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July - September 2016 | VOL. 3 ISSUE 1

ON TRADE

THE INTERNATIONAL TRADE RESEARCH JOURNAL OF MVIRDC WTC MUMBAI



**WTC Jaipur
Inauguration**

25 *Years of*
India's Economic Reform:
The Unfinished Agenda



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Dear Readers,

Recently, the World Economic Forum released The Global Competitiveness Index for 2016-17 which shows that India jumped 16 places to rank 39 out of 138 countries that were assessed on various parameters. Further, the Report revealed that the Indian economy has stabilized and has the highest growth among the G20 countries. India's competitiveness has improved across the board, in particular, in goods market efficiency, business sophistication, and innovation. With positivity growing among the trading and business communities and with the Goods and Services Tax (GST) on the anvil, India is undoubtedly going through interesting yet challenging times.



While forecasters and analysts are still pondering over the impact of Brexit, the Indian economy continues on its path towards stronger reforms which is visible to all. The world is keenly observing key developments in India's growth story. In order to trace the historical context of this economic growth, the July-September edition of On Trade carries a cover story on twenty-five years of economic reforms. While recognizing India's progress over these years, the article brings to light further policy steps to be taken, if India is to maintain the current growth of 7.5-8 percent.

This edition also contains a mixed bag of interviews, analysis, reports and special features on a wide variety of subjects of contemporary interest.

The Centre achieved a significant landmark by launching World Trade Centre Jaipur with the support of the state government of Rajasthan. WTC Jaipur was inaugurated by Mr. Gajendra Singh Khimsar, Rajasthan Industries Minister, paving the way for various trade promotion activities to be conducted for the business community in the state and gradually provide businesses access to international markets. A Research Study on the Export Potential of Rajasthan was released on this occasion.

The World Trade Centre Mumbai participated at the WTO Public Forum 2016 at Geneva by organizing a working session on inclusive trade through e-commerce and greater engagement with SMEs. The present issue covers a detailed report on the session.

In this issue, we also discuss the emerging opportunities in the District of Nagpur popularly referred to as the Orange city. The article highlights the opportunities that exist in a few sectors specific to the region.

We hope you find this edition insightful with topical and informative issues such as Trans-Pacific Partnership, WTO Negotiations, Cross-border Tax Regimes, GST, Innovation & Technology, Arbitration & Intellectual Property Rights, and their impact on Indian businesses.

Wish you Happy Reading!

Y. R. Warerkar

Y. R. Warerkar



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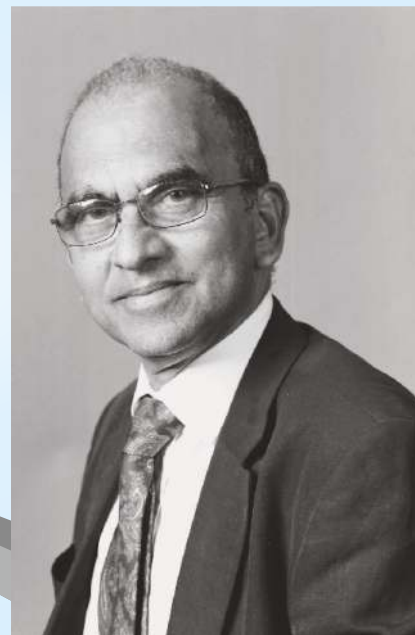
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25

Years of

India's Economic Reforms: The Unfinished Agenda



Vijay Joshi,
Emeritus Fellow of
Merton College, Oxford

Though India has done well in the past 25 years, there is little room for complacency. The magnitude of the task that remains is enormous. India still has around a quarter of its billion-plus population surviving in extreme poverty, and more than two-thirds of its people are poor enough to have extremely circumscribed opportunities to lead a fulfilling life. To become a prosperous, 'high-income' country in the next 25 years, India will have to achieve, over that time-span, rapid and inclusive per capita growth of around 7 per cent a year (aggregate growth of around 8 per cent a year).

The magnitude of the task can be gauged by contemplating the sobering fact that since 1950 only four countries, viz. China, South Korea, Taiwan, and the city-state of Singapore, have achieved a similar feat. Many countries have had high-growth spurts that fizzled out

because they fell prey to fiscal crises or oligarchic rent-seeking or simply failed to sustain the pace of productivity improvement. India is currently at such crossroads. To keep the engine of rapid and inclusive growth on all fronts, India urgently needs a second generation of reforms.

What remains to be done can usefully be divided into seven reform areas: pattern of taxation and government expenditure; investment climate; markets, ownership and regulation; macroeconomic stability; external economic engagement; social protection and enablement; and reform of the state. Many reforms are called for in each of these areas. A few of these areas are highlighted. A more extended, evidence-based examination of the issues is contained in my recent book, *India's Long Road – The Search for Prosperity*.

Pattern of government expenditure and taxation

The composition of government expenditure in India needs radical revision. Too much is spent on dysfunctional subsidies in the name of helping the poor. Some of the subsidies are explicit, e.g. for food, fertilizers and fuel products. Others, such as those for coal, electricity, water, and rail services, are hidden and take the form of losses or low profits by government departments or enterprises that sell these products at prices that are well below costs of production. These subsidies are inefficient and wasteful and benefit mainly the well-off. Large fiscal savings would be made by winding them up. Additional fiscal resources could be raised by pruning tax exemptions, selling off unprofitable public enterprises, and taxing agricultural incomes. A combination of the

above steps would improve resource allocation as well as release fiscal resources of at least 10 per cent of GDP, sufficient to - a) pay a universal basic income that would go a long way to abolishing extreme poverty, as well as compensating the rest of the population, wholly or partially, for the loss of subsidies; b) increase public spending on physical and infrastructure, and social expenditures such as education and health care; and c) reduce the fiscal deficit. In other words, harnessing India's hidden fiscal potential could advance greatly the objectives of growth and inclusion.

Investment Climate

Rapid growth requires a high rate of investment. For this, a high saving rate is of course essential. However, if the savings are not to go to waste, they have to be matched by a desire to invest. Private investment, in particular, will be forthcoming only if the investment climate is friendly. India is notorious for putting bureaucratic obstacles in the way of investors, as confirmed time and again by its low rank in the World Bank's 'ease of doing business' surveys. These obstacles are a major constraint on the growth of firms, not least small firms, whose expansion is critical for producing the 'good jobs' that are necessary to crack India's employment problem.

India does not offer an enabling environment for enterprises to enter the market and grow. The number of permits and no-objection certificates required, the large variety of inspectors who have to face (and paid off), the huge problems in land access and conversion, the enormous difficulties in securing services such as water, sewerage, and electricity, conspire to deter many entrepreneurs. Recent governments have emphasized improvements in the 'ease of doing business' as an important priority.

However, there is a long way to go in this area.

The country has only just begun to learn that putting unreasonable restrictions on business is tantamount to killing the goose that lays the golden eggs. Needless to say, 'ease of doing business' also matters for making India an attractive destination for foreign direct investment.

Markets, Ownership and Regulation

India has liberalized goods markets (though, as seen above, some key input prices remain controlled). There has also been some movement in the capital market: at last, there is a decent bankruptcy law that will enable exit of insolvent companies, though the requisite institutional arrangements will take time to develop. However, land and labour markets are largely unreformed. In the land market, existing regulations impede the process of price-discovery and massively slow down land acquisition by the government for public purposes. In the labour market, nothing has been done to make labour laws concerning redeployment and dismissal more flexible. This is essential to encourage employment in the face of the demographic bulge. On privatization, successive governments have been stuck with the fetish of 51 per cent ownership. In consequence, national resources are tied up in low-return central and state government enterprises. Infrastructure investment is held up by infirmities in the rules and arrangements governing public-private partnerships. There is also a large unfinished agenda of market liberalization in agriculture, in combination with fewer subsidies and more public investment.

Macroeconomic Stability

For inflation control, the adoption of

'inflation targeting' was a wise move. However, it will need to be buttressed by a rational buffer-stock policy, and modernization of the supply chain for farm products. The transmission mechanism of monetary policy also needs repair by removing elements of financial repression such as administered small savings rates and the high level of the statutory liquidity ratio. For external balance, the regime of 'managed floating plus', i.e., managed floating of the exchange rate to preserve export competitiveness, combined with some focussed capital controls, and occasional sterilized intervention, has proved its worth in boosting exports and insulating the economy from volatile capital flows. Experience shows that departing from this regime leads to problems. (For example, in the last two years, allowing the real exchange rate to appreciate by 10 per cent was one of the factors that contributed to the export collapse.) India should retain 'managed floating plus' for several years more. The third element of macroeconomic stability is fiscal sustainability. India suffers from excessive fiscal deficits and government debt. The frequent chopping and changing of fiscal rules and targets is bad for fiscal credibility. India needs a new and revamped Fiscal Responsibility Act, with declining targets for deficits that take the form of 'bands' that are sensitive to the cyclical state of the economy. An independent Fiscal Council should be set up to provide regular, objective assessments of fiscal performance.

External Economic Engagement

Foreign direct investment has been substantially liberalized. However, trade liberalization, which made large strides after the 1991 reforms is now at a standstill. The tendency to want something for nothing in trade talks is still very much in evidence. India has not adjusted to the change

in the international trade environment, which has moved decisively towards mega-regional agreements. In the absence of progress in this area, India will face higher trade restrictions than those faced by competitor countries.

Social Protection and Social Enablement

Unfortunately, price subsidies remain the basic framework for creating a safety net for the poor. As indicated above, it would be more effective to replace these subsidies by cash grants though it would be wise to retain the NREG scheme for a transitional period. However, in the long run, inclusive growth depends



much more on provision of education and health care than on redistributive transfers. The quality of provision in these areas is shameful and shocking. The available evidence clearly indicates that primary education, which is the foundation of the whole educational system, delivers outcomes of very poor quality. A major reason for this is the near-total lack of accountability of teachers in government schools who are noted for their high absenteeism and low commitment. Very similar problems attend the delivery of primary health care in government facilities where attendance of doctors and nurses is patchy and patient care is abysmal. Those who advocate that the state should be the exclusive supplier of

primary education and healthcare have to consider whether there is any realistic prospect that the performance of state functionaries can be massively improved by reform from within the system. I think there is much to be said for the view that performance in the state sector will improve only if there were genuine competition with the private sector. Without the discipline of competition, it is hard to see how state employees could be made accountable. What is undeniable is that the present model of delivery of primary education and health care is broken. Unless that is repaired, India's future growth is likely to be severely constrained by shortage of human capital.

Reform of the State

Another unfinished aspect of reform is to deal with institutional decay. Two main tasks are involved. The first is to repair the decline in state capacity. Part of the answer is withdrawal of the state from activities in which the private sector has a comparative advantage. However, that is not enough. There are many items that the state cannot and should not outsource. These include law and order; administration of justice; protection of contracts and property rights; external defence; provision of macroeconomic stability; administration of taxes and income redistribution; environmental regulation; and the vast area of regulation of the market and the private sector. India began as an independent country with state institutions that were excellent by developing-country standards. However, there has been no attempt to build on this platform, with the result that the state no longer performs its core tasks effectively. Administrative reform has been examined by many committees, including most recently

by the Second Administrative Reforms Committee, which reported in 2009. Many sensible recommendations were made but nothing has been done. There is an urgent need for internal reforms in the civil service, the police force and the judiciary to repair severe shortages of personnel, increase expertise and competence, align incentives and penalties to the quality of performance, and reduce rank corruption and politicization. Especially important is the need to improve regulatory capacity.

Another manifestation of institutional decay is corruption and crony capitalism, which can subvert the discipline of the market and, even worse, delegitimize the state itself. Some progress can be made by reducing administrative discretion, e.g. by the use of auctions. However, the main way forward must surely be to clean up election funding, and the finances of political parties. At present 75 per cent or more of the income of the major political parties comes from undocumented sources and, in addition, the laws on election finance are shot through with holes. The Election Commission needs to be given much stronger powers to monitor political parties and their financial accounts. In the longer run, India should fund elections from the public purse, as in some European countries.

A Final Word

If there is one take-away from this analysis of second-generation reforms, it is this. Deeper liberalization will be necessary but far from sufficient. The state needs to perform much more effectively many core tasks that fall squarely in its domain. India needs more of the market as well as more of the state. ■

Jaipur Gets World Trade Centre, Eyes Boosting Exports

M. Visvesvaraya Industrial Research Centre achieved another milestone by establishing World Trade Centre (WTC) Jaipur on August 10, 2016 and thus has joined the network of 324 WTCs in 89 countries connecting one million businesses that would facilitate trade services in vast swathes of the world.

Launching the centre, Mr. Gajendra Singh Khimsar, Minister of Industries, Rajasthan said the commencement of the services will allow the business community in the state a unique access to several parts of the world.

Rajasthan is at the forefront of economic growth. The Government has taken a plethora of initiatives in increasing the competitiveness of agriculture, food processing, dairy and SME sector.

The establishment of WTC Jaipur will create and generate enthusiasm for entering into new markets and explore new avenues for creation of new business in global markets. Rajasthan has all the necessary infrastructure for investors and export development. Through the 'Resurgent Rajasthan' huge investments have been committed by the State under the dynamic leadership of Ms. Vasundhara Raje, Chief Minister of Rajasthan which has generated wide spread interest among global investors.

WTC Jaipur will offer services like export



Mr. Gajendra Singh Khimsar, Minister of Industries, Rajasthan lighting the lamp at the inauguration. Looking on are Ms. Rupa Naik, Director-Projects, WTC Mumbai (Left) and Capt. Somesh Batra, Vice Chairman, World Trade Centre (WTC) Mumbai (Right).

counselling, promoting inbound trade delegations and will organise networking events.

Capt. Somesh Batra, Vice Chairman, World Trade Centre (WTC) Mumbai said that the WTC Jaipur will help the businessmen in Rajasthan looking to tap overseas markets and expand global footprint. Giving details of the Centre's activities, Ms. Rupa Naik, Director-Projects, WTC Mumbai, said WTC Jaipur will prove to be a great platform for exporters, importers, consultancies, trade houses, among others to enhance their businesses.

Release of Study 'Export Potential of Rajasthan'

On the occasion, a Research Study on 'Export Potential of Rajasthan' prepared by the MVIRDC along with MART, a leading knowledge-based consulting firm on emerging markets was released.

In the Study, Mr. Pankaj Mishra of MART identified 10 high export potential sectors. The sectors are agro and food products, electrical, electronics and computer software, plastics, drugs and pharmaceuticals, leather and related products, dimensional stones, marbles, granites and articles of stones, chemicals, engineering, readymade garments and gem and jewellery.

The Study finds that Rajasthan being an agrarian economy has a great potential to export food products. Processed food is one industry, which the government is giving a major impetus. The state has been long known for production of spices, which hold a huge market potential in countries like the United States, Malaysia, United Arab Emirates (UAE) and United Kingdom (UK). The state has yet not exploited its potential in export juices, herbal

medicines and camel milk for therapeutic utility, the Study reveals.

Similarly, the Study states that generic drugs and nutraceuticals also offer a huge potential and can be the 'pharmaceutical export basket for generic drugs'. It also recommends that the State Government should set up new inland container depots or dry port facilities with the assistance of the Centre at shipment centers so that there are no difficulties in cargo storage, customs clearance and container availability.

The Study also focuses on the need to set up Testing Laboratories of international standards under public-private-partnership for different kinds of export commodities so that exporters from the state can save time and money by not depending on facilities in cities like Delhi and Mumbai.

Furthermore, the Study revealed that exporters need to be kept updated on usage of newer technologies and their adoption in the manufacturing process to improve its overall long-term viability.



From (L-R): Mr. Ashish Modi, Assistant Director-Trade Promotion & Business Development, World Trade Centre (WTC) Jaipur, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Gajendra Singh Khimsar, Rajasthan Industries Minister, Ms. Rupa Naik, Director-Projects, WTC Mumbai, Mr. A.O. Kuruville, Advisor, WTC Mumbai and Mr. Navneet Agarwal, Assistant Director-Trade Promotions, WTC Jaipur.

