded importance and priority of the State. The state has taken steps for development of infrastructure through PPP. While Paradeep Port is enhancing its capacities from 108 MMPTA to 270 MMPTA by 2023, new non major ports like Dhamra, Gopalpur have been developed & operationalised through Private sector investment. A new airport is under development at Jharsuguda by AAI and a new International Airport is being developed on the outskirts of Bhubaneswar for which a suitable land parcel has been identified. Road projects & RoBs worth more than Rs 5000 crore have been identified for implementation through PPP.

Industrial corridors are being developed by the State for planned development of Industries along the major rail & road corridors of the state. Bhubaneswar, which is the 2nd Planned City in India and one of the safest capitals of the country, a new ring road project, satellite residential townships, IT parks, an international convention centre have been taken up.

Besides, development of roads and flyovers, other municipal service infrastructure is also being taken up. For urban transport initiative, city bus services have been successfully operated through PPP. A feasible study for a metro project for the twin cities of Bhubaneswar – Cuttack is being undertaken. The city bus services, solid waste management, city level infrastructure projects are being taken up in almost all the major cities in the State.

What is the current status on Industrial projects in Odisha in the light of the law passed in 2004 with regard to the setting up of a single window clearance system?

After announcement of Industrial policy during 2001 and enactment of the Odisha Industrial Facilitation Act 2004 (Single window clearance Act) Odisha's growth in industrial sector in the last decade has been outstanding.

Sector	2000	2013	Growth
Power Gen (in MW)	3679	13311	362%
Alumina (in Mn MT)	0.8	3.5	438%
IT Exports (In Mn USD)	53.25	322.2	605%
Aluminium (in Mn MT)	0.38	2.51	661%
Steel (in Mn MT)	2.00	15.04	752%

Odisha has been a preferred destination for investment in the country. RBI has stated that in 2012-13 Odisha topped in attracting investment of US\$ 100 Bn i.e. @27% of total investment committed in India.

The capacity addition in core sectors in the last decade has ranged from 3.5 to 7.5 times. Total Committed investment in the various industrial sectors has been more than Rs. 540,000 crore.

What is your view on land acquisition (L.A) & allotment problems faced by major industrial houses in Odisha? Most of the land acquisition cases belong to which projects?

A larger no of industrial projects in Odisha are in the core sector - Steel, Power and Aluminium. All these requires large quantum of land and therefore expeditious acquisition of land is very important.

In rural India land is very often the only source of livelihood, it also gives people a sense of identity and losing land is

therefore security, not just an issue of losing livelihood but also an emotional issue. This coupled with the various laid downs in L.A Act and other Acts makes L.A a rather tedious and time-consuming affair.

Our experience of land acquisition in the last 10 years tells us that just offering a good compensation for land is not enough. The livelihood issues need to be resolved as well. I would say that a comprehensive strategy focussing on making land losers a

stakeholder in the project is key to the L.A riddle. Providing them necessary skills and knowledge to be a meaningful part of the project is important.

Most projects use the PPP route. How far is this being used in Odisha? Which are the sectors that IDCO has undertaken so far?

The State has given high priority for undertaking infrastructure projects in PPP route across the sectors. In IDCO we are developing industrial parks & towers, through PPP, JV & Industrial participation modes. The Plastic & Polymer Cluster in Balasore, InfoPark at Bhubaneswar through DLF Ltd., a commercial & IT tower at Rourkela through Forum Group are few of the projects which have been taken up. Many other industrial park projects like a Seafood Processing Park at Bhubaneswar, a plastics park at Paradeep & Aluminium Park at Angul are being developed in a JV mode.

Plans were on to develop a land bank considered to be a key initiative for development industrial infrastructure in Odisha. Could you throw some light on this?

Land bank is being created in available Government land which can be readily

used for any industrial projects without any delay in land acquisition. IDCO has already filed for 10,000 acres of land in various parts of the state for its land bank. At strategic locations near the ports & National Highways in the state IDCO is undertaking surveys for procuring land for creation of land banks. A target of creating a land bank of 50,000 acres has been fixed.

What is the status on infrastructure FDI in Odisha?

FDI in Infrastructure in the State has not been significant. We are looking forward for FDIs in special projects like Electronic Manufacturing Clusters, Common Industrial corridor projects planned in the State.

Since Odisha is part of the mining belt of India, could you specify the measures that IDCO is taking towards sustainability of mining projects?

For the Coal belts of Odisha in Talcher & IB Valley IDCO has prepared the Comprehensive Master Plans through CMPDI. These CMPs enables planned development of the mining region. To avoid multiple captive evacuation networks by each of the mines, IDCO is undertaking Common Road, Rail & Water corridors for the mining regions. For

Talcher Coal Bearing Area and Nayagarh area in Keonjhar district such Corridor projects have been conceptualised and studies have been undertaken through RITES. For the Talcher Coal Bearing area, IDCO has formed an SPV "Brahmani Railways Ltd" for implementation of the project. Similar project studies have been initiated for the IB Valley Coal bearing region by IDCO.

What is the Status on the socio-economic survey for the rehabilitation of displaced families affected by the POSCO project?

Regarding the socio-economic survey for the POSCO project, earlier XIMB was engaged to prepare the socio-economic analysis for the displaced peoples based on NHRC guidelines. Subsequently, the project capacity was reduced to 8 MTPA from 12 MTPA and land requirement has reduced from 4000 acres to 2700 acres. No private land is being acquired for the POSCO project. The entire 2700 acres of land for the project is Government land. Recently, a new agency has been engaged to carry out fresh socio-economic study for recent information. Based on this Government shall take suitable steps to implement the same.

What are some Infrastructural challenges being faced by Local players and foreign companies looking to enter the markets in Odisha? How are the infrastructural requirements of SMEs being addressed?

“Infrastructure, land and approvals have been the three key issues for investors across the country and IDCO is creating an ecosystem to mitigate these issues to enhance the ease of doing business in Odisha. Infrastructural issues being addressed through developed Industrial regions/Industrial parks wherein IDCO is partnering for development of external connectivity and internal infrastructure facilities. For the SME segment, all the new sector specific Industrial parks for electronics, food processing, aluminium, plastic & polymer etc being developed by IDCO, are well connected with trunk infrastructure and have developed internal infrastructure & common facilities. SPVs are being formed for each of these projects for development & management of the common infrastructure facilities. Industries are also encouraged to participate in SPVs.”



“It is Important to Stay Relevant to the Needs of Stakeholders and Marketplace”

says Anthony Hemstad, President, WTC San Francisco

Having served at various capacities in developed and developing countries, Mr. Anthony Hemstad is now putting to use his vast experience as WTC San Francisco's President. Through the initiation of the US Government's EB-5 Immigrant Investor Program, Mr. Hemstad will gradually attract Foreign Direct investments to the Country. Here are excerpts to an interview given to World Trade Centre Mumbai.

With your new assignment as the President of WTC San Francisco, how do you intend to take the Center forward?

While there had been a WTC in the San Francisco Bay Area for approximately 30 years (first in San Francisco itself and later moving across the Bay to Oakland), it unfortunately closed in 2008 during the USA's "Great Recession". The license reverted to the WTCA and was purchased by another group led by San Francisco native Mike Mattox at the end of 2013. So, in many ways, the WTC San Francisco is an example of the Hindu concept of samsara. This new incarnation of the WTC San Francisco will have a very different business model than the previous version – and we believe this new model will be much more sustainable and allow WTC San Francisco and those companies associated with it to thrive for many years in the future.

WTC San Francisco initially will be very focused on attracting inbound Foreign Direct Investment (FDI) into the US Government's EB-5 Immigrant Investor Program. In the future we will offer more inbound/outbound FDI matchmaking programs beyond EB-5 and also supply "concierge" services to help with any issues or questions that foreign investors have in order to ensure that their investment (and possible immigration to) the USA is as smooth as possible.

As success spreads with the FDI programs we endeavor to expand WTC San Francisco's trade services programs with the aim – in the future - of becoming one of the strongest trade services WTCs in North America. While we are a new WTC we have

already hosted inbound trade missions to the Bay Area and I have spent considerable time overseas with WTCs in several countries, including India.

As I am already spending much of my time overseas with other WTCs, we will soon expand that into targeted outbound trade missions as well. I hope to bring representatives from companies on the US West Coast with me to next year's Global Economic Summit hosted by WTC Mumbai.

Your previous stint as President of WTC Tacoma, saw a massive increase in its membership by 500 per cent. How did you revitalize the Center and what are some of the learning points you intend to take with you here?

The most important lesson from my previous work at WTC Tacoma is the importance of staying relevant to the needs of your stakeholders and the marketplace. When I first became President for Tacoma's WTC I spent much of my time meeting with current and former WTC Tacoma members (and companies that had never been members but were very involved in international trade so should have been) to find out what they wanted/needed – and what they would pay for – from their local WTC. We changed the services being offered by WTC Tacoma to be much more business oriented rather than primarily giving background seminars and being an information provider. In the internet era information can be found in seconds by anyone with a smartphone and that will likely become an ever smaller part of any WTC's business in the future.

We evolved to work on match-making between businesses and really striving to help them to get to actual trading relationships with international partners. If a WTC can actually generate business for its members then WTCs will grow rapidly – and that is inherently a good thing for WTCs around the world. I'd really like to see more WTCs become highly transaction-oriented. That would make the WTC really the "go to" organization for any company interested in international trade



and investment – and that is a natural role for WTCs but it isn't uniform throughout our very large network (roughly 330 WTCs in 100 countries).

Another thing we did in Tacoma was to actively start helping some local companies who were seeking Foreign Direct Investment (FDI). We found there was a real need for this service and that too is natural for WTCs.

WTC Tacoma was the WTC that came up with the WTCA's current "We Grow Trade" slogan. I now firmly believe we should further expand the definition of trade to include FDI. That is an area that will likely continue to grow in the future and it is more complex than importing/exporting. Where there is complexity there will be a need for connector groups like WTCs to help make potential transactions real and to turn contacts into contracts.

You have a rich experience with developed and developing markets. What are some of your observations?

Enhanced international trade and investment really does bring the world closer together. Those countries and individuals most involved with international trade and investment have the greatest incentive to work to build international understanding and maintain peace between countries and regions. Those areas that are most isolated from international trade/investment tend to also be the poorest and most dangerous parts of the world. Trade/investment is good for both individuals and countries and WTCs can help spread prosperity by building international trade/investment between their regions.

What has been the response so far in your promotion of the EB-5 investment into the US?

This is a new program from a new WTC but the response has been quite good for the short time we've been working on developing it and rolling this out. The US Government's EB-5 Immigrant Investor Visa Program is for HNWI (High Net Worth Individuals) who want to attain a US Green Card. This can be done through a \$500,000 USD investment into an approved US project. The investment is usually for a five year period and the investor and their family (spouse and all children under 21 years old) can get conditional Green Cards approximately one year after they start the process. For certain individuals it is a very good option if they do want to get either themselves or their children to the USA.

Currently this program is very much dominated by Chinese investors. This year approximately 85% of all the investors using the program will be from China. The program is extremely well known in China and there is a considerable industry that has grown up there around EB-5. The other countries and regions beyond the People's Republic of China that send a significant number of investors to the US through this program are also in East Asia – such as South Korea, Taiwan, Hong Kong and Vietnam.

In the rest of the world EB-5 is almost unknown.

What WTC San Francisco is really trying to do is to promote EB-5 in those markets where it isn't known today.

We plan to do that via the World Trade Center Association Network. So far we've signed MOUs with 10 WTCs in key countries and we expect to sign on with another approximately 20 WTCs in the months ahead.

As we build up a network of WTC partners, we'll work with them to have information sessions and marketing programs about EB-5 in the geographic area of our WTC partners. I'm actually writing my responses to you while on a plane to visit the WTC Istanbul where we'll be having an information seminar for potential EB-5 investors.

WTCs in India, the Middle East, Africa, South America and Eastern Europe are of greatest interest to partner with WTC San Francisco on this program. While we have many more WTCs we haven't yet had the time to engage with, almost all of the WTCs we've approached so far are interested in partnering on this program.

How do you intend to attract investments to San Francisco through your Center?

Under the EB-5 program investors can live anywhere in the USA that they choose, they don't have to live in the area where their EB-5 investments are being made. Many of the EB-5 investments that we are working with are for infrastructure bonds around the USA – usually large bridge or airport construction or repair projects. We expect that many of those making EB-5 investments will choose to live on the West Coast generally and the San Francisco area specifically. It is already a very culturally diverse area and has one of the most dynamic economies in the world.

As these investors move to the San Francisco area, (or their families, as sometimes the investors themselves stay in their home countries to run their original businesses and then visit their families who moved to the US for education and other opportunities) they will maintain their strong business ties to their country of birth. This will almost certainly result in greater trade/investment back and forth between the San Francisco area and areas where EB-5 investors are coming from and it should be a net positive for both economies.

Does World Trade Center San Francisco network with other World Trade Centers? How do you propose to partner with them in promoting local/regional businesses?

In the USA WTCs tend to be much smaller local organizations than they are in many other countries. Small WTCs have challenges achieving economies of scale in trade services. We will seek to work with other WTCs on the US West Coast to share services whenever possible, initially working very closely with the WTC where I was formerly the President/CEO – WTC Tacoma (the only trade services WTC in USA's Pacific Northwest region) and the other close WTC to San Francisco – WTC Sacramento – to share as many projects as possible between the three WTCs. By close cooperation between these three WTCs we hope to become an even stronger regional partner for WTCs in India and elsewhere.

We're in discussions with the boards of those other two WTCs right now and hope to have more formal announcements on this in the near future. Between the WTCs in the Pacific Northwest and Northern California we would represent a "super region" that is one of the most international parts of the USA and has two of the largest

centers of the India-US immigration/investment/trade via Silicon Valley and the Seattle area.

It makes sense for a relationship with Indian WTCs to be among the most important strategic relationships for WTC San Francisco given the deep ties between San Francisco and India that already exist – and the potential to expand those ties even more in the future.

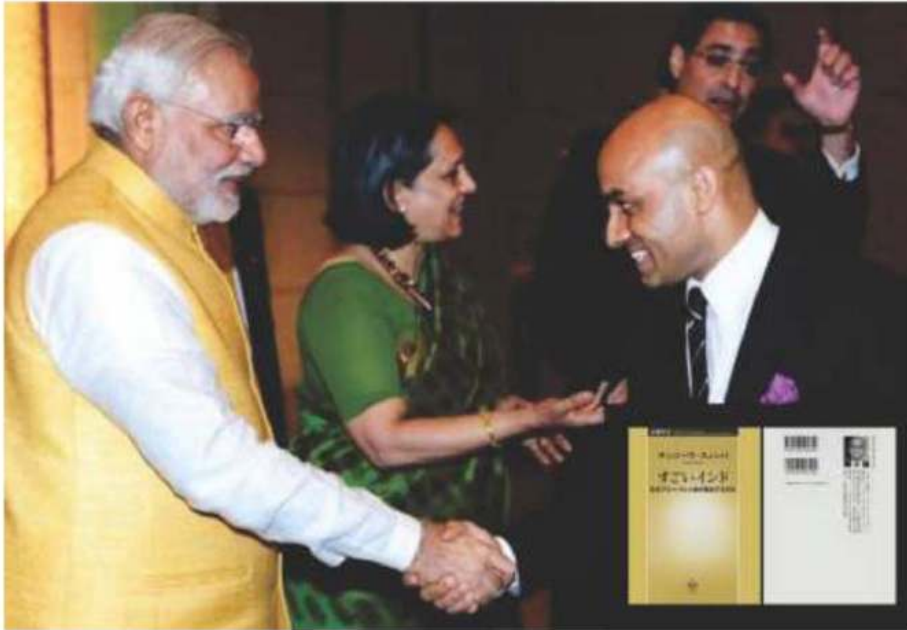
What would you like to share with a potential Indian investor to the US?

The USA continues to attract large FDI flows – as the country with the largest GDP in the world it offers immense opportunities for many different products/services. It has strong intellectual property rights protections which could be of prime importance to the many innovative Indian entrepreneurs who are already a major presence at high-tech startups in the USA generally and the San Francisco area specifically.

Even with the largest GDP more wealth is being created. The latest growth figures for the last quarter are for an economy growing 4.6%, which is extremely high by developed economy standards.

For those who want to take part in the economy directly by potentially immigrating, the EB-5 program really is a great opportunity for those HNWI who do want a Green Card for their family members. It can open up many educational and business opportunities in the largest market in the world. For those wanting greater details about EB-5 offers through WTC San Francisco please feel free to contact me directly at anthony@wtc-sf.com. I also hope to be back in India in the months to come for programs about EB-5 and I'd welcome the opportunity to talk in person with interested individuals at that time.

Amazing India - Japanese title 'Sugoi Indo'



October 2, 2014, Ambassador of India to Japan, Ms. Deepa Gopalan Wadhwa launched a book by Mr. Sanjeev Sinha in Tokyo. Born and brought up by a primary school teacher, mother in the desert town of Barmer, Rajasthan, Mr. Sinha's journey to creating the India Economic Zone in the most prestigious office address in Japan. It has been a natural background of the Amazon - 5 starred, best seller, auto biographic book explaining very naturally and convincingly how Indian human resource has become global leaders.

Over the 200 pages of first of its kind, "Amazing India" (Sugoi Indo in Japanese) published by prestigious publishers Shincho Sha of Japan, the book explains about India from a unique Japanese perspective that only an Indian with long years of a very active multidimensional life in Japan could present.

The book describes the power of Indian education system with personal experiences of Mr. Sinha being the first boy from Barmer's only high school going to IIT

and goes on to explain how India produces global executives of the likes of a CEO of Microsoft and Dean of Harvard Business School, with first hand narration of Mr. Sinha's life story through Goldman Sachs and Mizuho Securities to creating the leading and pioneering group connecting India and Japan.

To the ears of very homogenous Japanese audience, the book explains the diversity and open-ended philosophy of India as a key strength behind the global success of its human recourse, and where Japan lacks. The book also smoothly explains the relevance of caste system, English language and income disparity in a dichotomy of an "Old India" of agriculture

and small and micro industries and the "New India" of IT and large corporates. The book explains the new democratic movement of India through the example of the online democratic petition drawing 50,000 signatures from 100 countries started by the author himself in 2003 to demand an inquiry for his IIT classmate's murder by mafia for whistle blowing. The book explains how such participation of the new educated middle class empowered by information and media led to the election of Prime Minister Modi to power based on new global and economic aspirations rather than caste and religion.

With deep comparative insights about India and Japan based on author's 18 years of active work connecting India and Japan across the domains of business, academics, media and politics, the book highlights the untapped opportunities and challenges between India and Japan and concludes with a proposal on combining the perfect complementarities between India's growth potential and global human resource with Japan's technology and capital.

Rwanda - An Upcoming Investment Destination of Africa



The sovereign state of Rwanda in central and east Africa is one of the promising markets in the continent. It has achieved considerable progress in recent years and is now well positioned to move further. Rwanda Development Board (RDB) is one of the agencies that has been going all out to woo foreign direct investments into the country through its networks across the world.

Mr. Clarence Fernandes, the Representative in Mumbai is on an important task to do just that. In an exclusive interview with the World Trade Centre Mumbai, he shares his perspective on various issues on how RDB is going about its business.

What is your agenda for promoting Indian SMEs in Rwanda and vice versa?

Small and Medium Enterprises play a crucial role in the socio-economic development of most countries. Rwanda and India both have vibrant SMEs and can, therefore, effectively draw on each other's strengths.

The Rwanda Development Board participated at the forthcoming Global SME Business Summit 2014, which took place at the India Habitat Centre, New Delhi. This event is being organized by the Confederation of Indian Industry (CII) in collaboration with the Ministry of Micro,

Small and Medium Enterprises, Government of India.

It will provide us with an ideal platform to showcase what opportunities Rwanda can offer Indian SMEs and vice versa. In the past, too, we have participated at such summits which focus strongly on the SME sector.

How is Rwanda Development Board instrumental in transforming Rwanda into a business, investment and innovation hub globally? How do you see India making the difference?

The Rwanda Development Board is the apex agency of the Government of Rwanda established with a vision to transform Rwanda into a dynamic global hub for business, investment and innovation.

This Government Agency reports directly to the Office of the President and as such, responses and decisions are very prompt. In short, it operates with a private sector mind set and offers a variety of world-class services.

RDB fast tracks economic development in the country by facilitating private sector growth. It is noteworthy that RDB completes the entire company registration process in a matter of just six hours.

Furthermore, RDB supports investors with all their post registration formalities like securing land, permits, visas, licences etc. All these factors contribute towards making the country a preferred investment destination in the global scenario.

India's interests in Rwanda are definitely on the rise. Trade and investments are showing a marked increase thereby contributing to the growth and development of the country.

How is Rwanda planning to use south to south cooperation to its benefit?

Today, south – south cooperation is the buzz word. The Governments of both countries are committed to enhancing this cooperation.

Only last year, the Export – Import Bank of India extended to Rwanda an additional line of credit of USD 120 million exclusively for development in the field of agriculture. With such initiatives, Rwanda will derive maximum benefit from south to south cooperation.

RDB is built on global expertise. Could you share your thoughts on this?

RDB was formed with the help and support of eminent personalities associated with leading global organizations. These advisors not only helped in reconstituting the Board from the former Rwanda Investment and Export Promotion Agency (RIEPA), but advise the top management regularly, enabling them to adopt best practices from across the globe.

Which are the major sectors that RDB is looking to bring about fruitful collaborations especially with India? How does it propose to do so?

Most sectors of the Rwandan economy are open for investments.

Agriculture, Healthcare, Infrastructure, Education, Energy, Information and Communications Technology, Tourism, Financial Services and Mining are the major sectors open for collaborations and investments.

We participated at the World Tea and Coffee Expo 2014, held recently at the Mumbai Exhibition Centre. Earlier this year, we were present at the CII – Africa Conclave held in New Delhi. Next month, we shall be participating at the 'I' for Africa Conference and Expo as well as CII's Global SME Business Summit.

Automation 2014, the forthcoming mega Expo with over 500 companies, both national and international participating, will see Rwanda take pride of place as 'Country Partner'. Early next year, we shall make our presence felt at the largest travel expo held in this city.

Through participation at such international expos, we plan to target possible collaborations and shall strive to convert expressions of interest into fruitful investments.

Yet another positive step is our 'Rwanda Calling' initiative, where in we take business delegations to Rwanda thus enabling interested businessmen and investors to visit the country and interact with both government officials and the private sector. This initiative has yielded great results.

What is your message to potential Indian businessmen to invest in Rwanda?



This question reminds me of the famous saying of Julius Caesar, when he said: "I came, I saw, I conquered ". We would like to extend a warm welcome to potential Indian businessmen to come to Rwanda and to see for themselves what this beautiful country has to offer. Once they do this, it is my firm belief that the warmth and hospitality of the people of Rwanda, coupled with the country's good governance and zero tolerance to corruption will enable them to 'conquer' a slice of the cake and develop viable

businesses leading to a win – win situation. A former senior Indian Government official once remarked to me "Rwanda completed bowled me over". Yes, this great country, located in the heart of the African continent will bowl over many an Indian businessman once they venture out and visit the country.

Since its inception in India, what have been some of the achievements?

The Rwanda Development Board opened a Representative Office here in Mumbai in

January, 2012. This office works in very close collaboration with the Rwanda High Commission in New Delhi, the Directorate General of Immigration and Emigration, with all other government agencies in Kigali and even with the Rwanda Private Sector Federation.

Through all our combined efforts and team work, there has been a marked increase in trade, tourism and investments into the country.

Bharti Airtel, Punj Lloyd, Jain Irrigation Systems, Angelique International, Kalpataru Power, Mahatma Gandhi International University and Tech Mahindra are some of the major Indian companies that have established their presence in Rwanda in recent years. There are, of course, also many SMEs who also enter, find their niche and establish themselves in Rwanda, popularly known as the land of a thousand hills and a million smiles.

Clarence Fernandes, Representative, Rwanda Development Board

Q How do you see the World Trade Centre, Mumbai helping you reach out to your target audience to promote Rwanda?

“ We sincerely appreciate the tremendous support received from the World Trade Centre, Mumbai on an ongoing basis. Only last year, Rwanda was invited to be 'Country Partner' at WTC's signature event, the Global Economic Summit. That gave our country immense publicity and mileage. This year, too, we were present along with His Excellency, the High Commissioner of Rwanda at the Global Economic Summit 2014. Important meetings and fruitful networking evenings were held with key international delegates from various potential markets. We do believe that all this will translate not only into an enhanced image for the country, but more importantly will result in a marked increase of trade and investments.”



Why Rwanda

Ease of Access



Flights to Kigali International Airport:
RwandAir, KLM, SN Brussels, Kenya Airways, Qatar Airways, Turkish Airlines, Ethiopian Airlines, AirUganda

Capability



Kigali Convention Center:
Seating capacity up to 2,600
ICT:
High speed 4GLTE Wireless Broadband

Hotel Infrastructure



4-5 Star Accomodation:
10 mins from the Convention Center

Transport



Charters, Buses and Taxis

Dine Around



Fabulous cuisine to suit every taste

Culture and Craft



Cultural events
Arts and Crafts

Attractions



Pre and Post Tours within easy access of Kigali hub

Meet in Remarkable Rwanda

rwandacalling@gmail.com | www.rdb.rw



Meet the Members

Organization: LNB ODIEX

Contact Person: Mr. Laxmidhar Narasingh Bhola
Designation: Chief Executive

LNB ODIEX is a sole proprietorship business which exports agricultural, chemical products and metals. The business focus is on food processing industry.

Organization: Maruti Estate (India) Pvt Ltd.

Contact Person: Mr. Jitendra Prasad Singh
Designation: Managing Director

Maruti Estate (India) Pvt Ltd. is a real estate and infrastructure firm. The key interest of Maruti Estate (India) Pvt Ltd. is in the construction business.

Organization: Leelabati Institute of Foreign Trade

Contact Person: Mr. Hari Charan Sahoo
Designation: Director

Leelabati Institute of Foreign Trade is an institute of foreign trade which provides diploma & certificate programs on logistics supply chain management, materials management, ports and shipping management and import export management.

Organization: Preamsai Exports (India) Private Limited

Contact Person: Mr. P. Tarini Patra
Designation: Managing Director

Preamsai Exports (India) Private Limited is an exporter of gems and jewellery and gold plated ornaments. Their key interest is on gems, jewellery and handicraft items.

Organization: T R Infrastructure & Developers Pvt Ltd

Contact Person: Mr. Tushar Ranjan Nanda
Designation: Managing Director

T R Infrastructure is a real estate and infrastructure firm. They are into construction business and import household goods and sanitary fittings.

Organization: Bhubaneswar Minerals Pvt. Ltd

Contact Person: Mr. Rajendra Narayan Das
Designation: Managing Director

Bhubaneswar Minerals Pvt Ltd imports and exports iron ore and minerals.

Organization: Little Steps

Contact Person: Mr. Devasis Sarangi
Designation: Co-Founder

Little Steps is a pre-elementary education school

Organization: The Crown

Contact Person: Mr. Debasish Patanaik
Designation: Director

The Crown is a hotel property in Bhubaneswar. Their interest is in tourism and hospitality sector.

Organization: Rajendra Nath Padhi

Contact Person: Rajendra Nath Padhi
Designation: Professional

Mr. Padhi provides export marketing consultancy in international trade and business exclusively in sea food industry.

Organization: Swosti Group

Contact Person: Mr. Jitendra K Mohanty
Designation: Managing Director

Swosti Group is into hotel and travel business and has a chain of hotels, resorts and tour operations across Odisha.

Organization: Byomjit Mishra

Contact Person: Byomjit Mishra
Designation: Professional

Mr. Byomjit Mishra provides corporate consultancy.

12. Organization: M/s Swatika Apparel Private Limited

Contact Person: Ms. Swagatika Rout
Designation: Managing Director

M/s Swatika Apparel is into exports of ladies and gents innerwear.

Organization: Templecity Developers Pvt. Ltd

Contact Person: Mr. Pradeep Kumar Mangaraja
Designation: Managing Director

Templecity Developers is a real estate and infrastructure firm and are also into export of minerals.

Organization: Om Oil & Flour Mills Ltd.

Contact Person: Mr. Sarat Kumar Sahoo
Designation: Managing Director

Om Oil & Flour Mills Ltd. is a manufacturer & exporter of spices vermicelli, pasta, noodles and frozen foods.

Organization: IT Association of Odisha

Contact Person: Mr. Arun Kumar Dey
Designation: President

IT Association of Orissa (ITAO) - is a non-profitable and a registered organization. The cardinal objective is to provide a common platform for mobilizing IT resources of the State and utilize the same for generating awareness and employment in the State.

Organization: Crafts India Pvt Ltd

Contact Person: Mr. Ashok Kumar Jena
Designation: Director

Crafts India Pvt Ltd. deals with on exports of handicrafts and handloom products.

Organization: Institute of Quality & Environment Management Services Private Limited

Contact Person: Mr. Subrata Panigrahi
Designation: Director

Provides training consultancy and conducts inspection PAN India.

Organization: DIFFION Consulting LLP

Contact Person: Mr. Nrupal Kumar Das
Designation: Founder

Diffion (www.diffion.com) is one of the fastest growing start-ups of Eastern India. We are a team of Technocrats based out of Bhubaneswar working on state of the art software technologies, web based platforms and mobile applications. We own and operate a bouquet of websites as well one of the most popular coupon distribution website of India – www.27coupons.com.

Organization: CRC Logistics

Contact Person: Mr. Manoj Sharma
Designation: Proprietor

CRC Logistics is a logistics company catering to steel makers in Odisha like Bhushan Steel, Aarti Steels etc. CRC logistics are CIF agents for all Odisha of Eicher Motors and Royal Enfield range of motorcycles.

Organization: Year Round Holidays

Contact Person: Mr. Rashmi Ranjan Muduly
Designation: Managing Partner

Year Round Holidays deals in package tours, tailor made tours, all kind of transports on hire, hotel bookings, Conference, guide/escort/tour leader service, air & train ticket bookings etc. in eastern India.

Organization: SGBL India Ltd.

Contact Person: Mr. Shankar Gupta
Designation: Managing Director

SGBL India Ltd. are into multiple industries including real estate builders, retail chain, automobile, telecom and C&F.

Organization: Ram's Assorted Cold Storage Ltd.

Contact Person: Mr. Aditya Dash
Designation: Managing Director

Ram's Assorted Cold Storage Ltd is a sea food processing and exporting firm.

Organization: Grambhumi Vikash Parishad

Contact Person: Mr. Sukumar Dash
Designation: Secretary

Grambhumi Vikash Parishad is into agricultural business and conducts contract farming.

Organization: CRUX Power

Contact Person: Mr. Chandrashekhar Mishra
Designation: Managing Partner

CRUX Power offers a portfolio of various products and services, ranging from Solar Power Plants (kWp and MWp), Solar Lighting & Appliances, Modular Biogas Plant, Solar-Wind Hybrid Solutions and Energy Efficient LED Lighting etc.

Organization: MICRO POINT

Contact Person: Mr. Sudershan Goenka
Designation: Chief Executive Officer

Micropoint exports solar products and art and crafts. They provide architectural services also. The firm imports solar products, interior products, lights and computers.

Organization: SNM Group Of Company

Contact Person: Mr. Pradipta Mohanty
Designation: Chairman

SNM Group has four entities under its umbrella. M/s S N Mohanty is a mining house mainly engaged in extraction and sale of iron ore manganese ore and bauxite. Surendra Mining Industries Pvt Ltd is a steel manufacturing company having its captive power plant. Vishal metallic Pvt Ltd 200 TPD is a sponge iron producing unit and Surendra Agritech (P) Ltd has been promoting "Udyan Fresh" fruits & vegetable outlets in State of Odisha.

Organization: RAJ & Co

Contact Person: Mr. Katokota Sairaj
Designation: Proprietor

Exporters of Black pepper, almond, spices etc.

Organization: Travellink Private Ltd

Contact Person: Mr. Benjamine Simon
Designation: Managing Director

Travellink Pvt Ltd is one of the leading inbound and outbound tour operators of Odisha.

Organization: Cold Chain Solution

Contact Person: Mr. T. Dev Kumar Patra
Designation: Partner

Cold chain solution provides cold storage solution and facility for various products across sectors as per the requirement of the clients.

Organization: Salubrity & Pabulum Healthcare

Contact Person: Mr. Piyush Agarwal
Designation: Director

Salubrity & Pabulum Healthcare is a healthcare service which exports glucose, protein powders, ORS/ Electrolytes and imports glycerine.

Organization: M/s Hari Udyog Pvt. Ltd

Contact Person: Mr. Sangram Kumar Das
Designation: Director

Hari Udyog Pvt Ltd produces PVC, CPVC, HDPE & MDPE pipes & fittings.

Trisha exports

Mr. Susanta Kumar Mohapatra
Designation: Proprietor

Trisha exports is into Agricultural Goods and Minerals.

Odisha : The Land of Opportunity



The State of Odisha (earlier called Orissa) is the ninth largest state in the Republic of India. Its capital is Bhubaneswar, which is known as the Temple City. The State of Odisha was established in the year 1936. There were 13 districts which were increased to 30 in the year 1992. It is the ninth largest and eleventh most populated state of the country with a population of three crores of which more than 22 percent are tribal's. The state has over 51000 villages. Its official language is Odia but there are several dialects. The state shares boundaries with Jharkhand in the north, West Bengal in the north-east, Chattisgarh in the west and Andhra Pradesh in the south.

The climate of the state is hot and moist. The state has ample natural resources. The landscape has forests, lakes, rivers and rich flora and fauna. The landmass is 1, 55,707 sq km. It has an uninterrupted coastline of about 480 km and a

mountainous area in many districts. Almost one third of its land is covered with forests. Odisha is known for its rich culture, art and craft. The Jagannath temple, Konark and Simlipal wild life sanctuary are some important and well known tourist destinations. Odisha is well connected by all modern means of transport surface, air and water. The State has rail and road network providing linkage to the various strategic points with more than 22364 kms of rail route and 55000 kms of roadways. Odisha has three ports of which two are well developed all weather ports one at Paradeep and one at Dhamra and one fair weather port at Gopalpur which is under development. Dhamra port is developed with a cargo handling capacity of 80 million tons per annum (mtpa) with an investment outlay of about Rs. 5,000 crores. Similarly, Gopalpur port is being developed in Southern Odisha, which is expected to have a cargo handling capacity of over 40 mtpa in the long run. Gopalpur could serve

as the industrial corridor of Southern Odisha, especially for the mining and mineral processing zones covering Kalahandi, Rayagada and Koraput Districts, and the proposed Special Economic Zone (SEZ) planned at Gopalpur itself. There is also abundance of skilled and semi-skilled manpower at competitive rates in an environment of peaceful industrial relation and positive work culture offer favorable opportunities for industrial development.

a) Socio-Economic Profile

Odisha has taken strides to improve its social indicators. There has been a marked improvement in the literacy levels in the State. The literacy levels have increased from 63.08 percent (2001) to 73.45 percent with a male literacy of 82.40 percent and female literacy of 64.36 percent (2011).

The human development index of Odisha has increased from 0.404 in FY01 to 0.537 in

FY06. The poverty rate has decreased from 47.2 percent in FY2000 to 28.2 percent in the year FY2008. The literacy rate has increased in excess of 15 percent in the last decade. The improved performance on the social development indicators may be attributed to increased Government spending on various social sector schemes.

Over the last few decades, Odisha has witnessed rapid changes in its population. The growth rates in rural areas have shown a decline. There is rapid growth of cities and migration to urban areas in search of better livelihood.

b) Economic Profile

The State of Odisha, in the last couple of decades has witnessed a considerable upswing in terms of the growth trajectory. From being one of the poorest states in 1990's it has witnessed significant Gross Domestic Product (GDP) growth in the past decade. In the last quinquennium the state GDP has grown annually (Annual Average growth rate) at 9.4 percent. This growth in the state GDP is congruent with the social sector spending and development. The growth in the state GDP is particularly due to growth in the secondary (industry) and the tertiary sector (services). The service sector constitutes around 54 percent of the state GDP (in FY2010), followed by industry sector at 28 percent and agriculture sector constitutes the remaining 18 percent. In the last six years, contribution from industry and service sector has increased by 4 percent and 2 percent respectively, indicating a higher growth in these sectors.

The annual growth rate in the 10th five year plan was 9.51 while in the first three years of the 11th Plan the state economy has grown at an annual rate of 9.57 percent (at 2004-5 prices). The real per capita income in the state, although still behind the national average has shown an upward trend. There are variations in the annual growth rates across districts.

Resources

The State of Odisha is rich in natural resources - minerals, marine, forest and agricultural land.

Endowed with vast mineral deposits, Odisha occupies prominent place in the minerals map of the country both in terms of deposits and production. Abundant reserves of high grade iron ore, coal, bauxite, chromite, along with other minerals such as limestone, dolomite, tin, nickel, granite, gemstone, graphite and others are also available in the State.

The forest cover in the State is rich in biodiversity and density. The forest cover in the State is 48,855 sq. kms of which 7,073 sq. kms is very dense forest. The moderately dense forest extends over 21,394 sq. kms while open forest is over 20,388 sq. kms. The forest cover in the State constitutes 31.38% of the geographical area. Besides this, there exists tree cover outside the forest over 2.85% of the geographical area of the State. Thus the forest and tree cover in the State is 34.23% of the geographical area.

Agriculture is the main stay of State's economy in providing livelihood support to a large section of population.