Highlights of Export Potential of Rajasthan

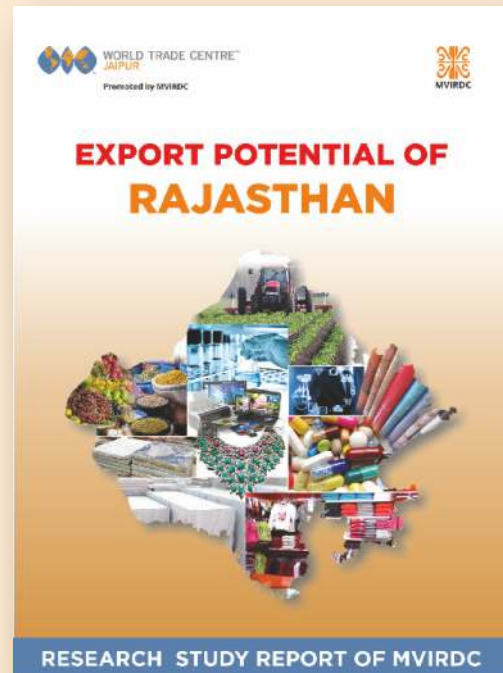
A predominantly agricultural and rural state of India, Rajasthan's Gross Domestic Product (GDP) has expanded at a Compound Annual Growth Rate (CAGR) of 12.83 per cent over 2004-05 to 2014-15. Rajasthan is a natural corridor between the wealthy northern and the prosperous western States, making it an important trade and commerce centre. With a stable political environment, the state government is committed towards creating a progressive business environment.

Rajasthan offers a variety of unexploited agricultural and mineral resources, which is indicative of the scope for value addition and exports. The state government has been investing in capacity building through the development of a strong institutional network at all levels. The state has renowned higher education institutions in various disciplines, producing thousands of skilled and proficient young individuals every year. The state is developing sector-specific infrastructure, such as special purpose industrial parks and special economic zones (SEZs) for exports of handicrafts, IT and electronic goods.

Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) plays a catalytic role in industrial development of Rajasthan. Keeping in view the specific requirements of export-oriented units, RIICO has given emphasis for development of special parks for setting up of such units. RIICO, on behalf of government of Rajasthan, is providing and developing these basic infrastructure facilities for the exporting units such as:

- Export Promotional Industrial Parks
- Special Economic Zones
- ASIDE Scheme (Assistance to state for developing export Infrastructure and allied activities)
- AIR Cargo Complex (ACC) and Inland Container Depot (ICD)

Based on an analysis, the top ten important sectors that hold a huge potential for exports from Rajasthan include Agro and Food Products, electrical, electronics & computer software, plastics and linoleums, Drugs



and pharmaceuticals, Leather and leather products, dimensional stones, marbles, granites and articles of stones, chemicals and allied, engineering, readymade garments, gem and jewellery.

There are several challenges related to exports including inadequacies in the area of infrastructure, inefficiencies in the trading processes, tariff and non-tariff barriers, mind set and attitude towards technology, payment delay from overseas buyers/ distributors and the lack of funding/aggregation, which needs to be solved and has been discussed further in the Study.

Advantage Rajasthan for Exports

Exports hold the key not only for a healthy balance of payment and macroeconomic positions, but also for a planned and sustained economic development. In the absence of better performance on the economic front, the balance of payments position of the country comes under strain and retards economic progress. Rajasthan

has traditionally been an exporter of primary goods. The significance of exports from the state lies not only in earning foreign exchange for the country's exchequer but also in indirect benefits to the state such as:

- Expansion of market opportunities for its produce
- Improvement in product quality and subsequent handling techniques
- Technological up gradation in terms of plant, machinery and manufacturing process
- Greater employment opportunities
- Exposure to the international marketing and technological environment

The state government has identified exports as one of the thrust areas. Export promotion cell has been set up in the State Commissionerate of Industries. The Rajasthan Small Industries Corporation Limited (RSIC) has been recognised as an export house.

Promotional efforts for export growth are also being made by the Bureau of Industrial Promotion and RIICO Ltd. The manufacturers and exporters have given an excellent account of themselves in export efforts, which is evident from the sharp increase in the volume of exports in the recent years.

The government of Rajasthan has provided several incentives like over-riding priority in release of power connections to units set up in Export Promotion Industrial Park (EPIP) / Export processing zone, exemption from power cuts, purchase tax exemption depending on the level of investment and entry tax exemption to help promote export-oriented units. The policy of encouraging exports has already started paying rich dividend and in turn exports have led to the overall industrial development of the state.

The entrepreneurs of Rajasthan are exporting a wide variety of products, which includes handicrafts, carpets, readymade garments, printed fabrics, cosmetics, leather goods, chemicals, minerals, stones namely marble, granite, slate, sand stone, engineering goods, precious and semi-precious stones and jewellery.

Rajasthan has several advantages for exports:

Strategic Location

Approximately 8,380 sq. km. of Rajasthan falls in the National Capital Region (NCR), which is around 24.50%

of the total National Capital Region, the world's second largest urban agglomeration. Rajasthan shares its border with five major Indian states: Punjab, Haryana, Uttar Pradesh, Madhya Pradesh and Gujarat. These states have a combined population of 402 million (year 2011). Industries in Rajasthan have to their advantage, access to this enormous market.

Excellent Connectivity

Rajasthan has the second largest network of National Highways in the country with a total road length exceeding 7,310 km. National Highways provide excellent connectivity to cities like Delhi, Ahmedabad, Vadodara, Mumbai, Jabalpur, Bhopal, Agra, Gwalior, Indore, Amritsar. The railway network connects the state to all major cities in India and links the state to ports in Mumbai, Kandla and Mundra in Gujarat.

The state has a fully-operational international airport at Jaipur, with direct flights to Sharjah and Muscat. Rajasthan has airports at Jodhpur, Udaipur and airstrips in other major districts. An Air-Cargo Complex at Jaipur and two Inland Container Depots in Jaipur and three in Jodhpur, while Bhilwara & Bhiwadi facilitate trade within and outside India.

Delhi-Mumbai Industrial Corridor

Rajasthan touches six major states of the Northern, Western and Central India. It is a natural corridor between the wealthy northern and the prosperous western states of the country, which makes it an important trade and commerce centre. Dedicated Freight Corridor (DFC) is a 1,483 km long rail corridor connecting Jawaharlal Nehru Port near Mumbai to Dadri near Delhi. The DFC will allow high-speed connectivity for high axle load wagons (25 tonnes) of double stacked container trains supported by high power locomotives.

A band of 150 km has been chosen on both sides of the DFC to be developed as the Delhi-Mumbai Industrial Corridor (DMIC). With nearly 39 per cent of DFC passing through Rajasthan, opportunities for industrial establishment along the route are eminent as the corridor will make Rajasthan easily accessible to western and northern markets. About 60 per cent of the state's area (in 22 districts including major districts such as Jaipur, Alwar, Kota and Bhilwara) falls within the project will influence the area. With this, the State will become an attractive destination for setting up indus-

trial and support infrastructure units.

In Khushkhera-Bhiwadi-Neemrana region, an integrated industrial township is being developed and a similar concept comprising a township along with other support infrastructure and projects is being planned in Jodhpur-Pali-Marwar area under DMIC in the first phase.

Land Availability

Rajasthan is geographically the largest state of India, offering land in plenty and at competitive prices. Rajasthan Industrial Development and Investment Corporation Ltd. (RIICO) ensure top-class infrastructure and other related support for establishment of new enterprises. To catalyse industrialisation, the corporation has developed 327 industrial areas close to 74,228 acres throughout the state. Furthermore, the state government has made several provisions under the relevant laws for leasing of government land and simplifying the procedure for conversion of land for agri-business activities.

Agro Food Parks

RIICO has developed four Agro food parks in Kota, Jodhpur, Sriganganagar and Alwar for development of agriculture based industries. Another food park is being developed near Kishangarh in Ajmer district by M/s Greentech Mega Food Park Pvt. Ltd under the government of India scheme.

Single Window Approval

A single window system is operational as a single point interaction mechanism for entrepreneurs to interact with the state for seeking statutory approvals for their projects. Keeping with the times, the entire process of application and monitoring is through web-enabled software called the 'Single Point Electronic Monitoring and Clearance System.' Using this web-interface, entrepreneurs can register, fill and monitor application forms electronically. Forms along with the enclosures have to be submitted at the nodal office physically.

The Study however, warns that the State has to address some of the challenges to realise the full potential of export in the State. these challenges are inadequate infrastructure, inefficiencies in the trading process, tariff and non-tariff barriers, mindset and attitude

towards technology, payment delay from overseas buyers and distributors and lack of funding and aggregation.

The Study has attempted to give an overview of Rajasthan as a state from the perspective of exports - particularly the resources and infrastructure available. Also, suggestions on potential sectors for export from Rajasthan and a detailed overview of them as well as suggestions for the growth of exports have been provided in the Study.

The Report prescribes effective policy solutions to the above issues and ways to unlock export potential of the State. Some of the policy suggestions recommended in the Report are as follows:

- The state government should set up new inland container depots or dry port facilities with the assistance of the Centre at shipment centers so that there are no difficulties in cargo storage, customs clearance and container availability
- Also, testing laboratories of international standards need to be set up under public-private-partnership for different kind of export commodities so that exporters from the state can save time and money by not depending on facilities in cities like Delhi and Mumbai
- Also, efforts should be made to establish direct connectivity to Bangkok, Hong Kong, Singapore and other prominent export markets from Jaipur to improve trade.
- Steps need to be taken to reduce procedural formalities for exports transactions, and ensure speedy redressal of exporters' grievances through Rajasthan Export Promotion Council.
- Also, thrust sector councils led by the Centre should be created at state level to prepare strategies and action plans to achieve targeted growth of exports. This can also be done through aiding the industry associations.
- Financial products and mechanisms for small scale entrepreneurs need to be set up

Major Exports from Rajasthan:

The present Study envisages to introduce sectors with potential for export in Rajasthan. For the purpose of identifying the thrust sectors for export potential from Rajasthan, data of export of various items from Rajasthan for the last 10 years as sourced from the Office of Commissioner of Rajasthan which was extracted from the Rajasthan Industrial Profile published by MSME Development Institute, Jaipur.

Exports data for various sectors in Rajasthan:

Sr No	Product	2004-05	2005-06	2006-07	2007-08	2008-09	2010-11	2011-12	2012-13	2013-14
1	Textile	1589.01	1807.53	1864.54	2023.16	2030.56	2500.13	3402.74	3800.08	4139.65
2	Agro & Food Products	545.6	579.53	762.07	1320.07	1877.08	2869.72	1078.38	14517.17	9080.75
3	Gems and Jewellery	1520.36	1724.32	1497.25	865.9	1710.44	2686.24	2970.03	3023.36	4564.15
4	Engineering	684.81	1104.43	3301.49	2871.23	3410.85	1920.17	2698.21	2914.81	3517.26
5	Metal	NA	NA	NA	NA	NA	4498.52	2779.21	1124.94	923.79
6	Dimensional Stones, Marbles, Granites & articles of Stone Mica etc.	470.42	581.59	923.43	1075.31	913.67	933.25	1812.18	2028.89	2539.42
7	Mineral fuels, mineral oil & products	NA	2113.37	2181.01	1316.62	810.26	2915.9	162.29	1052.91	171.65
8	Electrical, electronics & computer software	90.44	96.1	98.23	99.28	102.98	120.38	421	1171.82	1500
9	Wool & Woolen	24.2	32.11	22.25	24.51	20.47	16.92	34.26	35.25	39.75
10	Chemical & Allied	780.41	1373.2	1367.23	1031.29	1170.65	1347.43	2743.14	3779.69	4123.64
11	Drugs & Pharmaceuticals	45.34	59.58	90.48	75.95	121.62	186.52	281.22	293..76	359.9
12	Plastics & Linoleums	39.44	85.07	84.25	78.06	99.68	136.39	252.74	517.22	407.71
13	Handicrafts	1321.28	1609.05	1960.23	1484.42	1386.67	1875.95	2150.65	2363.83	3029.18
14	Leather & Leather Products	19.91	56.16	46.9	48.07	40.01	81.45	83.47	98.26	137.16
15	Readymade Garments	414.23	812.24	657.95	585.79	880.38	933.25	1281.45	1288.2	1543.17
16	Carpets(Durries)	258.51	304.95	309.21	273.16	258.52	237.6	370.62	394.36	442.61
17	Handlooms	0.35	0.41	0.6	0.66	0.74	1.2	2.1	NA	NA
18	Others	197.63	16.77	19.29	15.56	401.84	9.05	77.11	18.94	7.52
19	Total	8002.03	12355.97	15186.41	13189.04	15236.42	23753.2	32749.6	39106.7	37286.71

Based on the information available, the Compounded Annual Growth Rate (CAGR) was calculated using the following formula:

$$CAGR = \left(\frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\left(\frac{1}{\# \text{ of years}} \right)} - 1$$

The following sectors were identified as the thrust sectors:

Sectors	CAGR	Rank
Agro & Food Products	36.68	1
Electrical, electronics & computer software	36.62	2
Plastics & linoleums	29.63	3
Drugs & pharmaceuticals	25.88	4
Leather & leather products	23.92	5
Dimensional stones, Marbles, Granites & articles of stone mice, etc	20.60	6
Chemical & allied	20.32	7
Engineering	19.94	8
Readymade garments	15.73	9
Gem & Jewellery	12.99	10

The information provided here is a combination of the secondary research and primary interviews from various stakeholders in the business.

Challenges & Way Forward

Rajasthan, being an agrarian economy holds excellent potential for exports, particularly in the food sector. Processed food is one of the major industries, which the government is giving a major impetus. The state has been long known for production of spices which hold a huge potential in countries like the United States, Malaysia, United Arab Emirates (UAE) and United Kingdom (UK). The state has not exploited its potential to export juices, herbal medicines and camel milk for therapeutic utility.

A greater emphasis on agriculture has also promoted the government to focus more on 'Agricultural Biotechnology' in its industrial policy.

Also, non-communicable diseases making a top place in the global burden of disease - generic drugs and nutraceuticals also offer a huge potential and can be the 'pharmaceutical export basket for generic drugs'.

With the creation of infrastructure, Rajasthan also has a huge potential for exports of electricity and software goods

Despite traditional industries, such as Textiles and Leather having a huge potential, Rajasthan as a state can achieve much more in these areas and exploit this untapped potential.

Intel Inside, Innovation Outside: Tinkering with Technology

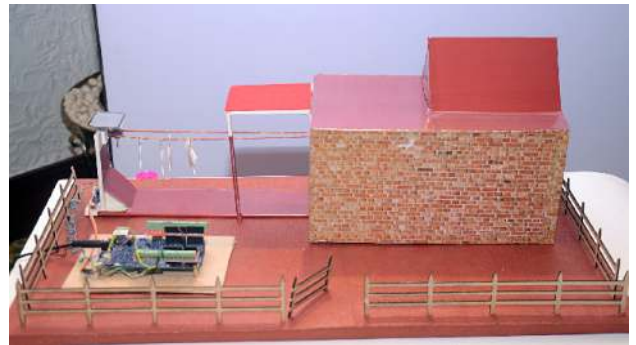
Kishore Balaji,
Director - Corporate Affairs, Intel South Asia

For over two decades, Intel has been a frontrunner in inculcating a temperament of innovation in India. Their philosophy is to inspire Indian students to bring their ideas to life, and to build a community of young creative visionaries and future citizens, who will release new innovations, products, and technologies into India's technology ecosystem, creating local solutions to global problems.

Taking this legacy to the next level, we recently collaborated with public think tank, NITI Aayog under its flagship program, Atal Innovation Mission (AIM), to launch the Tinker Lab concept in India. The Atal Tinkering Laboratories (ATL) and incubation centers are being designed for their 'mini maker' students in primary schools across the country. These Tinker Labs will be spaces for school students to gain hands-on experience with chips, boards, robots, and machines based on Intel architecture, to experiment and engineer their own mini machines.

The collaboration aims to establish the first 10 such laboratories and incubation centres for mini makers. These initial ATLs will serve as exemplar models for the remaining 490 laboratories that NITI Aayog will set up in the future. During this time, these laboratories intend to impact 250,000 youth with innovation skills and competencies for the future across 500 communities and schools.

Through interactive experience for students from kindergarten to high school, the ATLs will induct young minds into the fascinating world of science, technology, engineering and mathematic (STEM) through an out-of-the-box and innovative set-up. With the help of workshops conducted by industry experts, we want to show children the fun and exciting side of STEM, as a tool which can bring their piqued curiosity and entrepreneurial visions to life. This collaboration is part of our mission to nurture innovation, promote a culture of tinkering, as well as encourage computational and creative thinking, adaptive learning, designing and inventing among India's future citizens.



The goal is to have one million youth build innovation capacities to solve the problems of local community. The Tinker Lab is a holistic learning experience, where students will develop competencies of critical thinking, problem-solving, digital literacy, communication, collaboration and creativity, all of which are crucial to the current knowledge-based economy. Numerous studies have shown that children's intellectual development and exposure at the pre- and middle-school stages shapes their life passions. Hence, the idea is to engage as many young minds, to propel their interest in pursuing careers in the field and make India a hotbed of innovation.

Intel has been a torchbearer of driving school and citizen level initiatives to inspire India's organic ecosystem of thinkers and creators. Achieving this through initiatives such as the Intel Tech Challenge for Girls, Initiative for Research and Innovation in Science (IRIS), Intel International Science and Engineering Fair (ISEF), and Innovate for Digital India Challenge (the Challenge), these forums have been designed to inspire creativity and invention. Through these programs, not only have we been able to give entrepreneurs and students hands-on exposure to technology, but also provided them with the tools and training to create an impact at the individual and community levels.

The company launched the Intel Tech Challenge for Girls to provide support to young makers through a



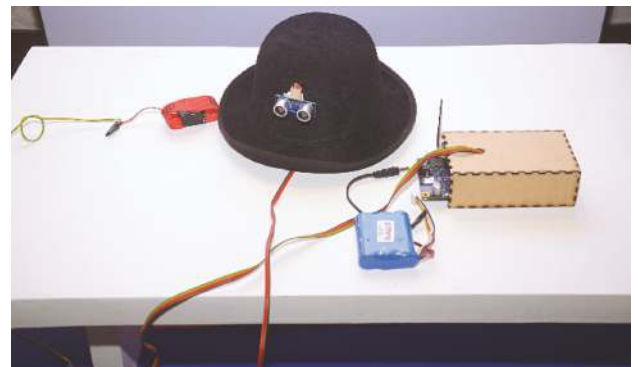
Maker Lab in Bengaluru, encouraging girls to discover their talents in science and engineering, and inculcate a spirit of discovery and creativity through do-it-yourself experimentation. The joint program with Ministry of Human Resource Development (MHRD), Government of India under the Rashtriya Avishkaar Abhiyan (RAA), sought to promote design thinking, prototyping and fabrication among female students, who participated in workshops where they experimented with sensors, motors, Intel Galileo and Edison Boards and tinkered with hardware and programming.

Five thousand girls underwent online ideation workshops and 1000 girls were trained and mentored by technologists and maker evangelists through Makeathons. Some of the most stand-out innovations were a clothes line fitted with a motor and water sensor which automatically retracts in the event of rain, and a cap equipped with ultrasonic sensors which helps the visually impaired by alerting them about any obstacles without the hassle of a walking stick. Initiatives such as these have led to an increased interest by girls and women, in STEM; which is a reflection of this success was evident in the Indian contingent for Intel ISEF, where 50% of the participants this year, were girls.

Intel's model of creating conducive environments and opportunities for Indian innovators and makers to develop in India, for India has proven successful time and again. Last July, the company launched its collaboration with DST Innovate for Digital India Challenge with support from DeitY and MyGov. The Challenge aimed to encourage Indian citizens to develop customized and localized technology solutions to solve India's problems and drive the large scale adoption of technology in India. With over 1900 applications received, 20 teams advanced to the 12-week accelerator program to develop their prototypes for commercial application. Currently, six of our top 10 teams have achieved what we call the mind-to-market philosophy, and are taking their solutions not just to the Indian, but even the global market.

Of those, the top three winners include Jayalaxmi Agrotech, which created an end-to-end farming app which delivers information about crops in regional and audio-visual content, for the benefit of farmers who are not literate. Then there is Asha+, a low-cost, handheld, device which tracks and monitors patient health levels remotely, to allow millions of geriatric, post-op and rural patients to check their vital statistics at home. The third was hand-glove T-Jay, a wearable device that battles epilepsy that detects and diagnoses epileptic fits before they occur for real-time intervention, even in the absence of internet connectivity.

The challenge was proof that local citizens are the best equipped to find solutions to local issues, drawing from their own personal and professional experiences to develop niche solutions from the bottom up. By identifying everyday issues that India grapples with, and creating the first-of-its-kind solutions to them, the innovators created a revolutionary impact to create affordable, effective, scalable solutions to effectively tackle developmental issues in the country and across the globe. Building on the success of the challenge, Intel intends to launch the second edition in India this year.



With the right opportunities to inquire, experiment, and innovate, we are confident that students will not only discover the limitless possibilities of technology through the Tinker Labs, but become instrumental in creating new technologies altogether. This approach of inspiring invention, creativity and innovation is consistent with Intel's own DNA and will provide the opportunity to have a greater impact at the local and community levels. The company believes that innovation-enabled education is crucial for any country to remain competitive and work with local governments and ecosystems geared towards making education accessible and attractive for students across socio-economic backgrounds.



'India Setting Tone for World Growth'

On his maiden visit to India, Mr Scott Ferguson, Chief Executive Officer, World Trade Centers Association, New York (WTCA, NY), since taking over the reins of the Association, stated that India is now setting the tone for world economic growth under the leadership of Prime Minister Narendra Modi. He spoke exclusively to the World Trade Centre Mumbai on wide-ranging subjects.

Mr. Scott Ferguson had a busy schedule in Mumbai as he interacted with the board members of World Trade Centre (WTC) Mumbai. He was accompanied by Mr Scott Wang, Vice-President, Asia Pacific, WTCA. Mr. Ferguson said that India is the fastest growing market for World Trade Centres as the number of WTCs in India have risen from a mere 5 in 2011 to 26 in 2016. "There is change in FDI facilitation in India now; the Make in India campaign has had a huge impact. It is time that WTC Mumbai leverages its service capacities that will make the other WTCs in India grow."

Calling Mr Ferguson an experienced hand in running WTCA, Mr Vijay Kalantri, Vice-Chairman, WTC Mumbai and Chairman, WTC Jaipur informed that WTC Mumbai is playing a leadership role among the 26 WTCs in India. "We have now agreed to meet once in three months and work together. I feel as one of the oldest WTCs in the world, WTC Mumbai can play a bigger role in the membership seminars, we receive around 60 trade missions annually and our experience can be shared," said Mr Kalantri.

WTCs in Goa, Bhubaneswar and Jaipur are subsidiaries of WTC Mumbai. Mr Sharad Upasani, Chairman, WTC Goa and Capt. Somesh Batra, Chairman, WTC Bhubaneswar also interacted with Ferguson. "As fastest growing economy in the world, it would be great if India gets a bigger role in the WTCA General Assembly," suggested Capt Batra.

Excerpts of the interview:

This is your maiden visit to India as a Chief Executive Officer of World Trade Centers Association (WTCA), New York. Could you share your first impressions of your visit?

Since the two days that I have been here, they have been really exciting and interesting. I have been able to learn about the work that is being done at World Trade Centre Mumbai. It has been a great time so far. I have had some great Indian food and attended a play last evening. So overall it has been an interesting experience.

Your visit also comes at a time when India is pegged to be the fastest growing economy. The Indian Prime Minister Mr Narendra Modi is a man on a mission. What kind of role do you see for India in global trade viz-a-viz WTCA?

I think it is time that the world needs strong leadership, in the face of confusing signals. India is one country that is making a difference and has been in the news which is evident from the way Prime Minister Modi has taken a very measured approach to his messaging and sees to it that the Indian economy is backed by what he is saying. It is very interesting to watch and listen to him. At the same time, I am very impressed by the way WTC Mumbai is functioning and the leadership that is behind it.

You are aware of the various initiatives that the Government of India has taken such as Make in India, Digital India, Start-up India, etc. Would you like to share your views on them?

It is interesting that the start-up community around the world is flourishing and many governments are trying to find some way to capture, connect and support innovative thinkers. With the many disruptions that are happening in economies around the world, I would like to think that there may be a role for WTC Mumbai to play in helping facilitate business mainly through connec-

tions that we can deploy through our network and also through the programs and learnings that are available with the world trade centers. I observe that the WTC Mumbai has organised important programs and I think they can help such businesses.

What is your vision for WTCA, given your strong background with World Trade Center Halifax?

WTCA has the network to connect people around the globe. When ordinary citizen and business people get together, it is lot easier to do business together and so my mission is really to make sure that I understand members, what they value and how we can bring value and some cases if it is a matter of helping develop a program in a particular area I think it is my responsibility as CEO to ensure that our members are flourishing. So it all starts from understanding our members, their value and then try to find meaningful partnerships and brands to help them succeed.

How do you propose to use WTCA network and resources to help build trade in India?

I think its starts with building trust and we did not invent that, it has been around for thousands of years. Organisations and leaders like to do business with people they trust. So I think one of our goals and objectives at the WTCA is to build trust among our members and if we can build trust and breed familiarity that in my opinion is the important first step that we need to take to help businesses thrive and develop.

Brexit created an atmosphere of uncertainty that still remains. Are you worried?

I was certainly disappointed with the referendum outcome. The lesson learnt is that global business and politics cannot be controlled. We have lots of members in Europe; they will have to find ways to change their approach and businesses.

How could the world trade movement achieve eradication of poverty, and bring about prosperity and peace in the world?

What the network does and what world trade centers do is to create wealth and jobs, drive business, bring in the taxes and then those dollars get spent in a very meaningful way in various countries. I think the engine of any country development needs to be business. I think WTCA takes that very first important step of building trust and connecting businesses. Awareness of opportunity with a balance of wealth in the world is the only way that we are going to achieve peace that we are looking for. So it starts with helping businesses, driving



From (L-R): Mr. Y . R .Warerkar, Executive Director, World Trade Centre Mumbai (WTC) Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Mr. Scott Ferguson, Chief Executive Officer, WTCANY, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Scott Wang, Vice-President, Asia Pacific, World Trade Centers Association New York (WTCA, NY).

jobs, creating tax dollars which gets spent on programs for the benefit of members.

SMEs are at the heart of every economy. How can WTCA further instill the importance of them?

WTCA is by its very nature an automatic business development platform for small operators. Large companies and organisations have the ability to invest and develop their networks around the world to conduct business. Small operators on the other hand find it very difficult. So the WTCA provides that vehicle. It is a readymade network for eg. a small business owner in Mumbai can actually have a network and pick up the phone and speak to a potential customer in another part of the world. Without the network that ability is not as strong as being with a network.

What is your message to all businesses?

It is not anymore complicated I guess in trusting, connecting and networking. So my message is really for businesses to take a hard look at the WTCA in our city and get to learn about the unique business model we deploy. Since every world trade center does exactly the same thing and in the same way, while learning the uniqueness of your world trade center and find a way to participate whether it is learning or teaching. Pass on some knowledge or the way a product is bought and sold to others. If you choose not to participate it is your choice but do not do it out of ignorance. Make sure to understand the opportunity that WTCA can offer and I am sure that they will find something out there to enrich their business. I can guarantee that.





Protectionism on the Rise Across the World

Dr. Murali Kallummal

Associate Professor, Centre for WTO Studies, IIFT

Introduction

World Trade Organization (WTO) was formed in 1995 as the successor to GATT (1947), with the primary purpose to govern international trade and commerce under a single rule-based system. WTO, with a membership of 164 countries¹, account for 94 percent of global trade. It has binding commitments covering nearly all the possible areas like goods, services and other trade-related aspects like intellectual property rights.

WTO was formed based on three fundamental principles: non-discrimination (MFN – Most-Favoured-Nations and NT – National Treatment); transparency; and predictability. Further, all these binding commitments by countries were guarded against misuse by a strong Dispute Resolution Mechanism (DRM) - one of the key distinguishing features of WTO which differentiated it from its predecessor. Therefore, WTO is truly a multilateral body with the original intention of bringing global trade and commerce between countries under one region.

The seed for undermining this multilateral process was sown with the exception given under Article 24 of GATT (1995), which allowed for the formation of regional trade

agreements (RTAs)². Gradually the number of RTAs have increased so much that the value of WTO got limited to the Dispute Redressal Mechanism which it created.

One would like to take a peep into some of the inconsistencies in the claim made by WTO as a member-driven body³. Presently, what is being discussed are some of the issues after Nairobi, Ministerial Conference (MC-10) of December 2015. One of the futuristic outcomes of the ministerial mandate clearly suggested that there are differences among WTO members with regard to Doha Development Agenda (DDA) which began in 2001. This acceptance is historic but was too late for some of the developing countries which have been making trade and investment policy realignments. Therefore, the group which supported the DDA felt that nearly two decades of negotiations should not be wasted with the

proposals by the opponents. On the other hand, the developed countries declared Doha Mandate (DM) as dead and welcomed new approaches to the outstanding issues.

Equity and Development: Not the Real Intent

One of the core issues of the DM was development which was centered around concepts like 'Special and Differential Treatment' (S&D) and 'Less Than Full Reciprocity' (LTFR) applied in market access commitments from developing and less developed countries (LDCs). What these two meant was the developing countries would be treated differently considering the development gaps between the parties. The negotiations on these issues were very dynamic until 2008, in parallel we did see a series of papers/proposals by developed and select developing countries,



undermining the spirits of S&D and LTFR principles. One such proposal was with regard to 14 Sectorals, wherein tariff would be completely eliminated across 70 percent of Non-agricultural Market Access (NAMA) lines (in effect bounding tariff at zero). The sectorals are some of the fundamental principles of WTO in order to respect the uneven stages of development seen across countries.

In the Agreement on Agriculture (AoA) the issues of discipline of domestic support was evaded and now we are in a situation where we may be revisiting/redefining Article 6.2 in the context of food security.

To quote the AoA:

“...whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries⁴....”

There are other unsettled issues like the Special Safeguard Mechanism (SSM) under DM, a tool that may allow developing countries to raise tariffs temporarily to deal with import surges or price falls.

Further, the process of accession has become so complex that even an Least Developed Country (LDC) takes almost 12 years to negotiate its 'accession' terms. The acceding country has to take on additional burden beyond its developmental necessities to satisfy the stronger partners' greed for market access. One such conditionality is the formal acceptance of WTO's new Trade Facilitation Agreement (TFA), one of the latest agreements which came into existence after the Bali Mandate. Afghanistan who became the 164th member of the WTO had to concede to way above the commitments of an LDC member. Going by the preambles of GATT/WTO, it would not let a war-torn-nation so long to get a membership.



There may be no developmental content left in future trade negotiation outcomes under the multilateral processes, if the thinking underlying the Nairobi ministerial mandate prevails.

Rising NTMs like SPS and TBT Measures

Protectionism is on the rise across the world, especially in the recent periods when tariffs rates fell sharply. The decline in tariff rates occurred as part of WTO's disciplining of binding tariff lines by Members and the corresponding voluntary efforts⁵ taken by Members during the long Doha Mandate (2001 to 2015).

One of the outcomes of protectionism has been the 'unregulated' rise of non-tariff measures (NTMs) and its impact on market access. The evidence for the so-called 'non-protectionist' policies under the garb of technical and regulatory barriers like the Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) are emerging beyond originally intended scope of the Agreements and thus causing protectionism. Original intention was to setup common standards under international bodies⁶ in order

to harmonise standards to be used as guiding principles for protection of health and safety of people, animals, and plants; and to protect or improve the environment⁷. The absence of efforts to establish common standards or mutual recognition of different standards are leading to obstacles to trade between developing and developed countries and sometimes between two developed countries too.