The state is endowed with an extensive network of rivers and streams. The State has 11 river basins. The annual overall availability of surface water in Odisha is about 85.59 billion m³. The State has 11% of the water resources of the country. The per-capita availability of water in 2001 was 3359 m³. By 2051, it is likely to reduce to 2218 m³. Considering the topography and geological limitations, 75% of the average annual flow can be utilized. A storage capacity of 17.00 BCM has so far been developed through completed major, medium and minor (flow) projects. Besides, the projects under construction will contribute to an additional 1.77 BCM. The State Water Policy of Odisha, 2007 takes into account all these emerging factors and aims at laying down principles for wise and judicious use of water.

The Government of Odisha has initiated the concept of electrification of remote villages by setting up Distributed Generation Projects and demonstrating a sustainable business model leading to integrated growth of villages for achieving the goal of "Electricity for all".

The State has total installed capacity of 3079.25MW of which 2199.25 are from Hydro projects and 880MW are from Thermal projects. The state shares 445.49MW from the Captive power plants supply of 6053.60MW. Keeping pace with growth in almost all sectors, the demand for power is also increasing over the years. The estimated average demand for power in the State is 2398MW.

Institutional & Regulatory Framework

The first major policy document for industrial growth in Odisha was developed in 1996 which outlined its intent to develop industries by attracting investments, developing infrastructure and harnessing the advantages of its vast natural resources. At the same time there was considerable emphasis on advancing agro

based industries, strengthening rural economy. The policy gave special focus on skill development and strengthening entrepreneurship. A snapshot of the prevailing regulatory framework pertaining to investment promotion is presented below:

Industry Facilitation Act 2006

The Odisha Industries (Facilitation) Act 2004 lays the foundation not only for industry facilitation through its Single Window Mechanism at District and State Levels but also for Industrial Promotion through its Nodal Agencies at State and District Level. Where the Single Window Mechanism aims at providing speedy clearance to the investment proposals of the entrepreneurs proposing to establish industries in the State; the Nodal Agencies do the required handholding to the entrepreneurs.

The Nodal Agencies also act as the key players in attracting investments to the State through promotional activities at the State, National and International Level.

Industrial Promotion Resolution (IPR) 2007

In 2001 the state government announced policy resolution with the aim to transform Odisha into a vibrant industrial state. It resolved to create an enabling environment to attract private players to invest in the state.

A few priority sectors were identified where it would give greater focus – electronics, telecommunication, IT enabled services, agro and marine based industries, craft, tourism, mineral based industries including gem cutting and polishing and fly ash based industries.

Subsequently in 2007 the Industry Policy Resolution (IPR) has been formulated after going through an elaborate iterative process wherein all stakeholders, including Industry Associations, Sector Specific Associations, Chambers of Commerce and Industry, Experts and Departments concerned have been consulted and their suggestions have been duly considered.

Where in the Industrial Policy Resolution (IPR) of Odisha 2001 had put in place a robust policy framework for industrial promotion and investment facilitation in the State, including creation of an enabling environment.

The Industrial Policy Resolution 2007 aimed at reinforcing and further expanding

this process. While accelerating the ongoing efforts, the IPR 2007 provides a new direction to the industrialization process by encouraging further value addition specially focusing on sectors such as engineering, textiles and apparel, agro processing, IT / ITES and tourism, etc., which together are expected to provide maximum benefit to the State in terms of growth of employment and revenue. The policy emphasizes on the Cluster approach to promote handicrafts, handlooms, Khadi & Village industries, coir industries and salt sector.

3. Export Policy 2009

This policy is in its first stage and aims to create a strong networking with Export Promotion Councils, FIEO, and Product Sectoral Associations to give impetus to Public-Private partnership, provide E-Governance support to exporters in Odisha, establish a B2B exchange, which would facilitate even the small and tiny unit in the State to take up online trading activity, create a strong analytical database on exports and exporters in Odisha, promote Public-Private initiative in developing competitive export infrastructure, setup an institutional mechanism in the State for promoting exports like State Level Export Promotion Council, State Level Export Promotion Committee and

District level Export Promotion Committee, strengthen and restructure Directorate of Export Promotion & Marketing as the Export Promotion Board of Odisha, which shall be the Nodal Agency to plan and execute strategies to sustain Odisha as a major hub for international trade.

4. MSME Policy 2009

The Odisha MSME Development Policy, 2009 aims at broad basing the growth of MSMEs of the State in all potential sectors of economy thereby widening opportunities for employment generation, revenue augmentation, exports and realizing the full potential of Micro, Small & Medium Enterprise Sector of the State.

This policy in conjunction with IPR, 2007, emphasizes the development of infrastructure to meet the basic requirements, facilitation of flow of credit, sourcing of raw material in efficient and cost effective manner, support measures for marketing, concerted effort for promotion of exports, assisting and, incentivizing technology up-gradation, rehabilitation and revival of viable sick units with enabling institutional arrangements for providing hand-holding support.

Achievements so far

In response to the strategic initiative taken by the State to leverage its abundant mineral and other natural resources to promote maximum value addition within the State, a large number of investment proposals have been received for setting up of mineral based industries such as steel, power, alumina and aluminum.

During this period, the State Government have executed Memoranda of Understanding (MoU) with several leading private investors, including foreign companies for setting up of steel (49), alumina / aluminum (3), power (27), cement (3) and other projects.

SWOT Analysis of Odisha

The SWOT analysis of Odisha based on the discussions in the earlier paragraphs is presented below:

Strengths

- Strategic location in close proximity to the industrial belt of Bihar, Chattisgarh and Jharkhand
- Large tracts of vacant land available at relatively cheaper rates than other developed states
- Availability of primary raw materials due to abundant mineral resources
- Multiple government and private educational institutions ensuring steady supply of technical manpower and skilled workers
- Availability of adequate and cheap power resources
- Strong connectivity to other parts of the country thorough well-developed road and rail network
- Access to well-developed port facilities at Paradeep and Dhamra (existing) and Goplapur (upcoming)

Weakness

- Lack of strong support industry base
- Underdeveloped air linkages with other parts of the country
- Lack of strong ancillary development initiatives by the Government
- Inadequate fiscal and non-fiscal incentives/ support from the government to industrial entrepreneurs.

Opportunity

- Vast pool of natural resources like bauxite, iron ore, etc. attracting several

prominent domestic and international investors in sectors like alumina, steel etc.

- Opportunity to cater to the large demand of the entire Eastern region presently being met by supplies from other states.
- Potential to tap the lucrative export market aided by access to strong port facilities.

Threats

- Pro-active attitude from the governments of neighboring states like West Bengal, Chattisgarh etc. attracting high-value investments.
- Industrial parks/SEZs developed in different parts of the country with tax-holiday benefits attracting large number of investors.
- Competition from other regions (for Eg. Uttaranchal & Gujarat) being close to key end user markets like Northern and Western India.

Policy Developments in Odisha

Information and Communication Technology Policy-2014

Odisha government unveiled Information and Communication Technology Policy-2014 in January 2014 seeking to achieve gross ICT turnover including exports of software and IT services of Rs.24,000 crore by 2020.

The ICT policy released by Chief Minister Naveen Patnaik at e-Odisha, an IT convention, says during the next six years efforts will be made to create direct employment opportunities for 60,000 professionals in 800 IT and Electronic System Design and Manufacturing units.

Moreover, the State would create a built-up space of 60 lakh square feet and a developed land bank of 2,000 acres for the sector.

The policy talks about incentives for IT industry, labour law relaxations for the sector, creation of both human and physical infrastructure for development of the sector.

As per the policy, an apex committee chaired by the Chief Secretary will be formed to monitor the policy implementation and approval of incentives.

This committee would meet every quarter to take stock of implementation of the policy. The Odisha Computer Application Centre will be the nodal centre for policy implementations.

The State government is committed for creating an open environment to attract investment from IT/ESDM industries and foreign investors. In order to promote such investments, IT special Economic Zones (SEZ) has been established at Infocity and the second one is being established at Infovalley in Bhubaneswar.

The IT sector is today at the top of my government's agenda and Odisha has been in forefront in the IT revolution in our country in the past 20 odd years. Four major IT players like Infosys, TCS, WIPRO and Mahindra Satyam have established their development centres at Bhubaneswar.

The IT exports from the State have been very encouraging with the State registering an export of more than Rs.1,900 crore during the year 2012-13. While national growth was stuck in 10 per cent, the sectoral development in Odisha, especially Bhubaneswar, touched 20 per cent growth rate. Bhubaneswar is now in

the same league as places like Chandigarh, Kerala and Coimbatore.

Export Policy- 2014

In a bid to boost export by providing support to entrepreneurs, the Odisha Cabinet approved in September 2014 a new export policy aiming at raising export turnover from Rs.12.24 crore to about Rs 39 crore in 10 years.

In order to provide various support to entrepreneurs to boost export, the state government has brought the Odisha State Export Policy 2014.

The policy envisages increasing export turnover from Rs12.246 crore during the 2012-13 to Rs38.714 crore in a span of ten years, in order to compete in the global market, export units need to improve quality, adopt new technology, and undertake skill up gradation and diversification.

Under the proposed policy, an Exporters' Card (green card) is envisaged for the exporters of Odisha having good track records for early passage of export consignment at check gates of the government on priority basis.

Odisha Small Industries Corporation (OSIC) Ltd has been authorised to supply raw material and fuel like coal to exporting units on priority basis and workshops are proposed at various levels to facilitate exports.

For participation in International Trade Fairs, travel expenses in respect of not more than two persons from a firm would be permitted subject to 50 per cent of the total travel expenses limited to Rs 50,000.

The state government would take necessary steps to create containerised facilities at the ports located within the state, so that the exporters get facility to export their goods through ports located in the state instead of exporting through ports outside, the chief secretary said.

Visit of foreign trade delegations would be organised frequently with state

government participation to take them to industries at various locations which would expose them to the products of the state and boost exports.

While state export award would be given to exporters annually to create a spirit of competitiveness, international buyers and sellers meet at Bhubaneswar would be organised annually to boost export from the state.

Setting up of Export Parks and Trade Centres in different centres of the state having export potentiality, showcasing of MSME product at important cities of India and establishment of WTO Cell to keep exporters updated on happenings across the globe are among the steps to be taken by the state government.

Some of the other infrastructural support to be provided include establishment of warehousing and container facilities and inland container depot at different locations of the state for cargo storage and customs clearance.

Draft Odisha Fisheries Policy 2014

The Odisha government has unveiled its draft fisheries policy, aimed at bridging the gap between the demand and supply of fish for domestic consumption, encouraging public private partnership (PPP) investment in fisheries sector and tapping the untapped potential of aquaculture to ensure food and nutritional security. Other objectives of the policy include up gradation of infrastructure facilities in the fisheries sector, up gradation of overall quality of fish, enhancing productivity and production of fish and expanding export markets for high value products.

Mining in Odisha

Minerals, like any other commodity, are of great economic significance and have occupied a distinctive place amongst all the economic resources.

Minerals are indispensable not only for the well-being of man, but also for his survival. Minerals and mineral industries have important macro links with the economy.

Mining activity generates employment opportunities; minerals contribute to world production and have sizable world trade. They are important sources of tax revenue and contribute to national income.

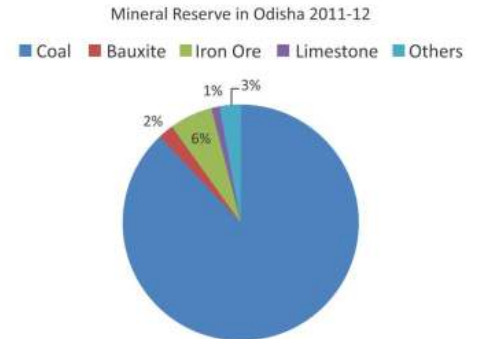
Odisha occupies a prominent place in the minerals map of India both in terms of deposits and productions. It is richly endowed with large varieties of minerals which include chromite, bauxite, graphite, iron ore, manganese ore, limestone, clay, quartz, and quartzite, nickel, copper, lead coal and many precious stones.

Within the state, coal constitutes the lion's share (88%) of all mineral deposits, followed by iron ore and bauxite.

Major Minerals	Total Reserve (2011-12) (in million tons)
Bauxite	1795.813
Coal	71447.41
Chromite	162.292
Iron Ore	4966.969

Source: Dept. of Steel & Mines, GoO

Odisha has produced 1852.20 lakh tons of minerals and ores in the year 2011-12 of value Rs.30,204.38 crores. In the recent years, mining and quarrying sub sectors has been contributing about 7.5 % towards Odisha's real GSDP at 2004-05 prices. Its contribution to the industry as a sector has been 25%. This sub sector has grown in real terms at 2004-05 prices, at an average annual rate of 4.86% except for the year 2012-13.



Total Number of Mines

Working	103
Temp. Working for Dispatch	6
Suspended	403
Lapse	10
Surrendered	0
Determined	41
RML Not Filled	38
Total No. of Mines	601

District wise break up of exploration and value of major minerals in Odisha during 2011-12

District	Chromite		Coal		Iron-Ore		Bauxite	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Angul			538.59	2832.98				
Dhenkanal	0.24	29.54						
Jajpur	36.18	4453.39			19.88	574.73		
Jharsaguda			366.59	1928.26				
Keonjhar	1.51	185.86			452.08	1369.63		
Koraput							50.03	194.84
Mayurbhanj					10.78	311.65		
Sundergarh			123.44	649.29	178.11	5149.16	0.43	1.67
Sambalpur			22.59	118.82				
Total	37.93	4668.79	1051.20	5529.35	660.85	7405.17	50.46	196.51

Source: Economic Survey of Odisha 2012-12, GoO



Major industries in Odisha at the moment include an integrated steel plants at Rourkela, Kalinga Nagar, Jharsuguda and Angul ; NALCO (National Aluminium Company Ltd.) with its Alumina Plant at Damanjodi & Aluminium smelting complex at Angul; Thermal power plants Talcher & Ib valley area etc. in addition to Fertilizer plants, Pulp and paper industries, Ferro alloys plants, cement plants etc. elsewhere in the state. There are two major coal bearing area in the state which are currently being exploited namely Talcher and the Ib valley.

Besides the reserves of major minerals like chromite, nickel, bauxite, iron-ore and coal; other minerals like china clay, fire clay, limestone, quartz, precious and semi-precious stones, copper, manganese, graphite, vanadium etc. are also available in the state.

Iron ore is abundantly available in the districts of Mayurbhanj, Sundargarh, Keonjhar and Jajpur. While chromite is confined to Jajpur, Dhenkanal and Keonjhar districts, manganese deposits are available in Sundargarh, Keonjhar, Rayagada and Balangir districts and Dolomite is available plentifully only in the district of Sundargarh. There are two major coal bearing area in the state which are currently being exploited namely Talcher and the Ib valley.

Export trends

Iron ore is the most important mineral in the export basket of all minerals. Its share in total exports of minerals stood at 96.2 percent in 2011-12 followed by other minerals. In the year 2011-12 mineral products namely Iron ore, chromite ore, concentrate ilmenite to the value of Rs. 9257.42 crores were exported to countries like China, Japan, Malaysia, Singapore, Spain, UAE, Australia etc.

As Odisha is a State rich in minerals like iron ore, coal, manganese, bauxite, graphite and limestone, these natural resources constitute important potential contributors to the State's economy, both directly through economically productive activities and indirectly through the contributions to the State's exchequer. Mining Royalty including surface rent, dead rent and various fees constitute one of the major sources of non tax revenue of the State Government.

Royalty on major minerals is at present imposed at rates decided by the Government of India through a Central Legislation i.e. Mines & Minerals (Regulation & Development) Act, 1957 (MMDR Act henceforth) and collected and appropriated by the State Government. In case of minor minerals, the State Government is empowered to levy royalty, dead rent and surface rent in terms of Orissa Minor Mineral Concession Rules deriving its authority from the MMDR Act.

Royalty on major minerals like bauxite, chromite, and iron ore are being levied on ad valorem basis while that of coal is being levied on the basis of a hybrid formula i.e. a fixed amount plus a percentage of the pit head price. The rates of royalty for coal and lignite were last revised w.e.f. 1st August, 2007 and another revision after three years has fallen due. The State Government has been demanding levy of royalty on coal and other major minerals on ad valorem basis. It is also in line with the spirit of the National Mineral Policy which inter alia states that - "Mineral prices should reflect their value and the royalty structures will be designed to ensure that the producer earns and the consumer pays the true value of the minerals produced and consumed".

Mining royalty is collected through the Directorate of Mines and its field formation i.e. mining circles. The State Government have also constituted a multi disciplinary task force to monitor the mining activities including illegal mining under the Chairmanship of Chief Secretary and a State Level Enforcement Squad comprising of Mining, Forest and Police Officials for prevention of illegal activities in mining, transportation, storage and this squad monitors mineral resources in mining areas.

Before the beginning of the decade 2000-2010, collection from mining royalty was 320.09 crore which constituted 44.67 percent of the State's non-tax revenue and 13.22 percent of the State's own revenue.

Owing to rapid industrialization in the mineral processing sector in the State and increasing national and global demand for minerals, there has been a sharp rise in volume of the minerals extracted/produced in the State, as a result of which the collection of mining royalty has surged to `2020.76 crore in 2009-10 showing more than six fold increase over a decade. In 2009-10, mining royalty constituted 63 percent of non-tax revenue and 16.58 percent of the State's own revenue. In the year 2010-11, there has been further rise in collection of mining royalty to `3327.07 crore which is primarily on account of switchover from the system of specific royalty on iron ores to levy of royalty @ 10 percent ad valorem. The collection of royalty on iron ore has overtaken the collection of royalty collected from coal.

In 2011-12 the collection from mining receipts increased by 20.16 per cent as compared to the Budget Estimate and 37.32 per cent over the previous year which was attributed by the Department to the enhancement of the rate of royalty of iron ore, chromite etc. by the Indian Bureau of Mines (IBM). The receipts from mining have been steadily increasing over the years and accounted for a major source (70.95 per cent) of the total non-tax revenue of the State in 2011-12.

Agriculture in Odisha

Agriculture and related activities continue to be the mainstay of vast population of Odisha. According to recent state government estimates, about 60% of state's population derives their livelihoods from agriculture. But the share of contribution from this primary sector to the state domestic product remains at 17.59%, which is more or less similar to the contribution to the national GDP (Agriculture and the allied activities contribute 14.51% to the country's GDP).

Unlike other Indian states, modern technology has not invaded at the desired levels within the agricultural practices in Odisha. Farmers still practice outdated methods and the crops are predominantly rain fed, which is amply reflected in the low yield rates for majority of crops and cropping intensity well below national average.

Additionally, the output from this activity is highly skewed in favor of cereals. This dependence on a few crops is one of the prime reasons for keeping farm income levels at low levels. Low returns from agriculture affected investment into the sector.

However, the state is witnessing a gradual shift in the cropping pattern. While food grain production is following a secular but increasing trend, other crops such as pulses, oilseeds, fibers etc are slowly catching up. Vegetables, spices that have readymade market are being grown across the state. According to government estimates, the state is ranked fourth in our country in terms of production of vegetables.