There are close to 50,000 plus SPS and TBT notifications that have come into existence after the WTO was established in 1995. A simple back of the palm calculation indicates that at least 30 percent are cases wherein the basis of such notification is directly linked to the level of development or stage of technological prowess. Examples are the SPS-based measures imposed on agricultural products in terms of number of active ingredients, or for that matter the TBT regulations/legislations which are imposed by technological leaders. Another issue is the existence of information asymmetry in such matters - for an exporter the issues of standard become doubly dangerous when the products coverage is not clearly spelled in trade language (i.e., HS nomenclature).



Moving the goal post from the 'border' to 'behind the border'

Another trend which is emerging across the globe is the sudden movement of barriers from 'at the border' to 'behind the border'. It is well known that market access for any product is a function of tariff (price based measures) and domestic regulations (non-price-based measures). While there is absolute clarity on price-based measures now, there is no clarity on non-price-based measures as mentioned in the earlier section.

Therefore, WTO has only created an illusion around the question of market access, by projecting its achievement of partial harmonisation/liberalisation of price-based measures.

On the other hand, the non-price-based measures are yet to be brought under WTO disciplines. Negotiations on these issues are stuck at various stages and lack consensus. Since 2005, there is an increased emphasis on behind the border measures, it has emerged as new trade policy instruments in the hands of developed countries like the US, EU, Japan and Australia. There are clear evidence for these in the case of agricultural commodities and some of the industrial commodities.

By Way of Conclusion

The WTO needs to have some semblance of balance between members who are users of price-based measures and those who use

the non-price based measures. The multilateral body should strive to create an environment of effective market access for all countries by disciplining barriers like 'behind-the border' measures and in addition should focus on issues of transparency in the SPS and TBT Measures. In addition, unfinished issues like tariff simplification of agricultural tariff lines should be taken-up before any new approaches or agreements are taken up for negotiation.

(The views expressed are personal and does not in any manner reflect that of the Institution).

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¹ Afghanistan joining in July 2016.

² This was also a vested interest of the United States and the Europe Union as both of them had their own baggage to force the exception on to the multilateral process.

³ The United State has always had the last word in the matters of international trade and its discipline.

⁴ https://www.wto.org/english/docs_e/legal_e/14-ag_01_e.htm

⁵ Countries like India did reduce tariffs voluntarily pre-empting the tariff rate reductions as per the Doha Mandate, so as to avoid the shock of sharp reductions using Swiss formula in industrial products (NAMA) and the tiered approach under the agricultural sector.

⁶ The SPS Agreement clearly lists three international standards setting bodies like: CODEX Alimentarius; IPPC; and OIE while the TBT agreements remain silent on any specific body.

⁷ For details on systemic issues in SPS and TBT agreements refer to network Ideas web page <http://www.networkideas.org/featart/sep2012/Murali_Kallummal.pdf>

Consistency Can Make India a Global Arbitration Hub

Clarity on legal amendments needed to make Indian arbitration system more robust, state experts



From (L-R): Mr. Lomesh Kiran Nidumuri-Partner IndusLaw, Mr. Hiroo Advani-Senior Partner, Advani & Co., Ms. Poonima Hatti-Partner, Samvad, Mr. Firoze Andhyarujina- Senior Advocate High Court Mumbai, Mr. Y. R. Warekar-Executive Director, World Trade Centre Mumbai, Mr. Vyapak Desai-Partner, Nishith Desai Associates and Mr. Jayesh H. Founder, Juris Corp.

While lauding the recent amendments to the Indian Arbitration and Conciliation Act 1996, prominent legal experts called on the government to clear many ambiguities that is often leading to conflicting judgments and delays.

The experts were speaking at an interactive session on 'Emerging trends in International arbitration' hosted by the World Trade Centre Mumbai on July 15, 2016. This was the fifth in the series of 'Make in India' events hosted by the Centre.

Kicking off the debate, Mr. Lomesh Kiran Nidumuri, Partner, IndusLaw said that India can become a hub for international arbitration if our arbitration system is more robust. "Our laws and judiciary should be in tune with the global arbitration system, our judges need to be

sensitised and there should be transparency in the way we resolve disputes," stated Nidumuri.

He pointed out how lack of clarity on many amendments is creating confusion in many sections of the amended law. "For example, the fees of the arbitrator are capped, but many states have not formulated the rules. The debate on prospective vs retrospective rages as two benches of one court has given two contradictory verdicts. The Supreme Court must take a view on this as this is a big concern for the foreign investors," added Mr. Nidumuri.

Commercial courts can tackle commercial matters between parties in the absence of arbitration clause and it is a fast track option, felt Mr. Firoze B. Andhyarujina, Senior Advocate, Mumbai High Court. "Indians have an indigenous

method of doing things. People constantly question the jurisdiction and many a times the arbitrator himself can be thrown out," he pointed out.

It is time India uses technology to speed up arbitration processes. "Online communication and exchange of documents must be done as it is adopted globally. Also, the writing of the clause of arbitration is very important as it is the fertile area of dispute," opined Ms. Poonima Hatti, Partner, Samvad Partners. "Keep the draft simple – clarity on seat, sole or panel of arbitration is key. Mediation is widely used in Singapore, in which parties solve their disputes by consensus," Ms. Hatti added.

India can become a global arbitration hub, if we maintain consistency and choose institutional framework



Mr. Lomesh Kiran Nidumuri



Mr. Hiroo Advani



Mr. Firoze B Andhyarujina



Ms. Poornima Hatti



Mr. Jayesh H



Mr. Vyapak Desai

over ad hoc mechanism, stated Mr. Vyapak Desai, Partner, Nishith Desai. "Emergency arbitration is one area we have refused to acknowledge though the Indian courts have not completely disregarded it," he stated. Multiplicity of laws is biggest concern for India, he added.

"E-discovery is a game changer," proclaimed Mr. Jayesh H, Founder, Juris Corp. "Any data, which could be denied in discovery, can be retrieved using recovery software", he told the audience. "But E-discovery is not a search and

seizure process. If handled well, it can expedite dispute resolution," he explained.

Hot tubing – a concurrent evidence process, in which arbitrators ask questions to the experts on both sides together, narrows down the point of differences and can search truth soon. "Common ground comes naturally to the experts. E-discovery is all about technology and can be an effective tool," said Jayesh H.

India has to make some crucial decisions in the growing arbitration field to remain competitive and the

presence of foreign lawyers in cases is now inevitable, felt Mr. Hiroo Advani, Senior Partner, Advani & Co. "The foreign lawyers will come here, maybe in phased manner or as part of some joint venture. Similarly, third party funding for arbitration will also come in India. These are agencies funding the entire process – lawyers, venue cost in return for 25 per cent of the actual recovery. Of course, this has to be balanced by rules," he explained.



Recycling Needs to be Recognised as an Industry in India

In a major seminar at WTC Mumbai, experts pointed out that E-waste management serves nature as well as the nation



Dr. Prasad Modak



Dr. Agnihotri



Mr. Satish Sinha



Mr. B. K. Soni



Ms. Deepali Khetriwal

With the Environment ministry notifying the new E-waste Management Rules, 2016 that will bring the producers under Extended Producer Responsibility (EPR), along with targets and requirements to collect e waste, experts feel that time has come to take the second big step – infuse capital and recognise recycling as an industry. Technology and financial incentives would encourage entrepreneurs entering this field.

The experts were speaking at a seminar organised jointly by the

World Trade Centre Mumbai and Ekconnect Knowledge Foundation on 'Managing E-waste – Challenges and Opportunities' at the World Trade Centre Mumbai.

E-waste is increasing at a rate of 30 per cent per annum, which is a big concern and at present, more than 90 per cent of e-waste is managed by the informal sector – ie kabadiwallas. "The 2016 rules are very comprehensive and it addresses some of the loopholes in the 2011 Act by introducing robust compliance, audit and monitoring mechanism. The 2016 Act also

brought in Compact Fluorescent Lamp (CFL) and other electronic products under its ambit," informed Dr Prasad Modak, Executive President, Environmental Management Centre LLP and Director Ekconnect Knowledge Foundation. "E-waste is rising due to changes in our lifestyle, everyone is using multiple electronic gadgets now. The target for 2020 will be to collect 70 per cent of e-waste, which is a big challenge and needs push from all stakeholders," added Dr. Modak.

The new rules make the manufac-

turer responsible to collect e-waste generated during the manufacture of any electrical and electronic equipment and channelise it for recycling or disposal and seek authorisation from State Pollution Control Boards (SPCBs). "We have been rating companies on EPR in terms of collection centres, buy back systems, awareness programmes and the results have been disappointing. Even the SPCBs do not mention e-waste rules on their website. We had no option but to move to court on this," pointed out Mr Satish Sinha, Associate Director, Toxic Links.

framework does not exist. Our procurement is largely green. We have huge size of old products like computers phased out annually, which are given to charitable organisations, which we keep track," explained Mr. Aniruddha Agnihotri, Head, Environmental Sustainability, Health and Safety, TCS.

TCS' internal IT team has the mandate of EPR and also has a transparent process to identify and work with recyclers. "We have a bidding process, destruction certificates are obtained from vendors on data and are maintained

300,000 kabbadiwallas over three years. This will improve their health. Also, we would install eco-bins at spiritual and educational centres to increase collection," he added.

India must take cue from the network of Producer Responsibility Organisations (PROs) from Switzerland, which manages the finances of the entire recycling system and are funded by the producers. "PROs audit the recyclers. The Swiss model has shown the way of creating technical standards in e-waste. They create awareness, are IT-driven and smartly run organisations with a



From (L-R): Mr. Satish Sinha, Associate Director, Toxics Links, Dr. Aniruddha Agnihotri, Head-Environmental Sustainability, Health & Safety, Tata Consultancy Services, Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai, Dr. Prasad Modak, Executive President, Environmental Management Centre LLP & Director, Ekonnect Knowledge Foundation, Mr. Y. R. Warkerkar, Executive Director, World Trade Centre Mumbai, Mr. B. K. Soni, Chairman & Managing Director, EcoReco, Ms. Deepali Sinha Khatriwal, Managing Director, Sofies India.

Sinha lamented the fact that reputed MNCs are following EPR rules in Europe but do not want to do the same in India. "They want an escape route in India because our regulatory framework is not in place. There is no incentive to compliance. Also, unless the cost of implementation is built in the regulatory framework, the system would not work," Sinha added.

Tata Consultancy Services (TCS), India's biggest IT company, is known for its first move by formulating e-waste disposal policy in 2008. "We are implementing it in several countries we work where the

at locations. We also do surprise inspections at our recyclers," added Mr. Agnihotri.

Recycling is all about transforming, transport and technology and it is time we look at it as a business opportunity. "There is no monetary support to the recyclers, no one wants to pay best prices and still everyone wants European facilities," opined Mr. B. K. Soni, Chairman and Managing Director, EcoReco. Mr. Soni stated that skilling up is the only way forward and EcoReco has now signed up with National Skill Development Corporation of India (NSDC) to train

lean employee model," informed Ms. Deepali Sinha Khatriwal, Managing Director, Sofies India.

The system of advance recycling fee on new products provides the sustainable financial model in the Swiss PROs. "The result is that the Swiss have the second highest per capita collection rate in Europe (16.10 kg per individual). This robust system has demonstrated success and then led to legislative action. India must learn from this," explained Ms. Khatriwal.

DGFT Assures Transparent, Robust Process to Boost Exports

In her first open house meet with MSMEs, Dr. Sonia Sethi addressed the woes of exporters

At a time when India's merchandise export has started growing in June 2016 after a consecutive decline for 18 months, the World Trade Centre Mumbai and All India Association of Industries organised an open house meet with Dr. Sonia Sethi, IAS, Additional Director General of Foreign Trade at the World Trade Centre Mumbai.

Addressing the meet, Dr Sethi reassured the micro small and medium enterprises (MSME) sector that her office is working to improve governance and transparency with a time-bound schedule of services to ensure exports pick up in the coming months. "It has been just two months that I have taken over and my team is geared to address all issues faced by industry and the potential entrants in the MSME segment. The MSME clusters are our priority in export promotion", she told a packed audience.

As per the Foreign Trade Policy 2015-2020, India's exports have to jump from US\$465.9 billion to US\$ 900 billion by 2020 – i.e. from a share from 2% to 3.5%. The DGFT is the apex body for implementation of foreign trade policy with its four zonal and 33 regional offices. The office of additional DGFT western region caters to almost 40% of export-import related applications in India.



From (L-R): Dr. Sonia Sethi, IAS, Additional Director General of Foreign Trade and Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai.

Suggestions from the audience included the need for DGFT to locate the 80 million MSMEs in India and their proposed classification based on the 1,200 odd sectors. It was felt that there is need for cluster management and would make them globally competitive.

Dr. Sethi's team made presentations on ease of applications, advance authorization norms and the crucial export promotion capital goods scheme. Exporters were informed about the common errors they make in applications and how they can rectify the same in future.

The DGFT now has a robust export obligation monitoring system and has been monitoring cases on a daily basis through a dynamic dashboard and claimed that there is negligible pendency in Import

Export Code (IEC)/Merchandise Export Incentive Scheme (MEIS) applications.

Dr Sethi also assured the exporters that she would soon convene a meeting of the Committee on Quality Complaints and Trade Disputes. "We have a comprehensive basket of deliverables and our effort is to facilitate and resolve difficulties faced by exporters. Large part of our systems is now online," she explained.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai pointed out that in the changing world scenario, exporters in India must look for new markets in Africa, Latin America and the Middle East. "There is a new euphoria of growth in India and such discussions can only clear issues between the industry and the government. Dr Sethi has been always proactive and is known to take fast decisions. The WTC Mumbai would be happy to organise such sessions in the future", Mr. Kalantri said.

Mr. Kalantri emphasized that such Open House meetings should be held regularly to enable exporters to voice their suggestions and issues and seek assistance from authorities.

Not Just Technology, Smart Cities Need Smart People

At the Mumbai regional dialogue, the run-up event to the World Sustainable Development Summit in October, experts felt the need to create an institutional framework to make cities resilient towards climate change

With every major Indian city hit by several natural disasters like cyclones, floods, cloudbursts, experts feel it is time India creates a national policy structure to build sustainable, climate resilient smart cities.

In the wake of Smart Cities Mission and AMRUT, The Energy and Resources Institute (TERI) along with the World Trade Centre Mumbai and All India Association of Industries (AIAI) organised the Mumbai regional dialogue, a run-up to the World Sustainable Development Summit 2016 that carries a theme – Beyond 2015: People, Planet and Progress. The event focused on the implications of climate change for coastal cities.

India's coastal areas hold more than 2661 towns and 3,827 villages in which over 560 million people – i.e. 44 per cent of the population lives in coastal states, union and island territories. This number is likely to go up following massive urbanisation trends. "The images of floods in Chennai and Gurgaon pose a major challenge for sustainability. The way the civil society responded was amazing. However, the issue is – can we trigger such a response in an organised way?" asked Mr. Jayant Banthia, Former Chief Secretary of Maharashtra. He also added that public awareness and community support are key. "I would like to thank WTC Mumbai that helped Maharashtra government during Mantralaya fire as two crucial offices shifted to the in World Trade



From (L-R): Dr. Annapurna Vancheswaran, Senior Director, TERI, Mr. Vijay Kalantri, Vice Chairman of WTC, Mumbai, Mr. G. S. Gill, Distinguished Fellow TERI & Former Managing Director, CIDCO, Shri. Jayant Banthia, IAS, Former Chief Secretary, GOM, Dr. DharChakrabarti, Distinguished Fellow, TERI, Ms. Rupa Naik, Director- Projects, WTC Mumbai.

Centre Mumbai", stated Mr. Banthia.

"Smartness is not about technology, but is felt in people," added Mr. G. S. Gill, distinguished TERI Fellow and Former Managing Director, City and Industrial Development Corporation (CIDCO). "The resilience of coastal cities lies in taming the regional irregularities. These cities have truncated topography and are vulnerable to sudden climate change. Mangroves should be used as recreational and educational zones," he felt.