While it is an imperative need to increase the cropping intensity and productivity to meet the twin objectives of registering an annual growth rate of 4% and ensuring food security to the vast population, it is also a reality that unless farm practices become remunerative leading to improved returns, no amount of effort can bring the desired

transformation. Agriculture currently is saddled with high fragmentation, low technology, poor post harvest management leading to wastages, lack of backward and forward linkages etc. So to usher in the changes within this oldest sector, rapid industrialization of this sector is the need of the hour.

Agri Industry in Odisha

When a reference to industrialization of agriculture is made, it signals to the sub-optimal measures adopted thus far in capturing the complete value the sector can offer.

Competitive pressures that drive other sectors/industries are rarely seen in agriculture sector. Perhaps the features of perfect competition within an environment of excess regulation acted as a deterrent to put in place a market structure that would have facilitated development of sector value chain. Agro Industrial base in Odisha is not very strong. While the number of large units is miniscule, there are a large number of cottage, tiny, small units exists that are engaged in very rudimentary activities. According to state government, their number currently stands at 23,600.

Rice milling, flour milling are the two leading categories of industries within the agro industrial sector in Odisha. Majority of them are stand alone units serving the needs of the state government's various food security measures aimed at weaker sections of the society. Others like sugar mills, textile mills, jute mills either are closed or operating at a low capacity. Organized collection, sorting, grading, scientific storing, waxing, processing (primary and secondary for enhanced value addition) which are some of the key aspects of a well functioning industry are completely absent in the state creating a wide gap between the producer (the farmer), the ultimate consumer and thereby affecting the welfare of both groups.

Odisha possess the wherewithal to transform the sector profile in such a manner that the fundamental interests of the two key actors (the farmer and the consumer) can be profitably protected.

The potential to develop a robust agro-industrial base can be judged primarily on the basis of availability of raw materials in sufficient quantities (agriculture produce) in a particular region.

Other ingredients such as technology, extension services, availability of infrastructure, the role of government, presence of intermediaries etc come second. So let us first look at the fundamental prerequisite for the industry.

Conducive agro-climatic conditions, favorable topography, fertile soil, ample precipitation, committed support from the government and generation of agriculturists makes Odisha the best place to grow different varieties of crops.

The agriculture sector has grown at an average rate of 4.87% per annum during the first four years of 11th Plan (according to State Economic Survey 2011-12). A glimpse of the sector is presented in the accompanied table. In order to further justify the proposition about the state's potential; let us compare how the state stacks up with some other states that have a well functioning agriculture as well as robust agro industrial base.

The position of Odisha against some important crops does not seem very disturbing from a industry establishment perspective.

Odisha has a host of academic institutions and research agencies to provide the required R&D support. These institutions have successfully rendered a range of services to the increase production of different crops. Odisha University of Agriculture and Technology, one of the oldest such institutions, is at the forefront of developing as well as improving agricultural practices in the state.



District Wise Agro Based Industrial Opportunities

District	Agro Based Industry Opportunities
Balasore and Bhadrak Districts :	Rice milling, Dal Milling, Edible Oil milling, Dehydration of Vegetable, Vegetable pickles, groundnut decorticating mushroom, cultivation, Spice grinding, Ginger Powder, feed, orange lime pine apple squash and mango soft drink etc.
Bolangir And Sonepur Districts:	Dal Milling, Maize Milling, Ragi Malt, Oil Mill, Mini Rice Milling, rice bran oil, pop corn, Cattle Poultry feed, Cotton Oil, Surgical, Cotton, Banana chips, Dried Mango, Mango Kernel powder.
Cutack, Jajpur, Jagatsinghpur And Kendrapara Districts:	Coconut oil confectionery, groundnut oil and kernel, coconut shell powder, banana processing, dehydration of fruits and vegetables, confectionery prawn shrimps firming, potato processing, dal milling, mini rice milling, baripada manufacturing, squashes, coil based industries, bee keeping for honey processing.
Dhenkanal And Angul District:	Dehydration of fruits and vegetables, mini rice milling potato processing, confectionery, Mango soft drink etc.
Dhenkanal And Angul District:	Dehydration of fruits and vegetables, mini rice milling potato processing, confectionery, Mango soft drink etc.
Ganjam & Gajapati District:	Salt, Spices, Dal milling Oil milling, Khadsari, Sugar, Fish based, cattle and poultry feeding, Mushroom, Cashew, Corn flakes.
Kalahandi & Nuapada District:	Mini Rice Mill, Rice bran oil Maize milling, cattle poultry feed, ragi melt, dal milling, oil milling surgical cotton, chilli powder, tamarind concentrate, starch/power, guava jelly, mango jelly pickles, tomato products, pectin, jackfruits processing, starch, cotton seed oil, caster oil.
Keonjhar District:	Mustard oiling, non-edible oil (Niger, Karanj) Tomato products, mango kernel and pickles, maize milling, guava processing.
Koraput, Nawarangpur, Malkangiri & Rayagada :	Maize product, ragi malt, oil milling, mini rice mill spices, grinding, tamarind concentrate/powder, table salt, cashew processing, starch from sweet potato, ginger/garlic concentrate etc.

The state government is very extensively involved in promotion of agriculture and allied activities. The various agencies involved in agriculture sector of the state are illustrated in the table below:

Type	Name of the Institution
Directorates	Agriculture and Food Production Horticulture Soil Conservation Watershed Mission
State owned Corporations	Odisha State Seeds Corporation Odisha Agro Industries Corporation Agriculture Promotion and Investment Corporation Institute on Management of Agriculture Extension Odisha State Seed and Organic Product Certification Agency Odisha Cashew Development Corporation
Research Institutions	Adaptive Research Stations
Central Research Institutions	Central Rice Research Institute Central Tuber Crop Research Institute Indian Institute of Horticulture Research National Research Centre for Women in Agriculture Regional Plant Resource Centre Regional Bio-Fertilizer Development Centre Central Integrated Pest Management Centre Central Institute of Save Grain Campaign Coconut Board Water and Land Development Institute

The size and mix of agricultural produce and the various stakeholders actively engaged to further boost the productivity in the sector does unambiguously indicate the immense potential for different kinds of industries based on agriculture produce to establish and grow profitably.

However, for the agro industries to establish and grow, improvements in following areas have to be made at least to the levels of what is available in other Indian states that have a fairly well developed agro industrial base.

a) Improved connectivity to the hinterland i.e. to interior villages

b) Shift from dependence on rains to irrigation services

c) Uninterrupted energy sources

d) Adoption of modern technology in pre and post harvest stage

e) Use of better quality inputs such as high yield seeds, fertilizers, pesticides etc

f) Promotion of producer bodies by bring together small and marginal farmers

g) Micro and macro level aggregators

h) Creation of warehousing infrastructure

i) Introduction of cold chains and refrigerated transportation system

j) Identification of commodity based agri clusters

k) Conceptualizing and implementing end-to-end integrated projects

l) Improving access to credit

m) Improving access to market information

n) Better convergence of various plans and programs aimed at promotion of agriculture

o) Extension of benefits available to other sector to agro industries

p) Entrepreneur development through incubation

q) Development of a strong skilled manpower

Market Outlook

The survival of any industry is dependent on the state of market. Market status becomes more crucial when there are attempts to develop and promote a new industry in any region. The market dynamics provide ample clues to gauge

the extent to which investments flowing into the agro industry sector yield attractive returns. While demand for agro products has remained stable and have shown signs of growth on a national level, yet the local demand for products from this industry will act as a stepping stone for agro-industry to establish.

Of the many indicators to assess the local market, the best indicator is the standard of living of the local population and its pattern and trend of its growth. The standard of living of a region can be gauged from income measures such as gross and net domestic products as well as from the levels and patterns of consumer expenditure. As households get richer, their expenditure increases and further more: a) the share of food expenditure in total expenditure declines and b) within the food category, the share of expenditure on raw cereals or staple foods like rice and wheat fall and that of processed foods, meat and other items increases. There are two concepts on the consumption expenditure side that are often used to shed light on the standard of living. The first concept is that of monthly per capita consumption expenditure (MPCE) and the second is called Engel's ratio.

According to the National Sample Survey, between 60th and 66th round, the rural MPCE in Odisha has grown 71% CAGR while the urban MPCE climbed to 68% CAGR while at the national level the growth rates observed for the two categories on CAGR basis stood at 69% and 75% respectively. In other words, it indicates that the standard of living in the state has definitely improved with more income to a vast majority of population. Engel's ratio, which measures the share food expenditure in total expenditure, has been continuously declining in the state implying thereby the improving living standards of the state population.

Another proxy to assess the market attractiveness could be the growth of urbanization. As the demand for agro industrial products emanates largely from urban population, its status does have a bearing for agro industries. In line with the national trend, the population of the state has grown at rate of 13.97% in the last decade. While the population growth has been secular, the noteworthy aspect of this increase is the unexpected growth of urban population at 26.80% in the same period.

A combination of factors has contributed to the present situation. Important among these are:

- a) preference to locate in urban places
- b) employment opportunities as economic activities are increasingly concentrated at urban agglomerations
- c) access to good social infrastructure services like health care, education etc
- d) nuclearisation of families
- e) risks of unavailability at preferred location in future
- f) ease of accessing finance
- g) the fiscal incentives to home buyers etc.

Other important measure of estimating the attractiveness of market is the manner in which people access information and they way it is interpreted. Convenience in households which are nuclear and where both partners are employed is a compelling reason to opt for processed food. Of late the ease of access to information (cable TVs, radios, internet, social networking site etc) has expanded the world view of a large section of population across all social strata that have significantly influenced the life styles. Convenience is no more restricted to urbanites; even the rural population is demanding similar comforts in their day to day lives with better, healthy and wholesome agro products at affordable costs, even though the recent food inflation has opened up the possibilities of fulfilling such latent demands.

So the big issue is where the agripreneurs who can take the risk and reap the benefits are:

Investment Climate

Investment climate in general is shaped by a combination of macroeconomic conditions, the institutions responsible to facilitate investments flows, the regulatory framework including broad fiscal policies, state of physical infrastructure. For a federal system like ours, the central government is largely responsible for creating the eco-system for various sectors to establish and grow. The role of state governments is very limited to aligning the state level fiscal policies in line with the central government proposals to achieve better congruity and coherence.

The Government of Odisha has been very active to promote agriculture in general and agro industries in particular. To raise the

farm income levels through remunerative pricing and to benefit the consumer, the state government has formulated a specific policy titled "New Agriculture Policy" as early as 2008. In this policy, the government besides extending all help and support to entrepreneurs keen to set up agro industries, the government will extend " Capital Investment Subsidy for setting up of agri-enterprises will be enhanced to 25% of the fixed capital cost (excluding the cost of the land) subject to the limit of Rs.25.00 lakh. Additional incentives will be given to SC/ST/Women agri-preneurs along with graduates of Agriculture & allied disciplines".

Setting up of agro-processing units in the producing areas to reduce wastage, especially of horticulture produce, increase value addition and creation of off-farm employment in rural areas will be encouraged. Collaboration between the producer co-operatives and the corporate sector will be encouraged to promote agro-processing industry.

The state government has also amended the OAPM Act and its rules in 2006 to allow contract farming and establishment of private markets in the state. The government will promote PPPs to create market infrastructure for agriculture produce with an aim to ensure remunerative price to farmers. Odisha is

the one of the few states in our country to accord 'industry' status to agriculture activities way back in 1996. And therefore the special support available for other sectors are also made available to this sector under the successive industrial policy resolutions. The highlights of the support measures extended by government are:

- Land at concessional rates;
- Graded exemption on payment of land premium;
- Exemption on payment of stamp duty;
- Exemption from payment of stamp duty on deeds entered;
- Exemption of entry tax with a outer limit;
- Concessional CST for some time;
- VAT reimbursement provisions;
- Extension of interest subsidy;
- Exemption from payment of Electricity duty for a pre-determined period;
- Financial assistance for patent registration, Quality certification and acquisition of technical knowhow (domestic as well as imported)

With growing population, the pressure on land based economic activities is mounting day by day. Fragmentation is further diminishing the returns from such activities leading to impoverishment of rural population. Therefore there is an urgent need to create off-farm employment opportunities in rural areas to provide gainful employment to growing population which can become possible unless agro industries are promoted, nurtured and expanded across the state.

Schemes & Programs

At the national level, Government of India has been implementing various programs and specific schemes to promote agriculture sector since long. While there has been a visible impact of these schemes on agriculture growth in the country leading to self sufficiency, it has been successively brought out that lack of support services is causing serious problems. Our country has the dubious distinction of colossal wastage of agriculture produce (including the horticulture produce) when large number of population is struggling to make both ends meet. Because of lack of support services, the producers (farmers) have been denied remunerative prices that are in line with the market for their products. Very often, producers are compelled to sell at throw away prices lest their produce

may get perished. Recent hike in food inflation that has been ascribed to the supply side constraints has once again proved our lopsided handling of the sector.

One way to address the twin issues of protecting producers as well as the consumer, Government of India established a new ministry named Ministry of Food Processing and Industry, whose primary responsibility is not only to develop value chains but also to strengthen it across all its elements so that benefits are indeed captured by stakeholders actually involved in the process. It also is charged with the task of creating a vibrant industry through promotion of entrepreneurship and make available right skills. In this pursuit, the ministry has taken up the following schemes wherein it extends financial and non-financial assistance to entrepreneurs to get involved in the industry

- Scheme for Establishment of Mega Food Parks
- Creation of Cold Chain, Value addition and Preservation Infrastructure
- Technology Up gradation, Establishment and Modernization of Food Processing Industry
- Scheme for Human Resource Development
- Creation of Infrastructure Facilities in Academic Institutions
- Entrepreneurship Development Programs
- Food Processing Training Centers
- Scheme for Setting up/Upgradation of Quality Control/Food Testing Laboratory/R&D and Promotional activities
- Strengthening of Institutions
- National Mission on Food Processing

Besides, other Ministries working for commerce and industry such as Ministry of Commerce and Industry, Ministry of MSME, Ministry of Rural Development, Ministry of Agriculture etc do have schemes aimed at encouraging rural agro based enterprises and working to achieve the same goals of enhancing the rural well being. As far as Odisha Government of concerned, it has promised as part of its Agriculture Policy 2008 certain enablers in the form of extending subsidy to identified rural agro based enterprises. The state government's package also extends support to creating the required infrastructure within which the agro industry can survive.

The highlights of state promised sops are:

- Pack house 25% in general area,33% in Hilly & tribal area
- Cold Storage units 40% of the fixed capital (excluding the cost of the land);
- C.A. Storage 25% in general area ,33% in Hilly & tribal area;
- Ref. vans / container 25% in general area, 33% in Hilly & tribal area
- Mobile processing units 25% in general area, 33% in Hilly & tribal area
- Establishment of marketing infrastructure for horticulture produce 25% in general area 33% in Hilly & tribal area
- Wholesale markets 25% in general area 33% in Hilly & tribal area
- Rural Markets / Apni Mandis / Director markets 25% in general area 33% in Hilly & tribal area
- Function Infrastructure for collection, grading etc. 25% in general area 33% in hilly & tribal area



Catch the future
with *Odisha*
...the land of abundance

PROJECTS UNDER IMPLEMENTATION BY IDCO

IT initiatives & special projects, Bhubaneswar

- IT/ITES SEZ of 665 Acres at Info Valley
- IT/ITES Park of 290 Acres at Infocity
- IT/ITES BPO Towers at Mancheswar
- IT/ITES Corporate Towers at Chandaka Industrial Area
- ESDM Park of 215 Acres at Info Valley
- Sea Food Park of 107 Acres at Deras near Bhubaneswar
- Convention Centre cum Trade Zone at Bhubaneswar
- World Trade Centre at Bhubaneswar

Ancillary / Downstream Parks

- Aluminium Park : A joint venture project between IDCO & NALCO at Angul : 454 Acres
- Auto Park : 700 Acres at Mania Choudwar
- Plastic Park at Paradeep : 120 Acres
- Plastic Polymer & Allied Cluster at Balasore : 680 Acres
- Mega Food Park at Rayagada
- Khurda Food Park at Khurda

Mega Industrial Investment Projects

- Petroleum Chemical and Petrochemical Investment Region (PCPIR) at Paradeep
- Special Investment Region at Dhamra
- Coal Corridor at Angul
- Choudwar-Rourkela Industrial Corridor (CRIC)
- NIMZ at Kalinga Nagar, Jajpur



www.idco.in



www.teamodisha.org

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World Trade Centre Bhubaneswar Activities

One-day Seminar on 'How to Start Export-Import Business'

WTC Bhubaneswar in association with KIIT-TBI and NI-MSME organized a one-day Seminar on 'How to Start Export-Import Business' on August 15, 2014 at the KIIT Convention Centre in Bhubaneswar, Odisha. The seminar was organized at a time when the Indian economy is showing great signs of revival and the country is gearing towards enhancing export and FDI to the region. The new Government has taken initiatives to increase export from the country. World Trade Centre Bhubaneswar's initiatives are attuned to these initiatives to provide a suitable platform for entrepreneurs to establish a global link for business. In this context, this first seminar organized by the WTC Bhubaneswar, attracted around 100 delegates from industry especially from SMEs.

Mr. S. R. Binju, Head - International Logistics, HEG limited and a faculty at WTC Mumbai is an expert on various topics in the arena of international business. In his presentation he provided an overview of the current scenario of global business and the total volume of international trade.

He stressed on the need to study the target audience before foraying into markets. He described the role played by a World Trade Centre (WTC) and its global network. He elucidated on how a WTC could provide market statistics and relevant data, and provide the connectivity to the buyers and sellers in their respective countries. Such knowledge-based services are important for the exporters in their decision making process. He further, provided step-by-step guidance into starting exports and the relevant procedures that one needs to follow. He highlighted Odisha's exporting capacities at 3 of its ports. The first is Paradip Port which exports mainly iron ore, iron and steel finished goods, while Kokatta and Vishakhapatnam Ports handle exports of fisheries, rice handicrafts and other agricultural products.

Mr. Binju dealt at length on the procedures involved in export shipment such as pre-shipment stage, shipment stage, post-shipment stage, analysis of dock stuffing, factory stuffing and inland container depot (ICD). He also explained the various modes of transport in international trade, selection of a shipping line, advantages of

containerization and cost cutting techniques. He emphasized on the Government's 'Foreign Trade Policy' enumerating various schemes beneficial to exporters.



Mr. S.R. Binju, AGM-International Logistics, HEG limited and faculty of World Trade Centre Mumbai conducting the seminar

The dignitaries present included Dr. Mrutyunjay Suar, CEO, KIIT-Technology Business Incubator & Director, School of Bio technology, Mr. P.K. Gupta, Director-In-Charge, MSME-Development Institute, Mr. Sanjay Kumar Mohapatra, Vice-President, Odisha Small Scale Industries Association, commended the efforts of WTC Mumbai for establishing a WTC at Bhubaneswar to bring the State of Odisha on the global trade map. According to the speakers, these initiatives are the need of the hour and all dignitaries extended their full support for the programmes at Bhubaneswar for building up the confidence level of businessmen in the State.