Dr. Annapurna Vancheswaran, Senior Director, TERI said that like Bengaluru, Mumbai dialogue is an effort to understand the ground voices on the subject of sustainability. "It is our collective

responsibility to make our cities resilient," she said.

With 600 million Indians slated to live in cities by 2031, urbanisation is the necessary evil that needs attention, felt Mr. Dhar Chakrabarti, Distinguished Fellow, TERI. "Housing and infrastructure will be the biggest challenge. The 17 sustainable development goals developed by the UN will be key for the next 30 years as we need our cities to develop resilience towards climate change," he added. The 33 smart city proposals so far have been found to be high on infrastructure and technology and low on environmental sustainable plans.

The Public-Private Partnership is a good model to achieve some of the goals, provided projects are taken



From (L-R): Mr. Shishir Joshi, Chief Executive Officer, Mumbai First, Mr. Dhar Chakrabarti, Distinguished Fellow, TERI, Mr. Anand Krishnamurthy, Sales Director, GE Water & Process Technologies and Mr. Hemanshu Pathak, Head, Department of Architecture, Planning And Engineering, Aamby Valley Ltd.

on a pilot basis and then scaled them up, asserted Mr. Shishir Joshi, Chief Executive Officer, Mumbai First. "Our project of adoption of 36 suburban railway stations is a classic example of this. Within weeks, civil society, corporates came forward. 90 per cent of the stations have already been adopted and there are over 20,000 volunteers in place", said Mr. Joshi.

Private investors who have been shying away from big projects are slowly coming back and there are many cases in which two public sector organisations partnering with each other for solutions. "Innovation is key and it is important that people understand urbanization issues and become policy drivers for change," stated Mr. Anand Krishnamurthy, Sales Director, GE Water & Process Technologies. Supporting him Mr. Hemanshu Pathak, Head, Department of Architecture, Planning And Engineering, Aamby Valley Ltd, stated that stakeholders of smart cities have to now manage crucial infrastructure needs like water supply, sewerage, waste management etc. as part of sustainable approach, for which guidelines have been framed.

"It is time we assess risks associated with climate changes to coastal

cities, create awareness, develop capacities to deal with it at all levels, create plans accordingly and develop special teams to undertake variety of response functions like training, funds and equipment", explained Ms. Abha Mishra, Project Lead – Climate Risk Management in Urban Areas, UNDP. On the other hand, Ms. Raina Singh, Fellow, Centre for Research for Sustainable Urban Development, TERI, told the gathering that it was time to integrate the climate agenda with city development agenda. "We need

institutionalisation of urban climate resilience planning, build capacity, create awareness and harness local expertise to generate context specific, locally-driven solutions", she said.

Ms. Lubaina Rangwala, Managing Associate, Climate Resilience Practice, Sustainable Cities, World Resource Institute (WRI) explained the need to focus on community capacity building. "Our Urban Community Resilience Assessment measures resilience by combining official city data with data collected on the ground, such as perception of risk. We help cities identify practical strategies to build resilience and capture citizens' perception of risk, knowledge and skills that enhance resilience", she stated.

Welcoming the dialogue process, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai felt that growing cities are needed, but urbanisation also needs high level of accountability. "We need projects which have specific time frame. Multi agencies in big cities often lead to blame game. I hope TERI gives a white paper on sustainable growth to the government", Mr. Kalantri added.



From (L-R): Ms. Lubaina Rangwala, Managing Associate, Climate Resilience Practice, Sustainable Cities, World Resource Institute (WRI), Mr. Dhar Chakrabarti, Distinguished Fellow, TERI, Ms. Abha Mishra, Project Lead - Climate Risk Management in Urban Areas, UNDP and Ms. Raina Singh, Fellow, Centre for Research for Sustainable Urban Development, TERI.

Trans-Pacific Partnership: What is in it for India?

Dr. Amitendu Palit

Senior Research Fellow, Institute of South Asian Studies, National University of Singapore

The Trans-Pacific Partnership (TPP) has run into serious difficulties over its ratification by the US legislature. Both Presidential candidates – Hillary Clinton and Donald Trump – are united in their opposition to TPP. Hillary Clinton was a prominent supporter of the TPP while she was Secretary of State for President Obama. On the other hand, Donald Trump representing the Republicans are strongly in favour of the US engaging in more trade agreements. The current political discourse in the US is markedly anti-trade with TPP being described as an agreement inimical to the interests of the US economy, particularly its workers.

Notwithstanding the problems it faces, the 12 nation TPP agreement is significant in several respects. By accounting for almost 40% of the world economic output and a third of global trade, the TPP is a landmark among Regional Trade Agreements (RTAs) in its economic size. TPP is an equally significant agreement in terms of economic scope as well covering a vast segment of regulations influencing trade and investment in goods and services. The impact of the TPP will clearly be substantive, both in economic as well as regulatory terms, once it is implemented.

By creating a zone of distinct preferential access among its members, TPP produces several implications for countries that are outside it. These implications are particularly significant for those economies that have strong linkages with TPP members. India, for example, has strong linkages with several TPP members. These include the US, Singapore, Malaysia, Japan, Australia and Vietnam. These countries are currently India's 2nd, 7th, 11th, 13th, 16th and 20th largest trade partners, respectively. A change in the degree of preferential access available in these markets is likely to affect prospects for Indian exports to these economies. For example, if Vietnam gets tariff-free access to the US and other major TPP member markets for textiles, apparel and footwear, and if Indian exports of same products face tariffs in these markets, then Indian exports would encounter price disadvantages. The prospects are serious given that India, right now, does not get as much preferential access in these markets through its existing bilateral FTAs (e.g. Japan, Malaysia and Singapore) as the TPP aims to provide.

are more in the long-term, though, they might be as significant as tariff issues. The TPP's emphasis on quality standards would result in member countries increasingly shifting to more advanced scientific evidence-based testing and applications for determination of their standards. There are possibilities of such standards becoming more widely acceptable domestic regulations for TPP economies. Over time, these standards can also create market access issues for non-TPP economies, including India, by creating new Sanitary and Phytosanitary Agreement (SPS) and Technical Barriers to Trade Agreement (TBT). Along with product standards, these markets might also increasingly shift to new regulations as proposed by the TPP on intellectual property rights and investment rules making it difficult for Indian exporters to comply with the new upcoming norms.

While there are significant concerns over whether TPP will eventually materialise, even if it gets stuck, its effect is likely to spread on to various other mega-RTAs that are coming up in various parts of the world. Over time, some of the issues featuring in TPP would come up in the WTO as well. These would all be challenges for India. In the short-term, assuming the onset of the TPP, India's first challenge would be to overcome the comparative disadvantage it faces with TPP member markets in the form of higher tariffs. One possible way of overcoming this is for Indian exporters to relocate to some TPP markets like Vietnam and export from there to other major TPP markets like the US and Canada. The other possibility is to relocate to countries that have preferential access to TPP markets through other arrangements, such as African countries that get easy access to the US market through the African Growth Opportunities Act (AGOA). These apart, India must work on aligning its domestic standards with international ones so as to avoid quality barriers for its exports. Finally, it must work on bilateral FTAs with some TPP members like Australia and New Zealand, upgrade its existing FTAs with other TPP members (Japan, Singapore, Malaysia) and expedite ongoing RTA negotiations like the Regional Comprehensive Economic Partnership (RCEP) and with the EU for obtaining matching market access elsewhere.

The other implications for India with respect to the TPP

RTEDC Facilitates Indo-Russian Trade Ties

Mr. Maxim Chereshev, Board Chair, Russian Trade and Economic Development Council (RTEDC) is optimistic about Indo-Russian bilateral trade and will leave no stone unturned in seeing it move from strength to strength. In an exclusive interview to World Trade Centre Mumbai, he speaks of his plans to achieve this target, by extending support to both Indian and Russian companies exploring economic opportunities, lying untapped on either side.



India and Russia have over the years enjoyed strong, strategic, military, economic and diplomatic relationship. What role does Russian trade and economic development council (RTEDC) play to maintain such a relationship?

Russian trade and economic development council has always maintained good relations with India. Every year the Council holds meetings and negotiations at the

highest level to discuss urgent questions and topics between two countries. RTEDC promotes export and import development between our countries through close cooperation with Indian partners and governmental structures. Only during this year, RTEDC organized the Russian-Indian business forum, which comprised several business breakfasts for Russian and Indian companies, meetings and negotiations with high-level delegations from Rajasthan and Gujarat and established new contacts with Indian experts. It is also important for us that we signed a cooperation agreement with World Trade Center Mumbai. In January 2017 RTEDC plans to organize a business mission to India. We are sure that it is necessary to make it more familiar for Russian and Indian business to communicate and cooperate through business missions, delegations to expositions and forums.

India-Russia bilateral trade is targeted to reach \$30 billion over the next ten years. How can councils such as yours gear up to meet the target?

“Russia can take many advantages of ‘Make in India’ initiative that would help the economies of both countries, in areas such as India’s diverse international partnerships, and localization of Russian production and technologies in India.”

The most important RTEDC target is cooperation with business partners in India and development of relations with Indian export and import groups. As a fact, the total trade between India and Russia in 2015 amounted to \$7.8 billion, which is 1% more than in 2014. Expansion of trade and economic cooperation is one of the priority tasks for both countries. RTEDC is on the way to implement a series of trade and economic projects for strengthening the bilateral trade between our countries. RTEDC provides a full support for Russian companies



Exchange of MOU between WTC Mumbai and RTEDC

interested in the Indian market. For more precise work, two trade houses were established: RosExport and RosImport. RosExport deals with Russian exporters to India. RosImport is responsible for foreign import to Russia through distribution and retail process organization.

Russia has plans to open a trade promotion centre in India. What is the idea behind it and how do you see this taking the relationship to the next level?

A trade promotion center in India is important to support mutual trade, investment and exchange of services. Mainly, it can provide new international allies, facilitate the execution of processes in export and import spheres. I think the center should support a combination of activities such as provide space to temporarily house goods, create a business-to-business platform for negotiations and have a consultative team that assists interested companies to deal with logistics, banking and customs issues. RTEDC is ready to interact through assistance in some services, one of them being creation of networking opportunities. It would also be useful to have a team who can assist in certification and have a division that simplifies other business processes like the one that we have in Lithuania.

How can India and Russia strengthen the defense partnership which is in line with the Make in India program? Further, how can Russia partner in the other initiatives announced by the Indian government?

Russia can take many advantages of 'Make in India' initiative that would help the economies of both countries, in areas such as India's diverse international partnerships, and localization of Russian production and technologies in India. As this program supposes mutual manufacturing support, it is important to note the traditional Russian-Indian scientific and technical cooperation which plays a unique role in its scope and versatility of Integrated Long Term Program (ILTP) and enforces scientific and technical cooperation between Russia and India till 2020.



“Cooperation with India is very important for Russia because we could create a competitive market and lead Russian products on an international level. India is a perfect opportunity to diversify its export and external import substitution as well as to develop joint production.”

India and Russia have decided to institutionalize a CEO Forum. What role do you foresee to spearhead this institution?

Official establishment of the CEOs Forum, which will meet twice a year and deliberate on various issues on business travels and other related areas should help in supporting

bilateral trade targeted to reach \$30 billion. The fact that this question was also raised during the meetings of the Russian President Vladimir Putin and the Indian Prime Minister Narendra Modi is very telling. We see that Indian companies very often look for Russian partners with similar competencies in Russian markets. I feel the CEO Forum will simplify interaction of Indian and Russian companies and decrease bureaucracy that will positively influence cooperation and joint ventures established between businesses of our countries.

The Putin administration sees India as one of the fastest growing economies in the world and also as a country that could alleviate Russia's economic problems. What is your take on this?

Cooperation with India is very important for Russia because we could create a competitive market and lead Russian products on an international level. India is a perfect opportunity to diversify its export and external import substitution as well as to develop joint production. The most significant spheres for interacting are agriculture, medicine, science and technology. Furthermore, development in the energy sector can become the heart of

Russian export policy because India has launched an ambitious program of modernization of the coal and steel industries. Thus, in the coming years Coal Corporation of India and the state-owned holding company Steel Authority of India intend to buy abroad a wide range of equipment that open for Russian producers additional opportunities as Russian companies are very well

“As mentioned earlier, Russia being a member of the Eurasian Economic Union, Indian companies can establish business links with Armenia, Belarus, Kazakhstan and Kyrgyzstan.”



positioned to supply such equipment. Therefore, it will work for all enterprises and businesses alike. Russia's development cooperation with India is also maintained through contacts between cities and regions of Russia and India (Partnership relations between Moscow and New Delhi, St. Petersburg and Mumbai).

In the arena of SMEs, do you see a convergence of interests in helping them, both in India and Russia?

SMEs are key actors in Indo-Russian trade. That is why it is important to strengthen contacts of small and medium-sized enterprises and interregional cooperation. More than that, these companies need assistance on their way to cooperation. However, at the same time it is very important to clearly understand the perspective of such companies and competency of products and services. It is not enough for a company to have a will to have an Indian (or Russian) partner. Business always request markets, benefits and risk assessment for long-term work.

Which are some of the Indo-Russian trade and economic success stories your Council has brought about?

Since Russia and India have close

trustworthy relations especially in the agro industry, RTEDC did not miss the opportunity, as a supply of good quality tea imported from an Indian producer to Russia through the trading house RosImport. We hope this won't be the only example to share. We receive a steady flow of enquiries and request from both sides (India and Russia) in different fields namely, construction materials to herbals and medicines. We hope that the great platform for new contracts' discussions is the Russian Export & Investment Fair which will be held November 24-25, 2016 in Moscow will bring about some fruitful collaborations and we invite Indian companies to participate and visit this event which has exposition, b2bs and various business sessions (www.rusfair.com).

What needs to be done towards concluding the proposed Free Trade Agreement between both our countries?

I am sure the Free Trade Agreement signing will be met with enthusiasm by businesses from both sides. However, it should be taken into account that Russia is a part of the Eurasian Economic Union and all trade decisions should serve the interests of all sides that explains the long process of discussions. So, it is important for all engaged actors to demonstrate their position to their governments that value such

possibility for pros increasing from bilateral and multilateral cooperation and cons reduction.

What is your message to budding entrepreneurs exploring Russia as a place to do business?

First of all we should mention the government support and state programs that are aimed at foreign businesses and investor attraction. New industrial parks creation, implementation of territories of advanced development on the Russian Far East and special economic zones countrywide give great opportunities for localization and entrance into the Russian market which is the 10th economy in the world. As mentioned earlier, Russia being a member of the Eurasian Economic Union, Indian companies can establish business links with Armenia, Belarus, Kazakhstan and Kyrgyzstan. Besides, India is Russia's long-standing and reliable partner since the 15th century. Relations between Russia and India are time-tested which has developed dynamically and consistently confirming the positive development of mutual trade indicators even in the face of a slowdown in economies world over and in times of crisis. Russians and Indians have long-standing traditions of friendship and mutual respect, mutual interest in culture, religion. Large public response has caused the recent cross-cultural 2015 year of Russia and India. All of this coupled with practical interests of Indian businesses turning to Russia to set their bases. It will be our honour to assist them on the Russian market.

Firms Must Realign Business Model, to Suit GST Regime

Pratik Shah
Partner Indirect Tax
SKP Business Consulting LLP, India



The upcoming Goods and Services Tax (GST) is considered the most revolutionary indirect tax reform in India. This reform will impact all business processes, functions and transactions; and would widely differ from the existing practices.

As the law has achieved political consensus, the process of GST implementation has finally picked up momentum. Some of the steps taken towards this end are:

- Model GST law published in public domain on June 14, 2016 for stakeholders consultation.
- Unanimous passage of Constitutional Amendment Bill (CAB) in both houses of Parliament (On August 3, 2016 – The Rajya Sabha (Upper House of Parliament) passed the Constitutional Amendment Bill (CAB) and the Lok Sabha (Lower House of Parliament) accepted the changes in CAB on August 8, 2016).

- Ratification of the CAB by more than 50% of the required number of states through their state assemblies.
- CAB receives Presidential assent on September 8, 2016 thus becoming an Act.

What makes GST a truly transformational event can be understood by analysing the impact of GST on business processes, business transactions, supply chain, compliances, automation, etc. This article presents an overview of taxation principles under the existing indirect tax regime vis-a-vis the proposed GST.

Multiple levies

The present indirect tax system is plagued with multiple levies at the federal, provincial and municipal levels resulting in businesses having to undertake separate compliances for each levy. GST proposes to replace and subsume these multiple

levies into a single tax, significantly reducing complexity and the compliance burden on businesses.

Taxable event

There are multiple parameters for determining the taxable event under the present indirect tax regime such as manufacture for levy of excise duty, sale for levy of state VAT and the provision of service for the levy of service tax. GST proposes to be a destination-based consumption tax and follows the internationally accepted taxable event, i.e. levy on the basis of supply replacing the multiple taxable events under the present system.

Tax credits

Under the present system, the credit of state taxes paid on procurements is not available to service providers and traders. Under GST, the credit of Integrated GST (IGST) paid on inter-state supplies/imports can be set-off

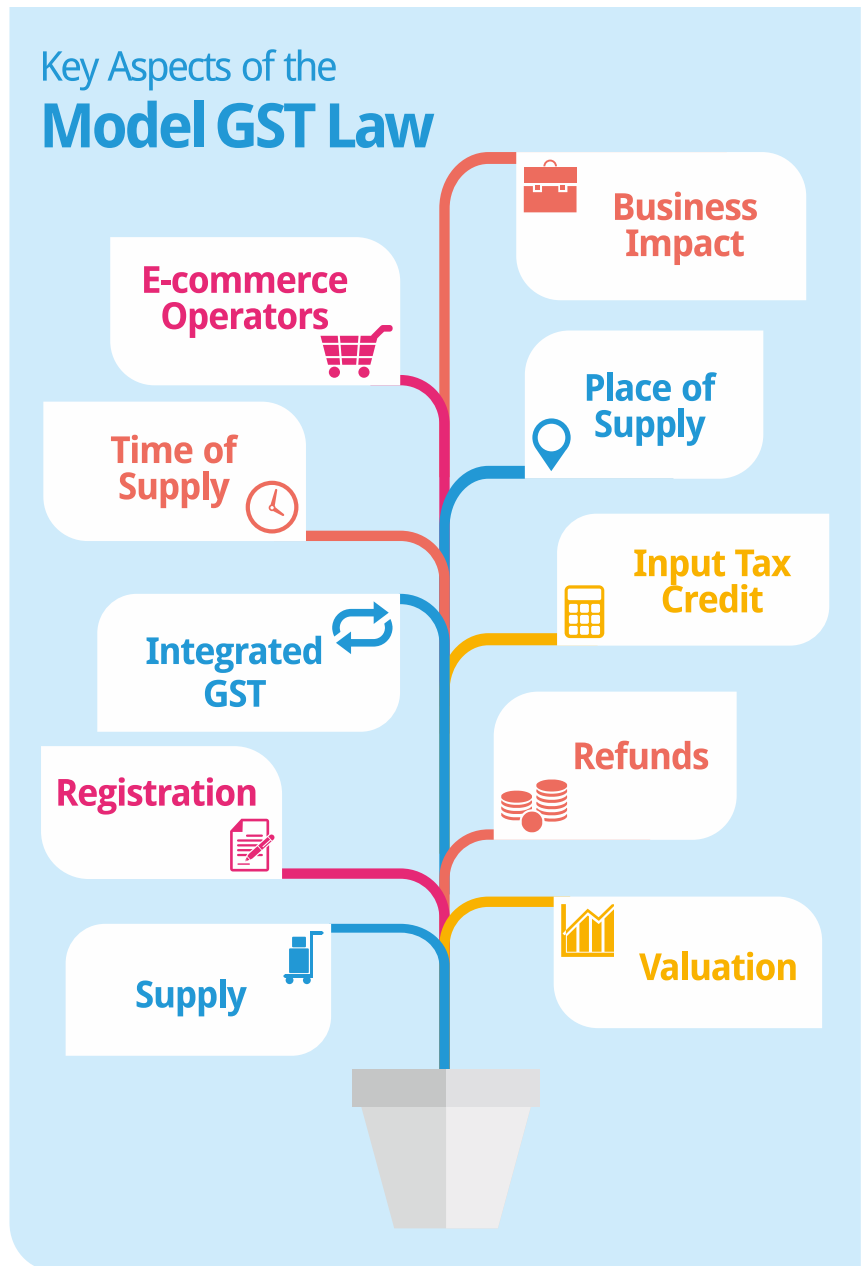
against IGST, Central GST (CGST) and State GST (SGST) liabilities. Furthermore, traders who currently cannot avail credit of services and goods procured would also be positively impacted and the input tax credit of GST should be available seamlessly to traders eliminating the former cascading tax. Overall, GST promises to usher in a liberal credit regime.

On the whole, there are various welcome changes under GST which would facilitate the ease of doing business and contribute to the growth of the economy.

On receiving Presidential assent, the CAB has now become a law. A GST Council has been formed to decide crucial aspects such as the rate of GST, exemptions, thresholds, Model GST Laws, etc. Once these are finalised, CGST and IGST Bills could be passed by the Lok Sabha and Rajya Sabha after which, draft GST Laws and Rules could be expected. The transition can be expected to start from February 2017 onwards, once the GST Network (GSTN) is ready. A test launch for GSTN is expected to take place in October 2016.

The political support shown in favour of GST reflects the government's commitment towards achieving the targeted implementation date i.e. 1 April 2017. This is a good time for the industry to prepare for the new regime. Thus, businesses must consider the following actions:

- Conduct a GST impact analysis
- Re-align business models to suit the GST regime
- File representations with the government to seek clarity/amend provisions in the case of adverse impact of the law
- Develop standard operating procedures and training



- modules for training employees/vendors
- Ascertain the impact of GST on long-term contracts
- Ascertain whether the IT systems require an upgrade and undertake one if required
- Prepare a plan for the effective transition.

With the advent of GST and its effective implementation being only six months away, trade and industry

is required to work as per stringent timelines to ensure every business is GST ready from day one and there is no impact on Business As Usual. GST will pave the way for many businesses to realign their strategy and ensure the benefit of 'one nation - one market - one tax' is availed in its true sense.

GST: Promises to Keep, Miles to Go

In an interview to World Trade Centre Mumbai, Mr. T. N. C. Rajagopalan, Chartered Accountant, Ashay Shah & Co. discusses both the strengths and drawbacks in the proposed GST law, providing suggestions wherever necessary. In doing so, he explains how GST would alter the tax incidence on foreign trade.



GST is a destination-based tax and therefore exports are zero rated. Will this eliminate the export of taxes from India and hence improve the competitiveness of Indian exporters?

At the outset, let me say that the proposed GST law is still work in progress. The draft model GST law has been put up in the public domain for comments. By all accounts, there are too many flaws in this draft. The final model law that will emerge is likely to be somewhat different and may sort out much confusion. The draft law uses the phrase 'in the manner as may be prescribed' many times. By one estimate that phrase or its equivalent occurs 183 times in the draft law. This means that many rules will be notified later and that is when many answers to questions will emerge.

Having said that, let me present my view that the present policy of 'export goods, not taxes' will continue under the GST regime also. So, export goods and services will be disburdened of the tax incidence. The present schemes of duty-free import for export production, duty drawback etc. will continue. I do not think any more fiscal benefit will accrue to exporters due to the advent of GST. The procedures might ease but that alone will not necessarily make Indian exporters more competitive.

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Import of goods and services would be treated as inter-state supplies and would be subject to IGST in addition to the applicable customs duties. The government has subsumed the special additional duty (SAD) and countervailing duty (CVD) on imported goods into the GST regime. How would it impact the cost structure of local manufacturers who use imported raw materials and intermediate goods?

Right now, CVD and SAD can be taken as Cenvat Credit by manufacturers. The registered dealers can also take Credit of CVD and SAD and pass on to manufacturers. I expect the same dispensation to continue. For those who can take credit of the tax in inputs and input services or for that matter tax on capital goods, there might be no implication on the cost structure. The tax they pay as CVD will enter the GST chain. For those who do not or cannot take credit, for example those under composition scheme or manufacturing exempted goods, the CVD/SAD is a cost now and will remain so after the advent of GST. Service providers who cannot now

take credit of SAD may be better off under the GST regime. There is some anxiety that IGST credit might simply accumulate, if the credit of SGST and CGST are enough to meet the requirements. This problem of accumulated credit exists even now with many manufacturers and service providers. When the rules are notified, I expect, these matters will become clearer.

In recent months, the Central Board of Excise and Customs (CBEC) and DGFT have been improving the ease of doing cross border trade by implementing various steps such as 'Indian Customs Single Window Project', online application for IEC and so on. However, exporters still complain about delayed payment of duty draw back dues and other benefits. What according to you are the unfinished agenda as far as improving the ease of doing cross border trade is concerned?

Adoption of information technology to ease the processes is an ongoing effort. It has been going on since the eighties when the use of computers started becoming more widespread



and will continue in the future as more and more applications get more sophisticated and go on-line. Even so, complaints do persist because the basic law and procedures have not become simple enough for many. What the administration can do is ask some fundamental questions regarding the processes. For example, a question as to whether IEC as well as GST registration are required for an entity could result in doing away with IEC. Similarly, if we do away with monitoring realization of foreign exchange against every shipment, that can result in simplification. However, having that condition in place and finding simpler ways to issue electronic Bank Realization Certificate (e-BRC) or grant write offs will not result in much simplification. Grant of excise rebate immediately after exports through electronic medium will result in simplification. Merely replacing the present procedure of submitting hardcopy of documents by allowing exporters to upload a number of documents electronically for grant of rebate will not result in much simplification. So, it is okay to ask how we can do the existing processes more efficiently by adopting technology but it is more necessary to ask whether certain processes that we carry out are necessary in the first place.

Regarding duty drawback, disbursements of claims at all industry

rates are mostly automatic but many claims are held up due to valuation issues. Some other problems are due to classification or documentation issues. These kind of problems will continue so long as we have exporters who like to overvalue the exports and earn more drawback or who do not take enough care to ensure compliance with legal or documentation requirements. The

“The basic laws and procedures relating to fixation of brand rates and disbursement of drawback against brand rate letters remain complicated and need to be simplified.”

basic laws and procedures relating to fixation of brand rates and disbursement of drawback against brand rate letters remain complicated and need to be simplified.

According to some estimates, the utilization rate of free trade agreements (FTAs) by Indian exporters is only 5-15%. One of the key reasons cited for Indian exporters not using the benefits of the FTAs is the huge compliance burden involved in securing the Certificate of Origin. How can the compliance process involved in this exercise be simplified?

I do not think the process of getting certificate of origin is what prevents our exporters from getting orders from their customers. That is an

excuse to divert attention from the real issue, which is competitiveness. Most countries with whom we have trade agreements, have FTAs with other countries as well. So, our FTAs only try to create an equal access to the markets and not give a better access to our exporters. When exporters in other countries are more competitive, FTA alone cannot help our exporters get the orders.

The government had notified procedures for self-certification of certificate of origin under preferential or free trade agreements. It is a good idea that has not been implemented. Apparently, the government has not been

able to persuade our FTA partners to accept the idea. Our own customs administration is a bit weary of extending concessional duty against certificate of origin self-certified by exporters in other countries. The idea, however, is worth pursuing.

Government provides various fiscal benefits to export oriented units (EoUs) and special economic zones (SEZs) in order to promote export and thereby bring foreign exchange into the country. Are SEZs and EoUs living up to their expectation in terms of export performance? What according to you are the challenges facing the EoUs and SEZs in the country?

The SEZ scheme was introduced in 2000, as an improved version of the

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earlier Free Trade Zone (FTZ) and Export Processing Zone (EPZ) schemes. Special legal dispensations by way of SEZ Act, 2005 and SEZ Rules, 2006 were put in place with great hopes of facilitating creation of world-class infrastructure where investment would flow in, generating lot of employment and exports. Liberal tax exemptions were given to SEZ developers and units set up in SEZ for manufacturing, trading and for providing services. However, the scheme has not succeeded as expected. Instead of world-class infrastructure in some multiproduct SEZ, we have hundreds of small sector specific SEZ. Most units have simply migrated from the Software technology Parks of India (STP) scheme to SEZ in search of tax breaks. It is time to examine whether this scheme should continue.

The EOU scheme was introduced in 1980, when the domestic economic policies were very restrictive. The scheme succeeded in that environment and even for years after liberalisation of the economic policies. However, since last few years, the advantages of EOU scheme have eroded as they are brought nearly on par with Domestic Tariff Area (DTA) units as far as fiscal benefits are concerned. The income tax exemption for EOU has been taken away. DTA units are also able to import capital goods duty free against export obligation. The only benefit not available for DTA units but available for EOU is refund of central sales tax on purchases for export production. On the flipside, DTA units get benefits under Services Exports from India (SEIS)

scheme, whereas EOU do not get that. The CST refund benefit will go with the adoption of GST. So, there may not be good enough reasons to continue with the EOU scheme.

According to WTO, India is the world’s leading user of anti-dumping and safeguard measures to protect domestic industries from cheap imports. Can we have your observations on India’s non-tariff measures?

Anti-dumping and safeguard duties are double-edged swords that may save a few producers and give them breathing time but end up hurting the downstream user industries. Such measures make the inputs more expensive for customers of producers who get protection. In turn, the user industries get uncompetitive vis-à-vis foreign suppliers, who find it easier to sell value-added products. When the user industries get adversely affected, the producers who got the protection also cannot do well. So, such protective measures have to be used carefully. However, this is not a call that the government can take. Our laws are fully in conformity with the WTO agreements. It is the producers seeking protection who have to consider how they may end up hurting their customers and in turn, hurting themselves.

Apart from taxation, what, according to you, are the challenges faced by exporters and importers in India? How can they be resolved?

It is a kind of question on which a lot can be said but it is better to be brief

and deal with only one or two aspects.

I think our industry is much too fragmented. That comes in the way of raising finance, creation of large capacities and upgradation of technology. So, the cost advantages that come with scale and technology elude many entrepreneurs. Over a period, consolidation will have to come about. Of course, there will always be smaller firms succeeding through innovation and manufacture of niche items but at the aggregate level, exports growth can be best sustained through mass production by creation of large capacities.

Secondly, our entrepreneurs will have to cope with increasing pressures to comply with stricter environmental regulations and higher labour standards. So far, we have tried to dismiss these as unreasonable demands from rich countries. That may not be possible in future, when these demands will be made by our own people. Calls to respect Intellectual Property Rights may also become more strident.

Thirdly, I think it is not enough to think only of exports from India and imports into India. Trade opportunity exists whenever any commodity is available at one place and there is demand for that commodity at another place. Our traders need to look at the openings in international trading of commodities or products. The search for that kind of merchant trading or third country exports’ opportunities would lead to more sophistication in tapping markets for our items as well.



Unraveling Cross-border Tax Regimes

Falguni Shah
Partner M&A Tax, PwC India



The European Commission has recently ordered Apple Inc. to retroactively pay additional taxes of up to €13 billion (plus interest) to the Irish Government on conducting an investigation, which revealed that Ireland had granted undue tax benefits to Apple Inc. The Irish Government has decided to appeal against this ruling. It is pertinent to note that the EU ruling does not question Ireland's Corporate Tax rate or law, but only the selective tax treatment given to companies in the Apple Group. Similarly, in October 2015, the European Commission decided that the Luxembourg Government's rulings related to Fiat and the Netherlands Government's ruling for Starbucks constituted unlawful state aid and ordered the countries to recover €20 to €30 million from the companies. The Luxembourg and Netherlands Governments have also decided to appeal against the rulings of the European Commission. However more recently, fund houses in the UK with investments in Alphabet (Google's parent) wrote to its Board and requested it to consider the implications of tax avoidance on its brand value as well as on its license to operate around the world.