(L-R) Mr. Budhadev Bhanjo, Manager-Trade promotion, WTC Bhubaneswar, Dr. Manisha Acharya, Incubation Manager, KIIT-TBI, Mr. A. O. Kuruvila, Deputy Director-Trade & Education, WTC

Mumbai, Mr. S. R. Binju, AGM-International Logistics, HEG limited and faculty of WTC Mumbai, Ms. Nimeshika Natarajan, Manager - Trade Research, WTC Bhubaneswar, Mr. Vivek Sonawane, Advisor-Trade Education, WTC Mumbai, Dr. Mrutyunjay Suar, CEO, KIIT-Technology Business Incubator & Director, School of Bio-technology, Mr. P. K. Gupta, Director-In-Charge, MSME-Development Institute, Mr. Sanjay Kumar Mohapatra, Vice-President, Odisha Small Scale Industries Association.

Mr. A. O. Kuruvila, Deputy Director-Trade & Education, WTC Mumbai briefed the delegates on the WTC concept and made brief presentations on WTCA, services offered by WTC Bhubaneswar and the opportunities that can be tapped by participating at the forthcoming GES 2014 at Mumbai. Mr. Kuruvila also announced the UNPD workshop and US Invest Programme planned on September 15, 2014 at Bhubaneswar.

Mr. Kuruvila and Mr. Sonawane shared their experiences on how WTC Mumbai has played an important role in directing their members to prospective buyers and sellers across markets with the help of the WTC network. A lively Q & A session added great value to the seminar in seeking clarification on export assistance from Government, banking and finance and how to access international markets. Most of the delegates expressed their desire to join the WTC Bhubaneswar and avail of the services offered by them.

Workshop on “Global Procurement Process by UNPD”

WTC Bhubaneswar and Industrial Development Corporation of Odisha (IDCO) organized a workshop on the 'Global Procurement Process conducted by Ms. Anita Pinto, Procurement Officer, UNPD, USA. Ms. Pinto is currently a Procurement Officer with the United Nations Procurement Division (UNPD), Peacekeeping Procurement Section, Engineering Support Team (EST), in New York. Ms. Pinto has over 20 years of experience in the United Nations, both in headquarters and in the field.

The session conducted by Ms. Pinto focused on the understanding of the UN procurement process, evaluation criteria, vendor registration procedure and how to find business opportunities at various agencies of the UN. The objective of the workshop was to impart knowledge on Procurement to the entrepreneurs who have the capacity and potential of carrying out exports with this precise knowledge and understanding. The UN Procurement Division (UNPD) is responsible for providing a responsive, effective, and quality expert procurement services and business advice to UN Headquarters, peacekeeping missions, and other UN

organizations. It facilitates the increasing demands of vendors seeking registration and business opportunities with the UN.

It is the policy of the UN secretariat to have as wide and diverse database of suppliers as possible, from all its member states. UNPD therefore is always looking for new and better sources of supply and more specifically, vendors from either developing countries or countries with economies in transition.

UNPD has a specific procedure for registration for the vendors which link them to the United Nations Global Marketplace (UNGM) which is the procurement portal of the UN system. UNGM brings together UN procurement staff and the vendor community.

It provides an excellent springboard to introduce any products and services to many UN organizations, countries and regions. It opens a vast gamut of products and services. The suppliers are asked to assign codes to their products and services to enable the Secretariat to source relevant suppliers for bidding opportunities also. The workshop was well attended by over 100 participants.



(L-R); Mr. A. O. Kuruville, Deputy Director-Trade & Education, WTC Mumbai and Ms. Anita Pinto, Procurement Officer, UNPD, USA during the workshop



A view of the participants at the workshop

Office premises and showrooms available at the World Trade Centre Mumbai

11th Floor	Unit No.5 Centre 1 building	2810 sq. ft.
18th Floor	Unit No.4 Centre 1 building	2170.15 sq. ft
19th Floor	Centre 1 building	1848.96 sq. ft.
Shop No.10	Arcade building	3440 sq. ft.
Shop No.15	Arcade building	882 sq. ft.
Shop No. 27	Arcade building	441 sq.ft
Shop No. 51	Arcade building	1280 sq. ft.



Ruchika fest	Brides of Mumbai	Crescent Moon
Silk fab 2014	Dalmia's Raksha Bandhan Bazaar	World Chocolate Masters Pre-Selection (I) Expo
Bandhan	Ghoomer Bazaar	Prayaas - Ek Aas Kuch Khaas
Annual Coit Bank Notes & Philatelic Fair	Culture Collection	Ruchika Lifestyle 2014
Women Entrepreneurs 2014	CSR Liveweek 2014	GES Meet
Global Economic Summit	Restaurant and Catering Trade Show 2014	Orient Expo
JWO - SMC	SIP Academy Examination	LEENA PAULOSE training prog.
Mansi Kulkarni training prog.	Tushar Public Hearing	Ram Vichare Tolic Conference
Anjana Exams	A. S. Lala IELTS Exams	Yvonne Analysts Meet
Anthony Interviews	Nilesh Thorat Exams	Anthony Meeting
Implication of the budget 2014-15	AGM of the Consular Corps	Pallavi Naik Technologies For Catering Industry
Bina Shah AGM	Janardhan Interviews	Prasad Parkar AGM
An Interactive Meeting with Mr. Anil Swarup, IAS	XV GA of World Trade Point Federation	The Launch of Dr. Rekha Shetty's Eighth Book
4th Annual General Meeting	An Interactive Session Delhi-Mumbai Industrial Corridor	Roundtable with Select USA
Sidharth Social Business Summit' 2014		Honorary Consular Corps Diplomatic

Happenings...

Exhibitions and Events held this quarter

147 events were held at various meeting rooms in the Centre 1 Building and over 20 exhibitions at the Expo Centre.



The World Trade Centre Mumbai, strategically located in South Mumbai, with a 360 degree panoramic view of the Arabian Sea and the City of Mumbai offers State of the Art facilities for all business requirements.

- Expo Centre for Exhibitions
- Banqueting Facilities for Conferences and Meetings
- Boardrooms for Corporate Meetings
- Office Spaces (Centre I Building)
- Showrooms (Arcade)
- 24 x 7 Support Infrastructure Facilities, Engineering and Security available to Tenants and Exporters
- Adequate Car Parking Facilities

At the Centre 1 Building

Meeting Rooms, Banqueting Facilities and Business Cabins.

At the Arcade

Expo Centre, a fully Air-Conditioned exhibition hall, the most favored destination for Consumer Exhibitions and Trade Fairs.

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India – The Attractive Investment Haven

Indian investment story has never been as positive as it is today. It is on track for a multi-year bull run supported by fundamentals as well as flows. According to an estimate, India needs to double up its investments to grow at 7% p a over the next five years.

Mr Modi won a massive electoral mandate in May and has just marked a wildly successful 100 days in office. He has brought in an element of sobriety and continuity that the markets have enthusiastically cheered.

A new unique model of India's economic development seems to be in the making, contours of which are gradually becoming visible. This includes making India in Asia an economic leader of the world.

A lot of ground work towards an efficient working of economy has been accomplished. Next phase is that of implementation of the work laid out. The policy paralysis phase is over, but Mr Modi has not yet resorted to any major policy overhaul. Nevertheless, he has instilled confidence in the bureaucracy. Administrative rules have been tweaked to expedite projects.

Green shoots of economy- beginning of real estate & auto revival, building of business confidence amidst others—are evident. GDP growth in April-June quarter has hit 5.7%, the highest for two years. Most of the major sectors, including infrastructure and power generation, have posted good growth during the last quarter. Inflation has started moderating though not enough. Oil prices are softening and business sentiments are improving. Rupee volatility has declined. Global funds have pumped more than \$10 bn into the nation's bonds & stocks this quarter. Clients who held back investments are now ready to commit. Animal spirits of investors have started soaring.

Government's track record till now clearly reflects its keenness to make good the decisive mandate given by voters of India, especially in areas of infrastructure development, urbanization and agriculture.

Many drivers of growth potential of India economy need to be nurtured and taken fully forward which include partnership agreements which complement and

synergizes both countries strengths to their mutual advantage. Winning nations across the world, including emerging economies, have supported and are likely to increasingly support India's prime drivers in creating sustainable wealth and livelihoods. The day Mr Narendra Modi secured \$35 bn investment in India during his visit to Japan, Indian stock market- both Nifty & BSE Sensex- touched 8,000 and 27,000 respectively for the first time ever. There has been a massive P/E expansion in almost all sectors. Global flows have come in despite the huge premium valuation Indian markets are enjoying. Due to improving macro-economic fundamentals and India being the most attractive among EMs (Russia is facing the Ukrain crisis, China having the credit bubble & governance issues, Brazil in recession and Thailand, Indonesia and Turkey in political difficulties). Local flows have been growing as equity has massively outperformed fixed income, gold and real estate in last about a year. Local flows are likely to continue as equity has been under-allocated by Indian investors for a long period.

India's inherent strengths are significant

- **Strong & largest democracy**
- **Unique demographic advantage of rising young India. Its labour force or working population will soon outgrow the number of people who are dependents. Over the next two decades, the continuing demographic dividend could add about 2%age points p a to India's GDP growth provided relevant policies are able to effectively capitalize on the resources of the country.**
- **India's billion plus population represents potentially a huge consumption market- rising disposable incomes and a growing middle class.**
- **English speaking population.**
- **Strong legal system.**
- **Indian business class is inherently entrepreneurial. Indian companies have come a long way in their quest to go global.**

India on the liberalisation path since 1991

During the last over 23 years of economic reform process, foreign investors have, on the whole, found India continuously attractive due to its strong economic potential. At present, the interest in India seems to be at its peak.

Specifically,

- Economic policy making has become more pro-growth and pro-active, responsive and responsible.
- Technology in business and decision making has become an important driver for growth.
- Plethora of markets have emerged catering to- women (goods & services), kids, young population, middle class, luxury class, rural, urban amongst other markets.
- A number of MNCs have made India a platform for their international operations. To give just one example, the Motorola Mobility is seeing India as one of the biggest markets globally. The company would soon become part of the Lenovo group and will launch upgraded versions of its smartphones and a new smartwatch.

And now during the last 100 days of Modi rule.....

- Difficulties experienced by investors due to bottlenecks in ease of doing business in India are being systematically attended to. By cutting red tape and creating flat organizational structure, government is trying to achieve operational efficiency to fix the governance issue.
- Government is trying its best to adhere to the principle of "Minimum Government and Maximum Governance".

After a long period of policy paralysis, the energy and alacrity of new Modi government is impressive –

- 100% FDI in railways & from 26 to 49% in insurance have been announced. Government may soon permit 100% FDI in brownfield medical device projects. New mega & smart cities are on the anvil, which if executed as per the intention will render multiple benefits to the citizens and will also attract capital

from abroad.

- Government is launching a 3-pronged urban renewal mission- developing 100 smart cities, massive renewal of 500 urban habitations across the country and restoring cities with historical background to their past glories.
- Fast track clearances for three rail lines for coal linkages and seven big ticket projects worth Rs 2,100 cr cleared. Also a conducive tax regime for REITS (Real Estate Investment Trust) and IITs (Infrastructure Investment Trusts) have been put in pace.
- According more powers to the SEBI and broad- basing the appointment of higher judiciary and repealing some archaic laws will go a long way in making the economy strong. Some initial progress has been made on the labour laws front too.
- A committee of four ministers to prepare a framework for creating an independent environmental regulatory authority to monitor the compliance of green laws has been instituted.
- Newly formed Expenditure Management Commission (EMC) has been tasked with reviewing all matters related to central government spending, including suggesting space for increased developmental spending and reviewing the budgeting process and FRBM rules to suggest improvements, if necessary. It will also suggest measures to improve operational efficiencies of the expenditure process through focus on utilisation, targets, and outcome.
- Inclusive growth, an excellent ambition, is getting strengthened and is expected to make India sustainably strong. Jan Dhan Yojana can be a game changer.
- Government & RBI will be jointly devising a monetary policy framework for the RBI to pursue.
- Ministry of Entrepreneurship & skill development is a great upward movement for the skill economic system in the country. (NSDC) National Skill Development Council is doing excellent work with its Sector Skill Organisations (SSCs) and functioning like a PPP organization.
- Cooperative Federalism (between Centre & States) is being practiced in moving forward in formulating and implementing crucial policies.
- PM Modi will be kicking off nationwide Make-In-India campaign by month-end

which will have many offshoots of interest to foreign investors.

- Government is keen on paving the way for the introduction of the Goods and Services Tax (GST). Government plans to move this proposal during the Winter Session of Parliament.
- Look East Policy is being strengthened with greater clarity. Negotiations for the proposed FTA between India and other countries of strategic interest are on. Some FTAs are being reworked for better outcome for both partners. Newly created BRICS Bank is meant to provide patient money and risk capital to the emerging economies including India.
- Strong partnerships are being built with select countries - Japan, China, the USA, Australia, neighboring countries and others, keeping in mind India's interests in its globalisation journey. With domestic companies already stretched, government hopes international infra firms will pitch in. Chinese and Malaysian companies may rescue stuck highway projects.
- Model villages are to be created over the next five years. Mr Modi hopes to invite global investors, including the Indian diaspora, through the 'Make in India' initiative to set up manufacturing facilities in a dozen sectors like electronics, electrical, automobiles, food processing, paper, plastics, satellites and submarines.
- New five year package, the Foreign Trade Policy is likely to include doubling of export target to \$700-750 bn in five years and is unlikely to include major tax incentives at least till the next budget. Focus will be to speed up exports from SEZs, to shift away from pushing exports to new markets to import of technology & latest machinery to 'Make in India'.
- These actions have not gone unnoticed by the FIIs and even the domestic investors. In the first eight of 2014, FIIs and MFs have collectively invested more than Rs 80,000 cr in Indian equity market.

Submission for India's Long-term Action Plan

India needs to map its growth plans; which sectors India would like to excel? And which countries can offer excellence in these areas? Accordingly, there is need to market our country.

Sectoral focus could include all Infrastructure; financial markets especially

stock market; construction; auto; agriculture; health care; tourism and IT are some good examples. Other areas could be Water and Transportation through rivers, Herbal medicine, Horticulture, Manufacture of electronic items and electrical items of international quality. Also Urban development and Planning where international expertise is needed; Textiles- chemical and industrial textiles and high fashion garments & jewellery.

It is very critical to do focussed marketing and not merely selling. For this purpose, we may consider setting up specialised agencies (not EPCs, not embassies) but professional bodies who will have responsibility to do sector-wise and region-wise specific marketing. For instance, the country needs to position itself in its strengths, identify its approach to different countries and then appoint these agencies. One such approach was very successfully adopted by UK government in the last 10 years. Select professional agencies were given deliverables to be achieved, performance related salaries and bonuses if any. The recruitment of such agencies should be from market oriented people and should be well scrutinized in terms of capabilities and loyalties. For each country that we target for marketing, the approach could be uniform in terms of basic principles but different in terms of local nuances.

In sum, while the process of macro stabilization has made an impressive beginning, there's still a long way to go. The recovery (5.6% in 2014-15 to 7% in 2016-17 will be gradual and taking continued sustainable policy initiatives will have to be the norm to continue seeing Indian economy attractive as an Investment destination.



The World of MSMEs

Global SME News

Australian SME Leaders Say Climate Action Needed For Global Competitiveness

The Executive Connection's (TEC's) quarterly Confidence Index in July 2014 shows that 76% of business leaders surveyed in Australia said climate initiatives such as emissions trading schemes are important for Australia's future global business competitiveness, with 19% going even further to say climate action was extremely important. In contrast, just 24% of respondents felt climate initiatives were not important at all to future global competitiveness. Respondents with a \$100 million+ turnover and those from Victoria placed the most importance on climate initiatives. "SMEs represent the engine room of the Australian economy and these leaders are ideally placed to comment on the impact of govt. policy on business confidence and operation. This shows that many Australian businesses want climate action and consider it beneficial for global competitiveness. The survey also found that business optimism remains strong for the 6th consecutive quarter, with 74% of respondents expecting to see an increase in sales revenue – up from 51% in November 2012. These findings reflect continued business optimism about operating within Australia's economy," said Stephanie Christopher, CEO, The Executive Connection.

Significant Growth in SMEs in UAE in the Past 1 Year: Global SME Survey

According to 2014 Global SME survey, around 18 % of SMEs in the UAE have stepped up their exports to overseas markets while 26 % of them have expanded their domestic operations. About 17 % of SMEs polled in the UAE increased their staff members in the past 1 year whereas 12 % of them increased their employees' wages. The study, released by insurance firm Zurich, polled 3,800 SMEs from 19 countries about their business experience. This included 200 firms from the UAE. Almost 26 % of the SMEs in the UAE were found to have expanded their domestic

operations in the last 12 months while 18 % of small businesses were reported to have stepped up exports to overseas markets, higher than the global average of 15%. The percentage was significantly higher compared to countries such as Germany (11 %), Italy (12 %) & the UK (13 %). "A healthy and successful SME sector is crucial in driving sustainable and inclusive growth in a country's economy. Zurich's research demonstrates that the UAE's economic and business environment is helping SMEs to thrive and grow their domestic operations." said Clint Draper, head of SME at Zurich Insurance Middle East. In 2012, the Emirates approved a law that required all govt. bodies and govt. related entities to allocate 5 % of their budget for goods and services provided by SMEs. Earlier this year, UAE's minister of economy Sultan bin Saeed Al Mansouri said that the UAE was all set to enact a new law, which will require 10 % of future federal govt. contracts to be awarded to SMEs. He also said that a UAE "development bank" would assign up to 10 % of its annual financing to small businesses, while SMEs would also receive other tax incentives from the govt.

Cleantech SME's to receive \$1.6tr Boost: World Bank

As investors rush to tackle climate change SMEs involved in bringing cleantech to developing countries could reap about \$1.6 trillion (£980bn) over the next 10 years. According to a World Bank report, SMEs will be able to seize a sizable amount of the \$6.4 trillion (£3.9tr) expected to be invested in renewable energy, electric vehicles and similar technologies over the next decade.

In particular, the World Bank expects that China, Latin America and Sub-Saharan Africa will be the top 3 developing markets for clean technology SMEs, with expected market sizes of \$415bn (£254bn), \$349bn (£214bn), and \$235bn (£144bn) respectively. In 2012, clean technology investment rose by 19% in developing countries, up to \$112 billion (£68.7bn).

The World Bank notes that this boost could not just help prevent climate chaos, but could also create jobs and significant benefits for affected societies. The report also observes that green jobs compare favorably to jobs in similar sectors, as many offer better pay and job security. "We are already seeing real innovation from developing world SMEs in adapting products for local needs and developing new business models," said James Rawlins, associate director at the Carbon Trust, which contributed to the report.

SMEs Gain Confidence on a Global Scale

According to the 6th annual Hiscox DNA of an Entrepreneur study, confidence among small businesses has grown on a global scale. Small firms across the world reported a rise in profitability and hiring activity in the survey that's designed to offer an "insight" into the mood and financial stability of the SME sector. The study quizzed 3,500 small business owners with less than 50 employees across nations including the UK, Germany, Spain, the Netherlands and the United States. Almost half (45 %) of respondents reported revenue growth in 2013; while there was an overall rise in 2014 optimism with 47 % of UK respondents confident about the future. The number of start-ups launched since the global recession has soared with 38 % of companies interviewed launched on or after 2007-08. More than half of these 'recession start-ups' were created by women entrepreneurs. "The findings indicate that the grit and determination small business owners have shown in previous years' is paying off. This is particularly apparent in the performance of small firms set up during the recession, which appear to be playing a key role in driving economic recovery. This is immensely encouraging not only for small business owners, but for anyone with an interest in the small business sector – from policy-makers to academics" said Bronek Masojada, CEO, Hiscox.

Indian SME News

FIPB Clears 21 FDI Projects, Rejects Sistema Shyam's Proposal

Foreign Investment Promotion Board (FIPB) has cleared 21 FDI proposals recently including that of Bharati Shipyard, however, it turned down Sistema Shyam's request to raise foreign holding. The FIPB, headed by Finance Secretary Arvind Mayaram, considered 35 proposals. The proposal of Bharti Shipyard, an Indian company in ship building sector which has existing FDI through FIIs and NRIs, to undertake defence activities was cleared. Besides, the proposal of Verizon Communications India which sought approval to increase foreign equity participation by its foreign parent from 74 to 100 % was also approved by the board. It also gave a go ahead to Indusind Bank's proposal with regard to foreign investment. The other proposals cleared by the FIPB include that of Kinenco Kaman Composites India Ltd in the defence sector and ANZ Capital Ltd in the financial services sector. However, the proposal of Sistema Shyam

Teleservices Ltd (SSTL) to raise foreign stake holding in the company beyond the current 74 % was rejected by the board.

The company has not specified the extent to which the foreign holding would be raised. Russian conglomerate Sistema JSFC holds 56.68 % in SSTL, Russian govt. 17.14% and 0.13% by other foreign entities.

TN To Train 25,000 People under Skill-Building Scheme

Tamil Nadu has set a target of training about 25,000 persons during the current fiscal year under the 'Amma skill employment and training scheme'. This was announced in the state's budget for 2013-14 to meet the demand of MSMEs for trained and skilled workers. Tamil Nadu Small Industries Development Corporation Limited (TNSIDCO) will be the nodal agency to implement the scheme. This comes amid the backdrop of MSMEs finding it increasingly difficult to attract diploma holders from industrial training institutes (ITIs), who prefer to take up jobs in large companies. Tamil Nadu produces about 4.5 lakh engineers per year. However, their aspirations are different and they also lack basic training in the required skill-sets. Hence, MSMEs depend mainly on workers who have migrated from other states. The state govt. wants to reduce this dependence on migrant labour through this programme, with the objective of attracting and retaining talent from within the state. These programmes will be run by MSMEs, which will be compensated by the govt. NSDC had suggested that the programme be made open to all, including dropouts from classes 10 and 12, to expand the labour pool. The focus will be on training them on site and using the scheme money to compensate them. The programme could range between 2-6 months; upon completion of which, third-party assessment will be carried out by the Sector Skill Council (SSC). As a first step, TNSIDCO will identify sectors and geographic clusters for a pilot programme; specific job roles/descriptions need to be identified after consultations with industries - including auto, textiles, and leather, among others.

SMEs to Benefit from Make In India

The Central govt. has announced the scheme to enhance competitiveness in the Indian capital goods sector for development of specified technologies which is likely to benefit SMEs in the country. The Union cabinet has made a budgetary provision of INR 581.22 crore for the same. Disclosing this, Union Food

Processing Minister Harsimrat Kaur Badalhas said that more than 80 % of Indian companies are SMEs & they have limited capabilities to develop newer technologies. This scheme is the first of a series of initiatives under the Prime Minister's vision of "Make in India" and will be scaled up on the basis of experience gained and seeks to substitute imports. It aims to make the Indian capital goods sector more competitive through development and acquisition of latest technologies and the setting up of infrastructure facilities like common engineering facility centres, sector-specific integrated industrial facility centres and test and certification centres. Successful implementation of this scheme is expected to boost development of indigenous technology and manufacturing, cost competitiveness, reduction in import, augment exports and generate employment. The scheme is a first step in the larger journey of developing global competitiveness, particularly for small industry, which is the backbone of India's manufacturing economy and a large employment provider.

ISBs Initiative to Prepare SMEs to Face Global Competition

Indian School of Business has launched an initiative aimed at preparing SMEs to face global manufacturing competition and help them ramp up capacity cost-effectively. This initiative is expected to help persuade more entrepreneurs to seek the benefits of govt. programmes & adopt global best practices. Known as the 'Big Leap Club', the initiative is an outcome of brainstorming with domestic and global companies on the untapped potential of Indian SMEs, which can be exploited to increase production and create more jobs in the manufacturing and services sector. This initiative was launched at ISB's Mohali campus, when SMEs in the region (Punjab, Haryana and Himachal Pradesh) were given a glimpse of the areas where an interface between large companies and them can be fruitfully created. "The aim behind creating the Big Leap Club is to help SMEs break out of the low- and middle-income trap", said Pradeep Singh, Deputy Dean, ISB. Many of them have the potential to grow but cannot scale up owing to financial and technical constraints and a lack of understanding of how to mobilise equity. Members of the club will be exposed to global business thinkers and faculty to break down their mental barriers to experimenting with innovative ideas and technologies. ISB usually charges a premium fee for its

programmes, but realizing the importance of the cost factor for SMEs, it has decided to offer concessional fees to clusters of units.

Online Market in India Set To Explode Says a Google Study

Telecom companies stand to generate additional revenue of USD 8 billion & EBITDA of USD 2.9 billion over the next 3 years, as the Indian online market is set to explode, a joint study by Google and AT Kearney has forecast. India will witness a major mobile explosion with over 155 million mobile Internet users today, which will more than double to 480 million by 2017, the study said. During this period, the smart phone penetration will grow 6 times to touch 385 million, users making online transactions will grow to 160 million, data consumption on mobile phones will triple and consumers would buy 5 times more content, the study said. "Indian telcos are poised to leap directly into a digital play since the shift from data to digital will happen much faster in India, as more digital content and services are adopted by users. Within 3 years, Indian telcos revenue is expected to reach USD 35 billion, with data revenues growing at over 70 % annually till then & new digital VAS streams emerging & growing exponentially," said Nikolai Dobberstein, AT Kearney. The 4 top priority areas that could unlock huge revenues for the Indian telcos are E-store and E-care, with online recharges for prepaid mobile phones accounting for more than one-third of all recharge value, Media Content and Services to create more than USD 6 billion in additional data and content revenues. There is also Mobile Business Apps for SMEs with a potential of USD 1 billion revenues and M-Payments enabled e-stores, paid content and app transactions which would create additional revenue streams for the Indian telcos.

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Reporting on the Global Economic Summit 2014

The 4th edition of the Global Economic Summit received an overwhelming response with the theme **Asia: Powering the Global Markets**, which was organized from 11-13 September, 2014. The Summit aimed to bring together Asian and global partners to discuss and deliberate on the emerging prospects and challenges with a view to explore business synergies and collaborations amongst all stakeholders.

The event witnessed participation from over 30 countries and prominent Indian States. Alongside the Conference, an exhibition was also held that showcased the strengths of India's MSME sector. The 15th General Assembly of the World Trade Point Federation (WTPF), an initiative of UNCTAD and an initiative of IDOBRO - RISE were held concurrently with the Summit. The three-day Summit was inaugurated by **General (Retd) Dr. Vijay Kumar Singh, Minister of State for**



External Affairs, Ministry of External Affairs and Minister of State (Independent Charge), Ministry of Development of North Eastern Region, Government of India. Dr. Singh said that the Asian economy had a lot to offer to the rest of the world. The Asian continent had a demographic advantage with a skilled and productive workforce, abundant natural resources which could help its manufacturing sector and technical expertise. However the Asian development model lacks access to quality infrastructure, education and health. In order to fill up this gap, global integration by encouraging international trade and investment is what is required. There is a pressing need to revisit the global trade regime to create equal opportunities for all economies to benefit from global trade and growth, he added. He was confident that the Summit would

facilitate guidelines and policy frameworks for Asia to grow and prosper as a continent. The others who addressed the inaugural session included:



Mr. Bruno Masier, President, World Trade Point Federation (WTPF) said that the main objective of the WTPF lies in giving impetus to international trade and facilitating the growth of global trade network. SMEs form the focus sector of the WTPF thereby encouraging their participation in international trade. India has been an active member of the WTPF demonstrating a strong relation of friendship and trust. There are two WTPF trade points in India – at Mumbai and Bangalore. We seek to deepen our relation with India in the future.



Mr. Ghazi Abu Nahl, Chairman, World Trade Centers Association (WTCA) and Chairman, World Trade Center Holdings (Cyprus) Ltd. congratulated WTC Mumbai and AIAI for organizing the prestigious Summit. The Summit presents a platform for sharing learning lessons besides formulating business strategies in the context of the day's challenging macroeconomic environment.

WTC Mumbai is one of the prominent members of the WTCA which comprises of 330 WTCs across 100 countries. It is a matter of pride to note that there are 20 WTCs in India serving the business community.



Dr. Talal Abu-Ghazaleh, Founder and Chair, Talal Abu - Ghazaleh Organization (TAG-Org) said that with the advent of globalisation products and services cannot be said to be 'made in a country' rather 'made in the world' with Asia forming a prominent player in today's powering and changing global markets. The recent times have seen the growth of Information and communication technology (ICT), Intellectual Property Rights (IPR) and the Internet. The Internet has provided complete democracy to the world where 'everybody is equal'. However, the need of the hour is to formulate global internet governance.



Mr. Jean-Luc Schneider, Deputy Director, Economics Department, The Organisation for Economic Co-operation and Development (OECD) enumerated on the OECD exercise of 'How the world will look like in 2060?' The OECD forecasts global trade and growth to shrink to 2.5% from the current 3.5%. By the year 2060, the global trade intensity is expected to rise with share of trade in GDP rising to nearly 60%. As of date, 85% of global trade share comprises of OECD countries. However, by 2060 global trade is expected to shift to the Asian economies. As for the qualitative changes in global trade, the manufacturing base is expected to shift to China and India. While China will be a prominent electronic goods exporter; India shall export business services. Also, the world shall witness enhancement in

quality education and efficiency. However, difference in education and efficiency across regions may trigger wage inequalities. The year 2060 will create a thriving need for “international distribution policy” and “international cooperation on taxation” due to counterproductive laws, global value chains and cross country spillovers of trade issues. The paradox of globalisation is that there will be increased international cooperation with national policies being less effective in the global world.

However, global integration is expected to give way to conflict of interests amongst nations, free riding on trade agreements, international collusion, etc.



Mr. Yonov Frederick Agah, Deputy Director-General, World Trade Organization (WTO) said that WTO and WTC share a common good of achieving prosperity through trade. From the year 2000 to 2008 global trade has grown at an average rate of 6%.

However, it witnessed a decline during the economic crisis of 2008 to recover in the year 2011 with Asia being an important partner of global trade. The role of the WTO is international trade lies in keeping protectionism under check, improving global business environment, increasing trade stability and disciplining non tariff barriers.

Touching upon the trade facilitation agreement Mr. Agah said that with the passage of the agreement it will be faster and cheaper to do cross country business. The cross country business may touch US\$ 1 trillion creating 25 million jobs.

The agreement is expected to cut trade costs by 10% to 15%. It shall ensure better participation of developing countries in global trade. Although the agreement has not reached fruition, India has signaled its compliance in making the agreement a success.

The agreement has been wrongly perceived as a bottleneck in growth which actually has many economic benefits to offer. Asia is an important participant and a prominent beneficiary in the agreement.



Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India said that the Asian economies have witnessed growth in recent times. However, the continent suffers from inadequate infrastructure. The GDP growth of Asia has been constrained by 4% due to lack of infrastructure. Secondly, Mr. Mathur noted the need for enhancing intra-SAARC trade. According to a study by UNESCAP trade costs in the South Asian region is higher than other regions of the world which needs to be addressed. Also, the financing of international trade has been threatened by the BASEL 3 norms which may reduce availability of capital towards trade. It is vital that export credit agencies such as EXIM Bank focus on intra regional trade.



Mr. Shishir Priyadarshi, Director of the Development Division, World Trade Organization (WTO), Switzerland shared his views on WTO's mandate on infrastructure. WTO endeavors to provide preferential treatment to the weaker countries by providing them greater market access. The main reason for the countries to have not benefitted despite the preference from WTO was the lack of trade-related infrastructure and supply side capacity. Mr. Priyadarshi said that it was important to assess the impact of infrastructure in trade apart from the impact on manufacturing and the need to develop and strengthen soft infrastructure such as supportive regulatory frameworks and administrative and judicial system. Mr. Priyadarshi pointed out that the global focus is moving towards regional infrastructure that stretches across countries and the increasing emphasis on regional and global value chains. For the

integration of the manufacturing sector into global value chain, regional infrastructure is important.



Mr. Kamal Morarka, Chairman, MVIRDC World Trade Centre extended a warm welcome to all at the 4th edition of the Global Economic Summit on Asia: Powering Global Markets. Mr. Morarka said that the GES is a flagship event of WTC Mumbai and AIAI. The Summit has witnessed participation from over 500 delegates comprising of 100 overseas delegates from across 40 countries. He encouraged the audience to benefit from the deliberations and discussions of the three day Summit.

Mr. Morarka added that the Indian economy which occupies an area of prominence in the Asian continent is gradually looking upon from its decadal low growth. The new Government has revived sentiments in growth, industry and trade. The country is expected to witness exponential growth in international trade in the years to come.



Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and President, All India Association of Industries said the Asian continent is the next power house of economic growth. The Asian economies together encompass growing share of manufacturing, international trade and service industry. The MSME sector of the continent is the backbone of the economy. However, its infrastructural status is its key drawback. We need to create a conducive business environment to boost the Asian region.

The Summit Handbook on “Asia: Powering Global Markets” and the Export-Import

Bank of India's Research Study titled "Potential for Enhancing Intra-SAARC Trade: A Brief Analysis" were released during the Summit.

The Summit covered the following sessions:

1. 'The relevance of support infrastructure for the growth of manufacturing sector and investment opportunities'

Considering India's need for \$1 trillion investment in infrastructure over a span of five years, the session was of great significance. It dealt with industrial zones, industrial parks, free trade zones, industrial corridors. Small medium scale financing in special zones and clusters is required to facilitate entrepreneurship. Proactive policies for employment generation is also necessary and important for the manufacturing sector to get a boost.

Prof. George Haley, Professor of Marketing and Director of the Center for International Industry Competitiveness, University of New Haven, USA pointed out India has advantages such as low labour cost, demographic dividend, domestic-centric



economic model, growing domestic market and free trade agreements but the problem lies in infrastructure and weakness in the manufacturing sector.

Mr. Shishir Priyadarshi, Director of the Development Division, World Trade Organization (WTO), Switzerland stressed on the global focus which is shifting towards regional infrastructure stretching across countries and the increasing emphasis on regional and global value chains. Integration of the manufacturing sector into global value chain, regional infrastructure is the need of the hour.

Dr. Yahya Ale Eshagh, Chairman, Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA), Iran acknowledged the importance of regional security and stability and existence of a congenial atmosphere for regional synergy and cooperation forming the two



external prerequisite conditions for an efficient economy.



Mr. Ashish S. Raheja, Managing Director, Raheja Universal Pvt. Ltd., India suggested that it is important to drive forward the manufacturing sector in India as it will ensure SMEs to aspire regional, national and global prominence in the future.

Discussing on the infrastructural and industrial growth in Odisha, **Mr. Tapan Sahu, Consultant, Industrial Promotion And Investment Corporation Of Odisha Ltd. (IPICOL)**, stated that all efforts were being made to improve credibility of Odisha as a business and investment destination.

2. 'Overview of Financial Markets and Emerging Economies'

A well-organized, efficiently operating financial market plays an important role to the health and smooth functioning of an economy. Discussions in this session pertained to various strategies and policy directives pursued by financial institutions to restore the momentum in financial markets. Other issues that were debated included financial sector reforms in emerging markets, strategies and policies for an ever changing world economy and the efficacy of new financial instruments.

Mr. Peter R. Kohli, Chief Executive Officer and Chief Investment Officer, DMS Funds, Pennsylvania, USA referred to India as the only country where Mutual Funds needed to be registered, although they may not be for sale. He advocated for the inflow of foreign funds, for which any market should be well regulated and



efficient to ensure ease in repatriation of profits for the foreign investors without being affected by a tremendous reduction.



Mr. Feroze Andhyarujina, Senior Advocate, Supreme Court while summing up the session said that the generation for funds for a country is important and emerging markets could compete with instruments of mutual fund which exist in the USA and the European Union.



Mr. R. Kannan, Head-Corporate Performance Management, Hinduja Group, India in his presentation outlined the need to introspect on the financial markets of the emerging economies.

Mr. Sanjeev Gupta, Deputy General Manager, Small Industries Development Bank of India (SIDBI)



spoke on the mandate of the bank in supporting the fast growing MSME sector to provide equity, growth capital and technology to reduce transaction cost.



Mr. D. K. Sood, Deputy General Manager - CP & MSME Department, Union Bank of India emphasized the importance of financial inclusion in the banking sector by developing products to cater to the needs of all strata of people, availability of the products at all places, right pricing based on targeted consumer profiling, protecting interest of all consumers and making such products profit centric for the banks.

3. Session on 'Asia and Security'

As security challenges and threats facing the Asian region keep burgeoning, exploring way to improving it were dealt in this session keeping in mind the Indian perspective. The other areas discussed were pertaining to the existing security environment, role of the media, status of the corporate sector in national security, role of the state government in dealing with security issues of the corporate sector and industry.



Mr. P. M. Heblikar, Director, Maxgrid Securicor (India) Private limited, India advocated the need to set up a task force for India on security. Information should be shared in a non-sensitive manner. A large number of trade bodies have been dealing with issues of security and need to join hands with the government. Other measures include homeland security arrangements, synergies, creation of centers of educational excellence and investment in developing new strategies.

Shri. Amitabh Rajan, Additional Chief Secretary, Home Department,



Government of Maharashtra, India claimed that if Asia has to succeed in the future, it has to plan according to the contemporary scenario of its times, including strategies of the future and adequate transparency in the available market information coupled with emerging security issues of its times.



Professor M. D. Nalapat, UNESCO Peace Chair and Director, Department of Geopolitics and International Relations, Manipal University, India suggested that the World Trade Centre Mumbai take up the various elements of security issues in the Asian region.



Mr. V. Balachandran, Former Special Secretary, Government of India while suggesting solutions to combat nontraditional security threats advocated the need to have a composite view and the importance of public-private partnership to pursue, prevent and protect the public.