Governments around the world are

facing criticism for favoring businesses and consequently reducing public services during years of austerity. The global tax environment is seeing a sea change with the governments demanding their fair share of taxes. In 2013, the Organisation for Economic Cooperation and Development (OECD) and G20 countries published a 15-point Action Plan to address Base Erosion and Profit Shifting (BEPS) due to the skewed tax structures of multinational companies. They have been working together on an equal footing and OECD presented the final package of measures/ recommendations for the comprehensive and coordinated reform of international tax rules to G20 Finance Ministers at a meeting in October 2015. While there is no definite timeframe for countries to adopt the BEPS recommendations, some (including India) have begun amending their tax laws to incorporate them.

One recommendation to curb the tax avoidance strategies used by MNCs deals with Hybrid Mismatch Financial Instruments. These arrangements exploit differences in the tax treatment of an entity or an instrument under the laws of two or more tax jurisdictions to achieve

double non-taxation. For instance, one of the common structures adopted by investors or MNCs to invest in Indian entities is by the infusion of compulsorily convertible debentures (CCDs) through an intermediary company incorporated in the Netherlands. CCDs are regarded as an equity instrument for tax purposes in the country, and consequently, annual interest income is regarded as dividends and gains arising on subsequent sale are eligible for tax benefits under participation exemption in the Netherlands. In addition, annual interest payments made by Indian entities are available as tax deductible expenditure for tax purposes in India. Thus, MNCs are able to claim tax deduction in one jurisdiction and their income (receipts of interest and potential capital gains on sale) are not taxable in another jurisdiction, thereby leading to a double benefit for them.

A significant development in the Indian tax arena was the amendment to the India-Mauritius Tax Treaty. At the beginning of the current financial year, the Indian Government finalised a Protocol with the Mauritius Government to amend the India-Mauritius Double Tax Avoidance Agreement. The amendment to the tax treaty (which



was not completely unanticipated) requires investors to review their existing structures in light of the change to source-based taxation of capital gains from the existing residency-based taxation. Simply put, on the Protocol becoming effective from 1 April, 2017, capital gains arising on sale of shares of an Indian entity by a Mauritian entity will be taxable in India instead of being taxed in Mauritius under the existing Article of the treaty. However, both the governments need to be applauded for giving investors adequate time to prepare for the changes and to grandfather the continuity of the tax benefit for investments made before 1 April, 2017. Both these initiatives have been hailed by investors and the business community.

While the grandfathering provisions have been welcomed, they are somewhat ambiguous regarding the eligibility of benefits for certain types of investments, for instance, the Article relating to exemption of capital gains on the sale of shares that were acquired before 1 April, 2017. Typically, private equity investors in order to safeguard themselves from investing at higher valuations invest by way of convert-

ible securities, the conversion terms of which vary depending on actual performance vis-a-vis benchmarked performance indicators. The convertibles are generally converted into equity within two to three years from the date of the original investment. According to current Indian tax laws, conversion of debt instruments to equity instruments is a tax-exempt transfer, and accordingly, outside the purview of Capital Gains Tax. When the converted equity instruments are transferred, to determine whether the instrument transferred was a long-term or short-term asset, the date of acquisition of the convertible security is considered. For investments made through convertible securities before 1 April, 2017 (but where the conversion takes place after that date), a question would arise on whether the grandfathering benefit will be available at the time of transfer of the converted security. While a plain reading of the Protocol leads to the view that the benefit should not be available, it places investments made on 1 April, 2017 (but converted after that date) in a negative position, compared to instruments converted before this date.

The Protocol intends to tackle long-pending issues relating to abuse of treaties and 'round tripping' of funds attributed to the India-Mauritius Treaty, curb loss of revenue, prevent double non-taxation, streamline flow of investment and stimulate exchange of information between India and Mauritius. It should also improve transparency in tax-related matters and help to curb tax evasion and tax avoidance.

The Indian Government in August 2016 approved the amendments to the tax treaty between India and Cyprus. While the fine print of the revised treaty is awaited, the press release issued by the Government suggests the treaty would provide for source-based taxation of capital gains, similar to the amended India-Mauritius Tax Treaty.

Post the amendment to India Mauritius tax treaty, Indian Government and the Singapore Government are negotiating to amend the India-Singapore tax treaty on similar lines as the revised India-Mauritius Tax Treaty.

Today, taxation regimes around the world are witnessing drastic and radical changes, which may have a wide-ranging impact on businesses as well as on mergers and acquisitions. The increased demand for transparency in taxation and proposed tax legislations, especially in light of BEPS, is forcing multinational companies to review their existing structures for potential tax avoidance.

(Views expressed are personal. The article includes inputs from Mr. Akshay Shenoy, Associate Director-M&A Tax, PwC India and Mr. Manish Gupta, Assistant Manager M&A Tax, PwC India.)



World Trade Centre Institute (WTCI)

Certificate Course for Start-ups in Export-Import Business (Batch 2)

World Trade Centre Institute conducted the second batch of the 'Certificate Course for Start-ups in Export-Import Business'. Candidates who enrolled for this programme were prospective entrepreneurs with a desire to start their own business. Most of the students came from family business background.

The course helped them to understand the key challenges involved in setting up a new business such as concept stage, creating a business model, raising of funds from investors, brand creation and marketing strategy.

The Batch was held at the World Trade Centre Mumbai from July 2-September 24, 2016.



Post Graduate Diploma in Shipping & Logistics (Batch 2) Begins

The second batch of the three-month 'Post Graduate Diploma in Shipping & Logistics' has a course curriculum which covers various aspects of logistics management, inventory management, containerization, stuffing techniques, warehousing and documentation in international trade, and export costing and pricing.

The course commenced on July 19, 2016.

YMT College of Management Students Visit WTC Mumbai



Eighty students from YMT College of Management pursuing the MMS programme visited World Trade Centre (WTC) Mumbai as part of their curriculum to understand environment practices in an organization setup. Mr. A. O. Kuruvila, Advisor-Trade & Education addressed the students on international trade and the role of WTC Mumbai's services and facilities offered to promote international trade. Mr. Kuruvila had an interactive session with the students and addressed various issues raised by them.

The visit was held on July 22, 2016.

Guest Lectures

'The Role of Exim Bank and Lines of Credit'

A special session was organized on 'The Role of Exim Bank and Lines of Credit' by EXIM Bank of India, with the objective of promoting export production in India. Mr. Ashish Soni, Chief Manager, EXIM Bank in his presentation pointed out the various

stages of exports covered by the Bank and the forms of financial assistance provided such as delayed payment exports, pre-shipment credit, term loans for 100 percent export-oriented units, foreign investment finance and

financing export marketing.

The highlight of the session were Lines of Credit (LOC), SME financing mechanism of Exim Bank. LOCs are extended to entrepreneurs either for entering new export

markets or for expansion of business in existing export markets without payment risk from overseas importer.

The session was held at the World Trade Centre Mumbai on September 2, 2016.



'Digital Marketing'

Mr. Ashish Jhalani, Entrepreneur and Founder-etailingIndia/ISeB shared his expertise on Digital Marketing. He focused on the ten key benefits of Digital Marketing over Traditional Marketing. He explained in detail that while competing with the corporate sector, the cost of reaching a target audience is far less when using digital marketing as compared to traditional marketing, thus yielding

a higher return on investment. He also stressed on the accessibility to global markets and reaching the target audience, which is far easier in the case of digital marketing. He also discussed the aspect that the digital medium allows customers to rate the product, give feedback, and share their views. Digital marketing also provides an opportunity to create 'Word of Mouth' for ones product and services he added.



The session was held at the World Trade Centre Mumbai on September 17, 2016.



'Role of ECGC & Credit Risk Insurance'

The session was organized to make students aware of the importance of export credit insurance which protects exporters from the consequences of payment risks. Mr. P S. Murali, Deputy General Manager-Export Credit Guarantee Corporation of India (ECGC) addressed students about the various services being offered such as credit risk insurance to exporters for cover against payment risks, to banks and financial institutions for extending the facility to exporters, medium and long-term covers to project exporters as

well as overseas investment insurance to exporters.

He also explained in detail the procedure of availing insurance and how they access the credit worthiness of overseas buyer which helps in setting the maximum limit of goods that can be shipped.

The session was held at the World Trade Centre Mumbai on September 16, 2016.

Training Programme on 'UCPDC & Risk Management in International Trade'

World Trade Centre (WTC) Institute organized a two-day Management Development Programme (MDP) on 'UCPDC & Risk Management' for the benefit of professionals who are directly or indirectly involved in foreign trade.

The training programme was conducted by Mr. Eknath Birari, a senior faculty of WTC Institute. He presented live case studies and examples. He elucidated the complex Uniform Customs and Practice for Documentary Credits (UCPDC) and procedures which created considerable interest among the participants. The topics that were discussed included sale contract, opening of an Letter of Credit (LC), importance of scrutiny of LC by banks, discrepant documents, waiver and notice, and bank-to-bank reimbursement. Specific case studies on how the discrepancies are sorted out in LCs were an eye opener for all the participants. Further, the participants had the chance to seek clarification regarding issues pertaining to documentation procedures.

Mr. Birari explained in detail the various documents required for international trade and also the major risks in international trade - credit risk, currency risk, country risk & market risk, and how one should clearly understand these risks before entering into the business deal.

Certificates of participation were distributed to the attendees.

The training programme was held at the World Trade Centre Mumbai on September 27-28 2016.



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3rd Batch starts in November 2016



Post Graduate Diploma in Foreign Trade

Duration: 6 Months

Monday-Tuesday-Wednesday

6.30 pm to 8.30 pm

56th Batch starts in January 2017



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NAGPUR: A District of Opportunities



Nagpur is one of the districts in the state of Maharashtra, which was considered to be a second capital of the state. Prior to being a city in Maharashtra, Nagpur was the capital of the state of Madhya Pradesh. The city was created by the Gond tribes in the 18th century. Due to its location, Nagpur falls in the Deccan Plateau. The adjoining districts of Nagpur are Bhandara on the east, Chandrapur on the south, Amravati and Wardha on the west and in the north shares the boundary with Madhya Pradesh. Geographically, Nagpur is situated in the heart of India. It is often

Municipal Corporation which comes under Nagpur Metropolitan Region. According to census report of 2011, the population of Nagpur was approximately 24 lakh. Nagpur is a multicultural city with different religious beliefs that exist in harmony and the main languages spoken are Marathi and Hindi. The climate of Nagpur is extreme as per season. Since it is centrally located, Nagpur is well linked by road, by train and by air. The two national highways NH 6 (Mumbai - Sambalpur - Calcutta) and NH 7 (Varanasi - Kanyakumari) pass through this city.

approximately 5000 crore towards setting up business infrastructure. As a result, it came to be a major center of activity in terms of trade and commerce. Presently, the Butibori industrial area forms a major portion of the economic backbone of Nagpur which is the biggest in Asia. The major product of the region is synthetic polyester yarn. Some of the companies that have set up bases in Nagpur are Hyundai Unitech, KEC, ACC Nijon Casting Limited and Videocon Washing Machine and several textile units.



Another important factor that has enhanced Nagpur's business and economy is the industries that exist on the western side of the city which include Hingna Industrial Estate comprising 900 medium and small plants such as NECO Limited, Mahindra and Mahindra, Bajaj Auto Group, Ajanta Toothbrushes, Candido, Vicco Laboratories and many Units of International Combustion.

referred as the winter capital of Maharashtra and one of the largest and most important cities falling in the Vidarbha region of the country. The city of Nagpur is world renowned for oranges and is most often called the orange city. It is also known as the tiger land of Maharashtra.

Important central and state government offices and institutions are located in Nagpur. Industrial Development, exist in the bordering areas of Kamptee, Hingna, Wadi, Khapri, Butibori and Kalmeshwar.

A mixed gamut of large and medium-sized enterprises are an integral part of the economy. The important industries of the economy include the following:

Business and economy

1) Agriculture: Nagpur district is basically known for being an agricultural economy. The district has a total geographic area of such 9892 kilometers and the main crops

Nagpur city is governed by

Nagpur underwent development with the government investing

cultivated are paddy, jowar, cotton, and soybean. A total of 22742 hectares of land have been brought under floriculture utilized. Rose, chrysanthemum, marigold, Tuberosa, gladiolus, white lilies, goldenrod, deji, like almond flowers are grown in a total of 1365.53 metric tons, so production. Camomile, Rose, mogra, Lily and industrial production marigold like flowers can be grown in the district to use. Parphyuma, for the production of rosewater and gulakanda can be used or floral.

- **Orange production:** Nagpur oranges (Santura as it is called in India) is chiefly grown in Satpura hills (Vidharba region) and based on its production, provides scope for the district to establish an orange-based



process industry. Besides Satpura hills, it is also grown in Katol including rural areas, Narkhed, Kalmeshwar, Saoner, Bhivapura and Karanja.

- **Soybean production:** Due to the ever rising soybean production and the growing awareness of health consciousness, there is scope for production of soymilk, soy cake, soybean oil, soy biscuit and other products. Soyabean extracts can be used to produce cattle feed. Owing to the growing opportunities, there is immense scope to establish the soybean industry in the district.

2) Mineral resources: Nagpur is rich in mineral such as coal, manganese ore, dolomite, limestone, iron, clay, copper, chromites, zinc and other raw minerals, which are available in large quantities in the district.

Lesser known facts about Nagpur

- Central India Spinning and Weaving Company Ltd., popularly known as 'Empress Mill' was the country's first textile mill started by Tata group at Nagpur. The company installed the first humidifiers and fire-sprinklers in India.
- Nagpur is home to India's only National Fire Service College.
- Deekshabhoomi is the largest hollow stupa among all Buddhist stupas in the world. It was here that one of the first mass religious conversions in the history of India took place.
- The MRO facility constructed at Nagpur by Boeing is only the second such facility in the world, after Shanghai.
- The distance between Nagpur Central Railway Station and Ajni Station is shortest distance between two scheduled stops at railway stations in India.
- Nagpur's Dr. Babasaheb Ambedkar International Airport has the busiest Air Traffic Control room in India. Nagpur's airport became the first airport in the country to receive an ISO 27000 certificate. In fact, Nagpur is not only the first in India but also the first in world to be certified for Air Navigation Service Provider (ANSP). There are seven airports in the world which have ISO 27000, but none of them have it for ANSP.
- At 93.13%, Nagpur has the best literacy rate among all cities with a population greater than 2 million
- The Zero Mile marker at Nagpur is considered as India's geographical centre.

[Source: Nagpur] [Source: Nagpur, Page on censusindia.gov.in]



Nagpur – Smart City of the future

In a recent announcement made by the Modi government, Larsen & Toubro, a major engineering and construction company will be the implementation partner to the Maharashtra government to convert Nagpur into the country's first large-scale integrated smart city. L&T's business unit, namely Smart World and Communication, will execute the project that entails laying of 1200 km of optical fiber network, setting up 136 wifi hotspots across the city, establishing 100 digital interactive kiosks and developing city surveillance systems. It is said that the Smart World and Communication unit is to become a \$1 billion business in 3-4 years.



Odisha, Slated to be a 'Manufacturing Hub of the East'



An expert in the fields of arbitration and intellectual property rights, Mr. Sujeet Kumar, Special Secretary, Planning & Convergence Department, Government of Odisha is bent on placing Odisha on the global map as an attractive investment destination. In an interview to World Trade Centre Mumbai, he strongly advocates that India aligns its IPR laws to global standards which would only help boost trade.

The Planning & Convergence Department, Government of Odisha is one among the important wings of Odisha. Could you provide a brief on the strategies for development of the state with special reference to the small medium enterprises (SMEs)?

In the last one and half decades, there has been a marked improvement in the lives of the people of Odisha, and a conducive atmosphere has been created for rapid yet peaceful industrialization and generation of huge employment opportunities.