4. 'How should regulatory and policy frameworks be designed to foster trade and investment in these competitive times'

Proactive investment policies for regulatory challenges formed most part of this session. A comparative analysis of

Central Asia, South East Asia, Asia Pacific and Middle East on foreign policy framework was made. Financial institutions shared their perspectives on regulatory and policy frameworks.



Mr. Bhushan Gagrani, I.A.S, CEO, MIDC said that while Maharashtra is the most favoured investment destination of the country, it is important to enhance the industrialization process with the help of National Manufacturing Zone - Delhi Mumbai Industrial Corridor which is coming up in three areas of Maharashtra which is the final node of the Dighi Port Industrial town.



Ms. Nilakanthi Ford, Director, Europe and Asia, KfV Consulting and Vice Chairperson for the Ireland-India Business Association insisted on the need for country specific policy frameworks. She further added that policy frameworks need to be tailor made for every economy given institutional differences in them.



Prof. Usha Haley, Professor of Management, West Virginia University, an expert on the Chinese economy provided an insight into various parameters of the economy.



Outlining the policy framework of India **Mr. Ashish Kumar Chauhan, CEO & M.D., Bombay Stock Exchange Ltd** said that the key policy decisions for India to prosper lies in understanding the future and promoting newer areas of growth such as information technology, 3D printing, nanotechnology, genetic engineering, etc. Elaborating further on the state of affairs of the Indian economy



Mr. Milind Kothari, Managing Partner & Head - Direct Tax, BDO India LLP said that India faces competition from the growing economies such as Indonesia, Thailand, Philippines and Malaysia in remaining the preferred destination of foreign investors. To change this perception the Indian economy needs to demonstrate sustainable inflation, stable governance, strong legal framework and sound tax architecture.

5. 'Significance of FTAs and Regional Economic Cooperation'

Considering the efficacy of FTAs and regional agreements on the flow of trade, investment and services in the present times, the discussions in this session brought about further clarity on FTAs and the prospects for regional integration in Asia, their implication on Asian businesses and their role in WTO.



Dr. Surajit Mitra, Director, Indian Institute of Foreign Trade (IIFT), India stated that the proliferation of FTAs and RTAs in the recent times have been the building blocks for trade creation and trade diversion and have carved a special place in world trading as these FTAs and RTAs have increased multifold in the last 10 - 15 years.



Mr. Kevin Stolarick, Director, India Institute for Competitiveness, Toronto, Canada shared his experiences on FTAs and stated that its impact is on a sub-national level and increasingly at the level of urban areas. It is essential for businesses outside India to understand the characteristics of the metros to enable investments and have a global presence.



Ms. Kavita Iyengar, Economist, India Resident Mission, Asian Development Bank shared the **Asian Development Bank's (ADB)** views on regional economic cooperation and its significance in the growth of Asian countries.



Dr. Enelli Murali Darshan, Managing Director, EMD Export Import Solution Pvt. Ltd., India enlightened the audience on the growth story of Asian economy from being considered overpopulated agrarian

backwaters with limited resources in the 1960s to its current developing stage.



Mr. Janesh Nair, Regional Director, Gyeonggi Business Center, Representative Office of the Gyeonggi Province, Government of Korea provided an overview on South Korea's largest province Gyeonggi and its functioning from its Mumbai office.

6. 'Role of TPOs and their contribution in creating linkages for trade and investments'

An insightful session on the role played by TPOs as a vehicle for regional integration, catalyzing trade and investment from an international perspective and in promoting SME exports was organized.



Dr. Ashraf A. Mahate, Head of Export Market Intelligence, Dubai Exports Development Corporation, Dubai briefed about Trade Promotion Organizations (TPOs) from a Dubai point of view.



Mr. Jahangir Bin Alam, Secretary and CEO, India-Bangladesh Chamber of Commerce and Industry, Bangladesh elucidated on the role of TPOs in a country pursuing private sector led economic

growth which cannot be ignored by any government if it really means business.

Mr. Bruno Masier, President, World Trade Point Federation (WTPF), Switzerland outlined the events that led to the establishment of the WTPF and the success it has achieved, in the form of agreements and contracts with the private and the public sector, since its inception.



Mr. J.J. Singh, President, Indo-Polish Chamber of Commerce, Poland stated the importance of the presence of a Chamber of Commerce in the business of any country. Further speaking on the Indo-Polish Chamber of Commerce, he said that he ensured the interests of the Indian and Polish businesses that are represented equally, benefitting both countries.



Mr. Ashok Upadhyya, Deputy Secretary General, The Federation of Thai Industries (FTI), and Advisor to Thailand Trade Representative, Thailand, while providing an insightful presentation on FTI emphasized the successful contribution of the Board of Investment, Thailand (BOI), which operates under the Ministry of Industry. It is the principal government agency for encouraging investment, in strengthening the economy of Thailand, implementing its policies.

7. 'Relevance of Technology, Innovation and Knowledge-based industry'

Deliberations on transforming Asian economies through technology and innovation formed a crux of this session. Other topics discussed included the Asian model of technological capacity and new initiatives, support required to enable

technology incubation and the importance of rural innovation.



Mr. N P Mohapatra, General Manager, Off-Farm Development Department, National Bank for Agriculture and Rural Development (NABARD), India enumerated on NABARD's phenomenal role in development of the Indian economy and its consistent approach towards the upliftment of rural India through a series of initiatives under NABARD's regime.



Mr. Dato' Norhalim Bin Yunus, Chief Executive Officer, Malaysian Technology Development Corporation, Malaysia while speaking on the Malaysian economy claimed that the transformation of the country from an economic backwater to a successful middle-income economy lies in conducive policy environment and infrastructure development put forward by the government and taken up by the implementation agencies.



Dr. K. Narayanan, Institute Chair Professor, Department of Humanities and Social Sciences, Indian Institute of Technology Bombay, India articulated the changing paradigm in India with reference to the technology, innovation

and knowledge industries. Owing to the recent industrialization and spurt in Foreign Direct Investment, India is now one of the fastest growing markets in the world.



Ms. Carolina Quintana, Economic Affairs Officer of the Creative Industries Programme, UNCTAD said that international flows of goods, services, capital, people and information have increased and become a core engine of global growth.

Mr. Peter Kohli, Chief Executive Officer and Chief Investment Officer, DMS Funds, Pennsylvania, USA said that the Asian continent will dictate the growth and pace of the world's GDP from this century onwards as the world's leading economies are located in Asia.

8. 'Orientation on Global Procurement by UNPD'

The session was delivered by **Ms. Anita Pinto, Procurement Officer, UNPD, USA** with the objective to provide an overview of



the United Nations Procurement Division, a dedicated organization that provide responsive, effective, and quality expert procurement services and business advice to the United Nations Headquarters, peacekeeping missions and other United Nations organizations covering a wide domain of Information and Technology services, Facilities Management Service, etc. Amongst countries within the Asian region, India and Afghanistan have seen particularly large increases in their procurement volume over the ten year period (US\$ 922 million and US\$658 million of increase, respectively).

9. 'The Emergence of Women Entrepreneurship in Asia'

A thought-provoking session on the role of women in innovative economic development and business expansion was organized. It stressed on empowering women entrepreneurship through institutional support.



Ms. Michele Weldon, Strategic Partnerships Coordinator, UN Women Office for India, Bhutan, Maldives and Sri Lanka said the economic performance of women across Asia depicted trade has been largely limited, if expanded women's businesses would grow, to which a study is underway.

Ms. Nilankanthi Ford, Director, Europe and Asia, KfV Consulting and ex-Chairperson of the London Women in Business Network, Ireland, brought out the important point that women needed to recognize their strengths to be able to successfully contribute to society.



Ms. Seyedeh Fatemeh Moghimi, Member of the Board of representatives and Adviser to the President on Business Women and Entrepreneurs Affairs; Tehran Chamber of Commerce, Industries, Mines and Agriculture (TCCIMA), Iran, said that the status of women entrepreneurship has risen over time, moving from their role in family life to contributions made to society and in turn to their roles towards their countries.

Ms Amrit Shahzad, Founder and CEO, Zeest Inc., USA, said that although women commanded influential positions they still lagged behind in many ways. Speaking on the Global Gender Gap Index created by the World Economic Forum, she said that



from among the Scandinavian countries that were rated, it was Philippines that made it to the 5th position.



Ms. Akila Agrawal, Partner M/s Amarchand & Mangaldas & Suresh A. Shroff & Co., India spoke on women and the law. Enumerating on the roadblocks for women entrepreneurship she said that low literacy rates, job market discrepancies, sector prohibitions, non conducive laws pertaining to safety and security issues, inequality in remuneration, insufficient facilities at mid-senior management levels and lack of capital are reasons for the setback.



Ms. Shabnam Gupta, Principal Designer, the Orange Lane, India advocated that a woman's greatest strength is a woman. It is important to empower oneself, to mentor the future while teaching for tomorrow.

Ms. Nilima Patil, Chairperson, Mahila Samiti - Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA), Nashik Branch, India said that women empowerment can be achieved through institutional support.

Ms. Karon Shaiva, Chief Impact Officer & Managing Director, Idobro Impact Solutions, India, suggested that women



hone their entrepreneurial skills, they needed access to markets, create linkages and deliver solutions.



Ms. Khatera Yusufi, Afghan-German journalist and Ambassador of the Organization of War Victims and disabled people in Afghanistan advocated education for women to being the key to better life, better society and a better country.

10. 'Asia and Millennium Development Goals'



Dr. Talal Abu-Ghazaleh, Founder and Chair, Talal Abu-Ghazaleh Organisation made a presentation on the overview of the Millennium Development Goals, providing an analysis and update as the year 2015 draws closer. He said that Millennium Development Goals (MDGs) are eight international development goals that were established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration.

11. Cluster Twinings

The Cluster twinning meeting was arranged for industrial clusters of Maharashtra, Andhra Pradesh, Jharkhand and Karnataka. Attendees to the cluster

twinning session included prominent representatives from industrial clusters



namely Mr. K Suryaprakash Goud, Associate Faculty, National Resource Centre for Cluster Development (NRCDC), National Institute for Micro, Small & Medium Enterprises, Mr. Sanjay Desai, President, Maharashtra Clusters, Mr. Shinde, President, Engineering cluster and Mrs. Nilima Patil, President, MACCIA's Ladies Wing including participants from the engineering cluster, textile cluster, leather cluster and other relevant service providers comprising of IT companies, printing and packaging, etc.

The leaders of individual clusters shared their experiences of registering the clusters with respective Governments. They enumerated on the advantages of operating as clusters.

12. Signing of MOUs

MOUs to promote economic cooperation, trade and investment were signed between World Trade Centre Mumbai and World Trade Centre Quanzhou, WTC Mumbai and Trade Point Lomas De Zamora, All India Association of Industries and Trade Point Lomas De Zamora, WTC Mumbai and Maharashtra Centre for Entrepreneurship Development Aurangabad and All India Association of Industries and World Trade Point Federation.

13. B2B Meetings

Pre-scheduled Business to Business meetings were organized for the participating overseas delegates on 11th & 12th September 2014, to facilitate business collaboration from across regions. The delegates represented sectors such as agriculture & processed foods, architecture, construction, infrastructure, transportation & logistics, cosmetics & wellness beauty, metallurgy, law investment, navigation engineering designs and trade & investment promotion. As many as 500 B2B meetings were arranged for the overseas delegates representing countries such as Afghanistan, Argentina, Bangladesh, Cameroon, China, France, Italy, Poland,

Korea, Thailand, and UAE. In addition, a number of non-scheduled business meetings with the Indian businessmen were organized on request with the representatives from ADB, DMS Funds, OECD, WTCA, WTPF, WTO UNPD, UNESCO, Malaysian Technology Development Corporation, Tehran Chamber of Commerce.

14. The XV General Assembly of WTPF

The XV General Assembly of World Trade Point Federation (WTPF) was held concurrently with Global Economic Summit (GES) 2014 at the World Trade Centre Mumbai during 11-13 September 2014.

Mr. Bruno Masier, President, WTPF chaired the General Assembly. He explained the workings of the Federation. He spoke of the mission of the WTPF which is to become a global trade facilitator and trade information provider for SMEs, particularly those in developing and least developed countries, through its unique human network and local know-how combined with its global e-business marketplace. Mr. Masier appreciated the efforts of Trade Points in India who could register many companies to use this network. There are various ways to make the system powerful by adding more information collected world over and link it to the right resources. He also invited all the Trade Points to join at the next GA meeting planned at Spain in 2015. Mr. Masier informed that another new initiative can be planned for more interaction and close network by organizing Regional Meetings. 'Asia Pacific Regional Meeting' can be planned next year along with the GES 2015. Trade Points shared their success stories as well as problems on the present web system and suggested the ways to improve the difficulties. It was decided to have more interaction between Trade Points to strengthen the system.

15. Responsible, Impact, Summit & Expo 2014 (RISE 2014)

RISE 2014 was held on the 11-13 September, at the World Trade Centre, Mumbai, based on the theme of "Connect, Communicate, Collaborate", as a platform for CSR and Affirmative Action to:

- Actively engage participants in an inclusive, flexible and non-competitive format
- Bring down outreach/visibility costs for development sector organizations through common infrastructure and shared networks
- Cut across silos for multi-stakeholder



dialogue on a spectrum of issues

- Design solutions that leverage strengths and resources for integrated development

RISE 2014 intended to set the stage for deeper engagement and transaction between Government, the Private and Development Sectors, Social Enterprises and Impact Investors on:

- Issues that addressed 9 Impact sectors - Health, Livelihood, Education, Women, Disability & Senior Citizens, Water, Waste, & Employee Engagement
- Other topics such as Resources for Development - People, Technology, Finance, Markets, HR, Communication & Media, Monitoring and Evaluation

RISE 2014 consisted of:

- Roundtables - Interactive sessions among Key Opinion Leaders, Special Interest Groups to discuss issues and work towards solutions
- Workshops - Intensive consultation with subject matter expert in focus groups
- Chat tables - Pre-arranged and on-spot meaningful conversations with relevant associates
- Exhibition area/display tables - Space for display, live demos and walk-ins

The event saw the participation of about 30 persons at each of the round tables and about 20 at the workshops, the total number of participants being about 200.

16. Cultural Event



An enthralling performance by the renowned musician and a violinist in the Indian style of Hindustani music Ms. Sunita Bhuyan was organized. ■

The Quarter That Was...

Implications of the Budget 2014-2015

Mr. Firoze B. Andhyarujina, Senior Counsel, Supreme Court of India said, "The Union Budget 2014-15 has too many favourable provisions for the common man. The Budget encompasses reforms to upgrade diverse sectors of the economy by undertaking development programmes. It has signaled growth as a top priority of the Government thereby improving the investment climate for domestic and foreign investors. However, certain provisions in the Finance Bill have overturned the judgments of the Supreme Court and High Court leading to far reaching confusion and chaos".

Enumerating further on the amendments in the Finance Bill Mr. Andhyarujina said that the bill makes no mention of the retrospective taxation amendment thereby litigations remaining pending with the option but reference to the high level committee for settlement of disputes.

Secondly, as per the Finance Bill a trust can claim tax deduction on the purchase of an asset. However, there remains no provision for deduction of depreciation of the purchased asset which is an unwelcome move by trusts. Another matter of concern for charitable and religious trusts is that under section 12AA, the trust registration is liable to cancellation in the event of no utility to the general public or usage towards religious communities as against the only earlier provision of money not being spent under specified provisions.

A matter of concern in the Finance Bill is the amendments on the capital gains taxation norms. As per the earlier Bill under section 54, reinvestment in buying a home from selling of an earlier property was exempt from taxation. However, the recent bill restricts reinvestment exemption towards purchase of only single house with no such restrictions earlier. Also, as per the section 54 reinvestment in property abroad had been exempted from taxation which is now restricted to "India" only thereby unsettling earlier laws passed by the Courts. Earlier Capital gains from forfeiting failed negotiations on purchase of land, building or house were exempt from tax. However, as per the current bill forfeiting of failed negotiations is to be taxed as income from other sources violating the basic cannons of taxation. The dividend distribution tax was levied at 16.995% as per earlier provisions. However, the amended bill

states gross taxation of dividend distribution tax thereby including surcharge and education cess which is likely to reduce dividend profits of shareholders.

The Companies Acts obligation of 2% investment towards Corporate Social Responsibility by companies was exempt from taxation which has been brought under taxation bracket. Lastly, as per the earlier provision interest payment for nonpayment of taxes commences since the time period when liability arose. However, the bill states interest payment since the assessing officer makes the order. The Budget has tinkered with laws leading to

commercial, economic and business activities. The Budget stipulates no definitive time frame for the implementation of the GST. Lastly, the budget has given the much needed boost to the manufacturing sector by slashing excise duties and custom duties of key resources required for manufacturing.

Mr. Jairaj Purandare, Founder Chairman, JMP Advisors Pvt. Ltd said the Union Budget 2014-15 signals reforms with provisions such as smart cities, e-visas, development of power sector, infrastructural sector, revival of the coal industry, linking of rivers, skill development programmes, incentive for



From (L-R): Mr. Jairaj Purandare, Founder Chairman, JMP Advisors Pvt. Ltd, Mr. Nishith Desai, Founder, Nishith Desai Associates, Mr. Firoze B. Andhyarujina, Senior Counsel, Supreme Court of India, Mrs. Rupa Naik, Director-Projects, MVIRDC World Trade Centre (WTC) & Executive Director, All India Association of Industries (AIAI), Mr. M. S. Mani, Partner, Deloitte India and Mr. Y.R. Warerkar, Executive Director, MVIRDC WTC.

hardships for the common man. The need of the hour is clarity of laws besides building trust by the Government towards its law abiding citizens. The clarification of policies is likely to continue in near terms, Mr. Andhyarujina stated.

Mr. Nishith Desai, Founder, Nishith Desai Associates said the country is in need for less government interference and more governance. India needs to learn best practices from the US and UK for designing an unambiguous taxation structure. It is vital that drafts men be involved in designing legislative bills henceforth.

Mr. M. S. Mani, Partner, Deloitte India elaborated on the indirect taxation code of the Government. The service taxes purview has been expanded to include

housing and FDI cap changes in defense and insurance. However, proposals alone cannot make a difference to the economy. Ensuring execution of the said provisions is of paramount importance to generate sustainable growth in the next five years.

July 11, 2014 organized jointly by MVIRDC World Trade Centre and All India Association of Industries.

Moselle Development promotes EITS 2014

World Trade Centre Mumbai and the All India Association of Industries partnered to promote Euro India Technology Sourcing (EITS). During an interactive meeting with **Mr. Thierry PETRY, Director for India, Moselle Development** on 'Doing Business with Europe' organizers of EITS, he said, "Euro India Technology Sourcing (EITS) is a business meeting aiming to establish new contacts between companies from India and Europe. Companies interested to develop and boost strong trade relations in the field of materials, processes and energies are welcome to participate. EITS is a part of the public strategy for the development of a European Materials and Energy Valley in Eastern France. EITS is organised by Moselle Development, the economic development agency of the General Council of Moselle".

EITS 2014 scheduled from 9th to 10th December, 2014 expects participation from 300 companies from India & Europe focusing on materials & processes for industry, transportation & energy. The focus sectors for the technology conference include producing materials (metals, chemicals, plastics & natural fibers) and equipment endowed with new functions, generating power, improving energy efficiency, saving energy, storing energy, distributing energy, recycling renewable raw materials and saving of raw materials, Mr. PETRY stated.

The key features of the EITS 2014 include one-to-one meetings, company presentations, conferences, exhibition and

technical site-visits. Attendees at EITS 2014 will benefit from new commercial opportunities, new technologies and solutions, latest information about material trends and innovations and meet potential partners and foster collaborations. It is an ideal platform to meet manufacturers, suppliers, research institutions, technology transfer organisations, Investors, government representatives and agencies from Europe. Enumerating on the Moselle region, Mr. PETRY said the region confers access to cross border territory of France, Germany, Belgium and Luxembourg comprising 11 million population. Nearly 430 foreign companies have set base in Moselle. The region is well

connected by roadways, railways and airways with the neighbouring cities.

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

July 15, 2014 organised jointly by MVIRDC World Trade Centre and All India Association of Industries



From (L-R): Mr. Sateesh Kulkarni, Director – Market Intelligence, Corporate Catalyst (India) Pvt Ltd, Mr. Thierry PETRY, Director for India, Moselle Development and Mrs. Rupa Nailk, Director-Projects, MVIRDC World Trade Centre & Executive Director, All India Association of Industries.

An Insight on Investor Aftercare

An interactive meeting on 'Investor Aftercare' was organised with **Mr. Anil Swarup, IAS, Additional Secretary & Chairman, Project Monitoring Group, Cabinet Secretariat, Government of India**. He said, "The Government of India has set up a project monitoring group to fast track projects worth Rs 1,000 crores.

The group tasked with the job of clearing 449 projects worth Rs 22 lakh crores has successfully resolved 163 projects worth Rs 5.7 lakh crores". The performance of the project monitoring group is measured in terms of economic activity generated by the group such as power generated, productivity achieved or services created,

Mr. Swarup stated. Elaborating on the working of the project monitoring group Mr. Swarup said timely implementation of projects is the sole criteria of the group. For the purpose the group has adopted digitalisation by creating a national portal. The portal receives problems faced by the industry which is automatically sent across concerned Ministries.

The transparent flow of information ensures immediate action on the part of the Government while restricting unfair practices such as corruption and ensuring accountability in the system. Also, the project monitoring group periodically meets central and state officials to discuss

and disperse pending proposals. Pointing out to the various research studies prepared by industry and trade bodies Mr. Swarup said that the studies merely mention the predicament of the economy. However, the studies lack a road map to address the dilemma facing the economy. It is necessary that the research studies also mention practical and amicable solutions to the issues pertinent to the economy.

Enumerating on the future activities of the project monitoring group Mr. Swarup said firstly the group intends to form an interstate web portal to fast track state projects in the range of Rs 100 crores to Rs

1,000 crores. Secondly, an independent grievance portal for Ministry of Forestry has been created. Going forward, the group shall be replicating the same for Ministries of Environment, Mining and Coal.

In his concluding remarks Mr. Swarup said that the Indian economy has been at a helm of global affairs with a new, promising and vibrant Government. India is of paramount importance for foreign investors. Displaying ease of doing business with India with an able and efficient IT application is the agenda for the project monitoring group.

July 30, 2014 organised jointly by MVIRDC World Trade Centre and All India Association of Industries



From (L-R): Capt. Somesh Batra, Vice Chairman, MVIRDC World Trade Centre (WTC), Dr. Liu Youfa, Consul-General of the People's Republic of China in Mumbai, Mr. Vijay Kalantri, Vice Chairman, MVIRDC WTC & President, All India Association of Industries (AIAI), Mr. Anil Swarup, IAS, Additional Secretary & Chairman, Project Monitoring Group, Cabinet Secretariat, Government of India, Mr. Narinder Nayar, President, Indo-Italian Chamber of Commerce & Industry, Mr. Leszek Brenda, Consul General of the Republic of Poland in Mumbai, Ms. Rupa Naik, Director-Projects, MVIRDC WTC & Executive Director, AIAI.

'Innovation Sutra' - An Alternate Approach to Work-Life Balance

Ms. Rekha Shetty, Managing Director, Farstar Distribution Network Ltd. a renowned innovation expert, launched her 8th book titled 'Innovation Sutra', at an event. She said, "The book 'Innovation Sutra', based on the teachings of the Buddha, is about instant transformation serving as a guide to work-life balance. Just as a drop of water gets transformed when touched by a ray of sunlight or seed, given the right proportion of nutrients, transforms into a full grown plant further giving birth to numerous forests, so also a parent sends his son to the corporate world hoping that he transforms into a dutiful and responsible adult. An ardent believer in the 'Buddha as the CEO', she said that every person innately possessed the very nature of Buddha. Everyone should aspire in doing things that would make the people around feel happy. Whatever one does affects the other. It only takes a single person to bring about change.

Speaking about the Book she said, the book was aimed at the 30s age group, where a person entering the workforce should not look at grabbing, amassing, cheating and indulging in fraudulent behaviour, but seek out the larger good for everyone directly or indirectly related to one's work. One should be professionally skilled, efficient, learned and above all be honest, while aiming for excellence in a chosen field. Keep company with good people, do not take away what is legitimately earned by another. Work environment should be participative and not dictatorial, she added. While drawing a

parallel from 'Innovation Sutra', Mrs. Shetty said that the protagonist 'Dharam', an immensely successful banker in Manhattan, USA, using wrong means to create wealth, meets Kunal who too is in a profession of selling fake Indian antiques to American. They both decide to flee as sooner or later they would be jailed. They undertake a journey along the Buddhist pilgrim trail—from Lumbini, Kapilavastu and Bodhi Gaya to Sarnath, Rajgir, Nalanda,

profitable business - 'The Buddhist Footprint'. Likewise every person can seek out a good transparent work culture bereft of misguidance, cheat & misrepresentation if they desire to do so, if they truly followed the Buddha's word. Buddha's approach to management comprises 3 emotions namely, loving kindness or metta, compassion or karuna and equanimity or upekkha. She advocated practising Dharma in everyday living. Principles of



From (L-R): Mr. Vijay Kalantri, Vice Chairman, MVIRDC World Trade Centre (WTC) & President, All India Association of Industries (AIAI), Mrs. Rupa Naik, Director-Projects, MVIRDC WTC & Executive Director, AIAI, Mrs. Rekha Shetty, Managing Director, Farstar Distribution Network Ltd, Mr. Y.R. Warkerkar, Executive Director MVIRDC World Trade Centre and Mr. V. Sarangapani, Executive Director, Bombay Management Association.

Vaishali, Kaushambi and Kushinagar. As they journey through these places, Dharam is inspired by Buddha's teachings, finding a new purpose to his business life, developing the idea for an ethical yet

innovation lie in a gift-based economy. Maximum good comes from giving rather than taking. Every chapter in the book deals with a 'Sutra' or 'Rule of functioning'. The final chapter in the book explains how

Dharam goes back to the Buddhist Footprint and inspired by the teachings intends to sell of his assets and pay off debts which he held onto. By doing so he

was making people happy which in turn had a positive effect on himself giving rise to others to emulate his behaviour. In this way he was able to implement Buddhist

principles in business. **August 12, 2014 organised jointly by MVIRDC World Trade Centre and All India Association of Industries**

BRISC-CARR to Collaborate with WTC Mumbai

An interactive discussion was organized on the possibilities of MVIRDC World Trade Centre's collaboration with **Mr. Vijay Shankar Chandrashekhar, BRISC-CARR Group Inc.** The BRISC-CARR Group Inc. works towards building employable skills in the unemployed and under employed. The Group looks forward to joining hands with MVIRDC World Trade Centre and All India Association of Industries in reaching its goals. Thus, WTC Mumbai and BRISC-CARR Group Inc and All India Association of Industries and BRISC-CARR Group Inc signed an MOU to help build employable skills among the underprivileged youth in India through online employable skills building provided by the BRISC-CARR Group Inc Canada. The Group targets empowering around 5000 under privileged youth with employable skills for the year.

August 13, 2014 organised jointly by MVIRDC World Trade Centre and All India Association of Industries



From (L-R): Ms. Queenie Nair, Director, All India Association of Industries (AIAI), Mr. G. Mark Scullion, Consul and Senior Trade Commissioner - Western India, Consulate General of Canada, Mrs. Rupa Naik, Director-Projects & Executive Director, AIAI, Mr. Vijay Shankar Chandrashekhar, BRISC-CARR Group Inc, Mr. Y.R. Warerkar, Executive Director, MVIRDC WTC and Ms. Khyati Naravane, Assistant Director - Trade Promotion, MVIRDC WTC.

SelectUSA encourages Indian Investments organized jointly with EXIM Bank

World Trade Centre Mumbai had the honour to host Ambassador Mr. Vinai Thummalapally, Executive Director, SelectUSA over an interactive meeting. He co-chairs, with the Director of the White House National Economic Council, the SelectUSA Interagency Investment Working Group to coordinate existing resources across the federal government to promote business investment and address federal regulatory barriers.

At the interactive meeting he said, "The US\$ 16 trillion US economy foresees India as a prominent trade and investment partner. The US economy invites lucrative Indian investments as the nation rapidly emerges from the global crisis of 2008. The nation holds a competitive edge in terms of well developed infrastructural status, huge consumer base, stable legal and regulatory framework with the availability

of skilled & low-cost labour. Also, the economy showers identical treatment to all US domicile companies".

Elaborating on the road map to enhance Indo-US relation Mr. Thummalapally said SelectUSA works towards fostering US trade and economic relations with other nations through its varied services. SelectUSA assists new companies intending to set base in the US through dissemination of sector specific information and providing contacts on economic development organizations in the US. Also, SelectUSA lends support in addressing regulatory challenges faced by nascent US domicile companies in the country. Lastly, the federal government of the US promises to act as an ombudsman for Indian companies. We also invite the Indian SME segment to invest in USA. The S.G. Mills of Coimbatore shall be investing

US\$ 40 million in North Carolina in next two years, Mr. Thummalapally added. Present on the occasion was Mr. John McCaslin, Minister Counselor for Commercial Affairs, U.S. Embassy - New Delhi. Mr. McCaslin agreed on the need to build India and US relations. The current bilateral trade stands at US\$ 63.7 billion. The two economies must work together to target bilateral trade worth US\$ 100 billion in the years to come. The economies must augment their cooperation in the areas of trade, investment and finance towards profitable and productive association in the near future, Mr. McCaslin said.

Enumerating further on Indo-US relations Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India said that the bilateral trade between India and US stood at US\$21 billion during 2004-05. The bilateral trade has grown

three folds to touch US\$ 63.7 billion by the year 2013. The cumulative foreign investments by Indian companies in the US stands at US\$ 16 billion in the sectors such as IT, manufacturing, pharmaceuticals, steel, beverages among others. On the other hand, the US is the 5th largest source of FDI into India with cumulative FDI inflows worth US\$ 12 billion until March, 2014. The EXIM Bank has assisted 64 Indian companies to invest in the US having an exposure worth Rs 42 billion. The targeted sectors include pharmaceuticals, software, IT, consumer durables, electronic goods, textiles, etc. The Exim Bank has signed a Memorandum of Intent with SelectUSA to encourage collaboration to promote Indian investment in the US.

September 23, 2014 organized jointly by MVIRDC World Trade Centre and All India Association of Industries



From (L-R): Mr. Vijay Kalantri, Vice-Chairman, MVIRDC World Trade Centre (WTC) and President, All India Association of Industries (AIAI), Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India, Ambassador Mr. Vinai Thummalapally, Executive Director, SelectUSA and Capt. Somesh Batra, Vice Chairman, MVIRDC WTC.

Lithuania Keen to Forge Trade Ties with India

At a round-table discussion with **H.E. Mr. Laimonas TALAT-KELPSA, Ambassador, The Republic of Lithuania**. He said, "Lithuania seeks to broaden economic and trade relations with India. Lithuania has a strong industrial base and is technologically highly advanced.

There are many potential areas where Lithuania and India can successfully cooperate. Lithuania is keen to forge ties with India to work together in Laser Technology. Laser technology can be put to multiple uses such as detecting air pollution, ensuring national security besides wide applications in optical industry, diamond processing and medicine".

Elaborating further on prospects of broadening Indo-Lithuanian relations H.E. Mr. Laimonas TALAT-KELPSA said that besides cooperation in laser technology, Lithuania and India need to strengthen bilateral trade.

The present level of trade is marginal with total value of two-way trade at Euro 55.53 mn. Lithuania could supply laser technology and components and augment its exports of fertilizers and phosphates, agro products and marine products to India while Lithuania could import textiles, leather and footwear and other raw materials from India.

Inviting Indian companies to invest in Lithuania H.E. Mr. Laimonas TALAT-KELPSA said there are several economic zones in Lithuania offering good



From (L-R): Mr. Vijay Kalantri, Vice-Chairman, MVIRDC World Trade Centre (WTC) and President, All India Association of Industries (AIAI), H.E. Mr. Laimonas TALAT-KELPSA, Ambassador, The Republic of Lithuania and Capt. Somesh Batra, Vice Chairman, MVIRDC WTC.

investment opportunities and Indian businesses should consider these. Also, the rapidly growing Lithuanian economy is strategically located in the centre of Europe with a major port in the Baltic Sea

and as such serves as an important hub for trade and business.

September 23, 2014 organized jointly by MVIRDC World Trade Centre and All India Association of Industries

Focusing On FDI from SMEs Would Reap Fruits for India - Dannie Chiu

If we look at India and China, according to World Bank data, in 1980, both economies had a similar size, (both at US\$189 billion), with India leading by a little bit. Today, China is the largest economy in Asia, while India ranks third.

China's economy took off in the 1980s, led by the Guangdong province, which was commonly regarded as the "world factory". The GDP of Guangdong province achieved an average annual growth rate of 11.1% for 33 years (1979-2012), to US\$1 trillion in 2013.

Hong Kong investments contributed significantly to Guangdong's development. FDI from Hong Kong accounted for 60% of Guangdong's total in 1980, and today's share is still at that level - with US\$185 billion of utilised capital - more than the current GDP of New Zealand (US\$181 billion) or Vietnam (US\$170 billion). Back then, China opened the doors to Hong Kong's investment, and there was a massive relocation of manufacturing to Guangdong.

One particular feature on Hong Kong's FDI into Guangdong was that, the majority of the investment was from SMEs, not big corporations. Big corporations have lean operation - in value terms their investment might be large, but in terms of employment generation - which was paramount in China's stage of development back then, SMEs did a better job. At the height of times, Hong Kong, with a population of only six million, employed more than 10 million workers in China. This is nearly the population of the entire Delhi.

Besides employment, it was important that Hong Kong enterprises brought vast amounts of capital, skilled labor, advanced technologies, management know-how, etc. to China. These greatly boosted Guangdong's economic development.

Now the province is a key engine of China's exports, accounting for a quarter of its total, with high tech, electronic products as the main drivers.

The implication for India is that, given the right policies, labour laws and tax regime, Hong Kong & other global manufacturers can invest in India. SME manufacturers can effectively generate employment, and transfer skills to local labour.

The time is right to attract more Hong Kong and Chinese manufacturers to India, especially labour-intensive production. Manufacturing costs are rising in China. According to an HKTDC survey, carried out in the third quarter of 2014, 67% of responding Hong Kong companies with factories in China experienced a rise in labour costs on the mainland compared to the previous quarter.

In addition, although from February to May 2014, the RMB depreciated against the US dollar by about 3%, as of the start of June 2014, however, the RMB was again on an upward trend. By mid-September 2014, the RMB had appreciated by about 1.8% against the US dollar when compared early June. These are also costs concerning manufacturers in China.

The new Indian government is heading towards the right direction - focusing on labour-intensive manufacturing. This is the advantage of India, having a sizeable and young population eager to change their lives.

One role which Hong Kong plays that should not be overlooked is that Hong Kong is a major source of outward FDI.

If Hong Kong has an FTA with India, and thereby having freer movement of goods, services and enhanced investment protection, it would be conducive to channeling more investment to India.



One way in achieving an FTA is to do it through the ASEAN + 6 free trade area (India, Australia, New Zealand, China, Japan, Korea, or Regional Comprehensive Economic Partnership, RCEP). If Hong Kong joins and make it ASEAN + 7, it will be effectively an FTA with India. HKTDC, as a statutory trade promotion body in Hong Kong, can also play a role. HKTDC hosts an investment-matching event every January, with investors from around the world coming to look for projects, including the world's largest sovereign wealth fund, China Investment Corp. This is the Asian Financial Forum. Therefore investors not only from Hong Kong, but from around the world, would be able to finance projects in India.

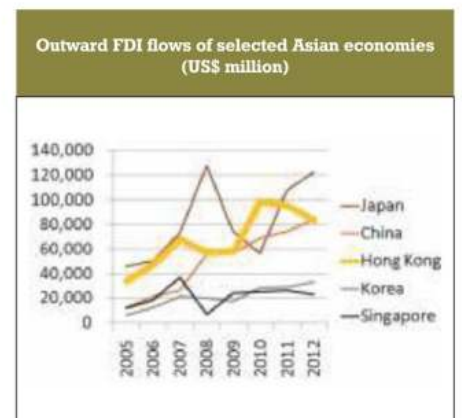
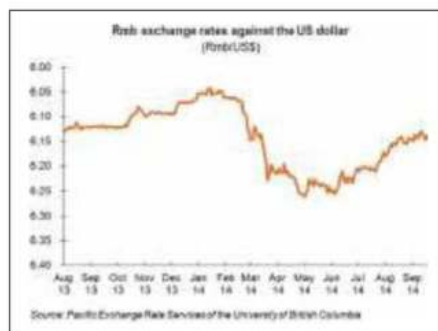
HKTDC is honoured to be able to invite Mr N.R. Murthy, Co-Founder of Infosys to attend the Forum in from 19-20 January 2015.

In short, we are fully convinced that India definitely has huge potential to become a leading regional economy, and focusing on inviting SMEs FDI would reap benefits for India. Hong Kong would hope to take part in building it.

Distribution of labour cost increases on the Chinese mainland among Hong Kong companies		
Increase*	3Q/2013	3Q/2014
Over 10%	27.4%	29.9%
5% - 10 %	53.2%	49.2%
Less than 5%	19.4%	20.9%

*Rate of increase compared to three months ago

Source : HKTDC Survey



The author is the Regional Director, South East Asia and India, HKTDC

The 5th Global Economic Summit

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

Theme: Enabling Food for All



Highlights

Conference • Exhibition • B2b • Industry Visits • Handbook

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

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

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

For enquiries contact organizers



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