Odisha's economy has grown at an average annual rate of about 9% in real terms during 2000-2015, as against about 3% during the period 1951-2000. In the Department's endeavour to make Odisha the most preferred investment destination globally, the state government has taken a number of path-breaking initiatives. By diversifying its industrial base with value-added sectors, creating an industrial land bank of one lakh acres, launching the new industrial policy with a slew of unique incentives by offering sector specific

policies for ICT, food processing, MSME development, tourism sector and with specific focus to promote electronic manufacturing and by developing three large investment regions at Kalinganagar, Paradeep and Dhamra, Odisha has now become one of the most preferred investment destinations. The state is also developing a number of sector-specific industrial parks to encour-

“It is the only state in the country to have a strategic partnership with TiE Silicon Valley and with an exclusive start-up policy for the state, to provide impetus to the start-up ecosystem.”

age development of focus sectors. It is the only state in the country to have a strategic partnership with TiE Silicon Valley and with an exclusive start-up policy for the state, to provide impetus to the start-up ecosystem. The Odisha Industrial Development Plan 2025 identifying five focus sectors for investments in the state has been developed with an aim to create 10 lakh new jobs through investments worth Rs 2.5 lakh crore in the state. To comple-

ment all these, the investor-friendly policies and the ease of doing business framework have made our state a competitive and attractive 'Manufacturing Hub of the East'.

In your view what should be done to project Odisha on the global map as an upcoming destination for investments?

Foreign Direct Investment (FDI) inflows to Odisha have been far lower than expected and lag behind those of other states. Some of the factors that will boost FDI inflow and project Odisha as an upcoming destination for investments are improving our infrastructure, reducing and ideally eliminating bureaucratic obstruction, simplifying land-acquisition procedure, establishing an appropriate institutional framework for alternate dispute resolution mechanism, etc. It is pertinent to mention that the government led by Mr. Naveen Patnaik, Chief Minister of Odisha has undertaken a number of initiatives to restore investor confidence, and several other positive reform measures in this regard.

“Some of the factors that will boost FDI inflow and project Odisha as an upcoming destination for investments are improving our infrastructure, reducing and ideally eliminating bureaucratic obstruction, simplifying land-acquisition procedure, establishing an appropriate institutional framework for alternate dispute resolution mechanism, etc.”

How is Odisha placed in terms of infrastructure for arbitration and dispute resolution?

Unfortunately, we do not have any institutional arbitration mechanism in the state. Today, all commercial contracts invariably have an arbitration clause; as business does not wish to get entangled in the tedious and lengthy judicial process, in case of a dispute. However, due to lack of institutional arbitration set up, arbitration as a speedy and effective dispute resolution has not become popular in Odisha. There are hardly any trained arbitrators or awareness drives. The Orissa High Court has established an Arbitration Centre and has framed rules, but the Centre has yet to make an appreciable impact.

It is, thus, a great responsibility and opportunity for Industry associations and trade bodies such as World Trade Centre (WTC) Bhubaneswar to step in and fill the void. Government can also step in and support such initiatives and efforts. I firmly believe that Bhubaneswar could be an attractive arbitration destination for Indian parties, and hope WTC Bhubaneswar takes up the mantle to make it happen.

As you are aware the new norms on arbitration in the infrastructure sector mainly for construction companies has just been introduced. How far will it solve the liquidity problems of construction companies?

Construction is a very critical sector as it is one among the largest contributors to economic activity

and to the GDP of our nation (almost 8%), and is a huge job creator.

The total amount under arbitration for the industry currently stands at Rs 1 lakh crore, which is quite a sum. Thus, the government’s decision to approve the new arbitration guidelines will certainly help in quicker resolution of claims pending in arbitration for years. Under the new norms, the government will release 75% of amounts against margin-free guarantee in situations where awards have been given but have been contested by the concerned authorities. Also, all the arbitration cases will be resolved within a year.

My view is that this is a positive move to create liquidity, and will infuse cash flows into the construction industry and will improve our liquidity position. It is certainly going to help in reducing the financial constraint on the construction companies and will also cut short the uncertainty on the status of pending claims.

Can India become a global hub for international arbitration in the wake of unpredictability and uncertainty in arbitration globally?

Foreign firms in India usually prefer a location abroad for resolution of disputes due to the abysmally low perception of the legal environment in India. This is the truth, whether we like it or not, and it is not due to the poor business prowess of Indian businesses vis-à-vis foreign counterparts, but due to the abysmally low perception of the legal environment in India.

To make India the hub of international commercial arbitration, there needs to be a concerted effort by the government, the legal fraternity and corporate India. Foreign companies will pick India as the destination of choice only if the environment for conducting international commercial arbitration in India is business-friendly. The government alone will not be able to do it despite making efforts to get the requisite amendments to arbitration law approved by the legislature. Full support by businesses and the legal fraternity is essential, which can only be achieved based on purely commercial and practical criteria and not on the basis of nationalism, patriotism or protectionism.

What are your views on the under-representation of developing countries in international dispute resolution mechanism, given the growing importance that is provided to western countries?

Developed nations have amassed experiences over the years, and have created centres that monopolise a bulk of international arbitrations. They developed capacities, they created arbitrators of stature, and created a set of international lawyers who could practice from one jurisdiction to other. Almost 70% of the international arbitrators belong to the first world or the developed world. Therefore, those jurisdictions tended to have a big share in international arbitration. Developing countries have often expressed apprehension about arbitral awards, or decisions, from the established institutional arbitral centres, and feel that these awards are often biased against them. This needs creation of parallel arbitra-

tion centres for developing countries. As the challenges posed by economic slowdown continue to haunt the global economy; the emerging economies, predominantly the BRICS ones, will have to shoulder the responsibility of driving global growth. I am confident that over the years, we shall see far greater representation of developing nations such as India, Brazil, Mexico in the international Arbitration map.

“I, firmly believe that Bhubaneswar could be an attractive arbitration destination for Indian parties, and hope WTC Bhubaneswar takes up the mantle to make it happen.”

BRICS countries have 42 percent of world population, 30 percent of land area and contributes 30.82 percent to world economic output. In such a scenario, why is there decreasing arbitration from these regions in world’s dispute redressal?

I think there’s a strong case for BRICS nations developing their own arbitration mechanism to cut reliance on redressal centres in developed nations whose awards at times tend to be loaded against developing countries.

It is extremely important that the BRICS nations develop an arbitration mechanism among themselves at a time when certain centres in the world, such as London, Paris, Singapore, etc., have monopolised the bulk of the cases.

I think India, which is set to host the 8th BRICS Summit in Goa in October, should take the lead in developing BRICS-centric arbitration centres and setting up a common framework for arbitration among BRICS nations. Mumbai, Shanghai, Sao Paolo can be worthy competitors to the current established centres, such as London, Paris or Singapore.

The current system of bilateral investment treaties seem problematic. Which are the areas that need to be addressed?

A bilateral investment treaty (BIT) is a legally binding agreement between two countries that establishes reciprocal protection and promotion of investments in both countries.

In the wake of public outcry over arbitration notices served by several foreign investors challenging various policy measures and demanding billions of dollars in compensation for the alleged violation of India’s bilateral investment treaties (BITs), India launched a formal review of its 1993 model BIT in 2013. Since India negotiates BITs on the basis of a model, the purpose of the review was to revise the 1993 model treaty text to keep it attune to the recent developments and to provide a roadmap for re-negotiation of country’s existing BITs. So far, India has signed BITs with 83 countries. In addition to standalone BITs, investment chapters of India’s free trade agreements (FTAs) with Singapore, Japan and South Korea also contain investment protection measures. It is important to note that India is not alone in reviewing its BITs regime. Currently, a number of developing countries are questioning the rationale of investment agreements as these are neither necessary nor sufficient to attract foreign investment. In early 2014, Indonesia announced its plan to re-examine more than 60 bilateral investment treaties. Like India, Indonesia is currently engaged in preparing a new template for its future bilateral investment treaties.

How secure is India’s intellectual property rights (IPR)? How can India align its IPR to global standards?

As per the global index that maps the IP environment in 30 countries worldwide, namely the Global Intellectual Property Center (GIPC) Index, India ranked 29 among all 30 countries in 2015. The following are the challenges before India’s IP system:

- Unavailability of regulatory data protection
- Use of compulsory and non-compulsory licensing for commercial and non-emergency situations
- Limited Digital Rights Management (DRM) legislation
- High levels of software piracy, music piracy, and counterfeit goods
- Poor application and enforcement of civil remedies and criminal penalties
- Unavailability of civil statutory damages for copyright infringement
- Not a contracting party to any of the major international treaties referenced in the GIPC Index.

India must align its IPR laws with global standards to boost trade. India recognizes the need for a policy aligned with global standards, as re-iterated by Prime Minister Modi. The Indian government has already constituted an IPR think tank under the auspices of the Department of Industrial Policy & Promotion (DIPP). This body oversees the formulation of a National IPR Policy through stakeholder consultation. Also, a joint committee has been set up between India and the US to discuss and resolve key IPR issues.

WTC Mumbai's Session at WTO Public Forum 2016: 'E-commerce: Changing Dynamics of SME Growth and Profitability in Asia'

The WTO Public Forum 2016 held at the WTO headquarters in Geneva from September 27-29, 2016 was themed 'Inclusive Trade'. The Forum addressed issues to promote inclusive trade through greater engagement with SMEs. The wide spectrum of trade needs to be harnessed effectively through technology and enhanced SME participation. The Forum laid special emphasis on the role and relevance of micro enterprises in promoting inclusive trade.

The Forum provided an opportunity for participants to discuss how a wider range of individuals and businesses can participate in the trading system and how WTO rules can help to ensure everyone benefits from trade. At a time when the business environment is

changing and world growth is slowing, it is important to ensure that trade is truly inclusive, allowing small enterprises, women and innovative businesses to take an active role in the global trading system.

This edition of the Forum focused on the key issues: How the WTO can foster the participation of small and medium-sized enterprises (SMEs) in the global market, how the trading system can support innovation and how women can participate more fully in international trade. With an incredible one hundred plus sessions over three days covering a wide range of topics with participation from public and private sectors, the Forum was truly inclusive.



From (L-R): Mr. Torbjorn Fredriksson, Officer in Charge, Science, Technology and ICT Branch, Division on Technology and Logistics, United Nations Conference on Trade and Development (UNCTAD), Ms. Rupa Naik, Director-Projects, World Trade Centre (WTC) Mumbai, Mr. John Danilovich, Secretary General, International Chamber of Commerce (ICC), Ms. Aileen Kwa, Coordinator, Trade and Development Programme, South Centre, Mr. Quan Zhao, Trade Policy Advisor, Office of the Chief Economist, International Trade Centre (ITC), and Mr. Andrew Crosby, Managing Director, International Centre for Trade and Sustainable Development (ICTSD).

E-commerce: Changing Dynamics of SME Growth and Profitability in Asia

World Trade Centre (WTC) Mumbai had the privilege of organizing and hosting a working session on 'E-commerce: Changing Dynamics of SME Growth and Profitability in Asia' on September 29, 2016. The WTC Mumbai and All India Association of Industries (AIAI) delegation comprised Ms. Rupa Naik, Director-Projects, WTC Mumbai, Ms Debjani Chowdhury, Advisor, World Trade Centre Mumbai and Ms Queenie Nair, Director, All India Association of Industries (AIAI). A high-level panel addressed this session.

Highlights

E-commerce is the focal point of today's global business and is largely driven by technology-enabled SMEs. It is estimated that SMEs that sell on the e-bay platform are around five times more likely to export than those in the traditional economy.

The panel observed that small businesses and entrepreneurs in developing economies are already at the forefront of this emerging trend. Significantly, Asia is fast emerging as a major force of e-commerce movement with China and India leading the fray. In the current scenario, what role can WTO play to implement new trade disciplines, rules and assistance to boost SME e-commerce? According to the panel, WTO disciplines should be upgraded to further improve SME access to the internet and related services. There is opportunity to build on WTO's landmark Trade Facilitation Agreement to further simplify and expedite the clearance of e-commerce shipments through targeted customs, tax and market-access measures. "WTO needs to establish a new package of digital trade rules for the 21st century to support online growth and build consumer trust in e-commerce", said **Mr. John Danilovich**, Secretary General of International Chamber of Commerce (ICC).



Looking at digital commerce in the context of Asia, **Mr. Andrew Crosby**, Managing Director, International Centre for Trade and Sustainable Development (ICTSD) noted that SME revolution is all about services and trade is going to be increas-

ingly service-oriented with the backup of digital tools. Skills and regulatory environment is assuming heightened importance and future jobs are gradually shifting towards e-commerce sector. This is also reflected in the pattern of movement of FDI in Asia where one can see an upward trend in services. Undoubtedly, there is lot of movement in services and other commercial services which is a growing environment. Both India and China are huge services-led economies and once they start digital trade, where will they go?



Dwelling on the reasons for the huge surge in e-commerce in China, **Mr. Quan Zhao**, Trade Policy Advisor in the Office of the Chief Economist, International Trade Centre (ITC) noted that by 2015 business to consumer retail in China was twice as big that of the US. This was mainly on account of the huge market size

and rising middle class in China. China's e-commerce is propelled by efficient delivery system backed by e-payment and adoption of e-technologies. Twenty-seven per cent of population in China has access to mobile payment. Chinese regulators kept an open mind about new technologies while maintaining a balance between benefits of new technologies and elimination of negative impacts. China's Taobao is a shining example of high-powered e-commerce driven by internet tools. Further, China heavily relies on social media as an important plank for entry into e-commerce.

Speaking on UNCTAD's new initiative 'eTrade for All', **Mr. Torbjorn Fredriksson**, Officer in Charge, Science, Technology and ICT Branch, Division on Technology and Logistics, United Nations Conference on Trade and Development (UNCTAD) informed that the programme aims to assist developing



countries to enter e-commerce platform. Four billion people around the world do not have access to internet. Most developing countries are facing massive challenges in adopting e-commerce and need to prepare as to how to cope with the challenges. It need hardly be emphasized that it calls for targeted efforts through appropriate legal and regulatory framework to understand the efficacy and emerging opportunities in e-commerce.

Another key area of e-commerce is consumer trust. European eCommerce and Omni-channel Trade



Association (EMOTA) representing more than 80% of European e-commerce offers European Trustmark for e-commerce. According to **Mr. Maurits Bruggink**, Secretary General, EMOTA, the EMOTA European

Trustmark for e-commerce establishes harmonized certification criteria for all national trustmarks throughout Europe. It will enhance consumer trust in online shopping across borders, increase online cross-border turnover for European web merchants and help overcome the language barriers of national trustmarks. The use of trustmark is particularly important for SMEs, as their own brand is often not well known. The aim of European Trustmark is to assure consumers all over Europe that the e-shop bearing has been validated by an EMOTA accredited trustmark provider and found to be safe. There are still barriers to cross-border e-commerce that need to be overcome, both on the consumer side and on the side of e-retailers. These barriers can be of operational or legal nature, or simply result of a lack of trust. Together with the accredited national trustmark, the EMOTA trustmark will help get over consumer's trust-related resistance when it comes to online shopping.



Ms. Aileen Kwa, Coordinator, Trade and Development Programme, South Centre focused on policy issues and emphasized on strengthening the socio-economic structures in developing economies and least developed countries (LDCs). Different countries have different realities and different challenges

and the problems need to be fixed. For eg. across Africa there are huge infrastructure constraints, socio-political barriers which widen the digital divide. According to Ms. Kwa, all policies and support systems must be in place at the national level to build an appropriate ecosystem for e-commerce. In this context, Ms. Kwa referred to the WTO initiatives and mentioned that WTO has established rules on e-commerce. However, these rules have to be in accordance with the development processes and parameters of regional e-commerce initiatives.

Technology will spearhead trade in the new era of global business and e-commerce will continue to dominate the business landscape in the foreseeable future, the panel opined.

A view of the participants at the session



Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai, in her opening remarks stated that e-commerce opened new vistas for MSMEs to reach global markets. The challenges before the MSMEs are how technology can be used to gain greater access in different markets. Also, through the use of technology MSMEs can upgrade their products and services, enhance visibility and capture larger market shares.



In conclusion, Ms. Naik said India has great potential to penetrate in several spheres of businesses, skills, education, hospitality and many other services through e-commerce. Asia, the market of the future not only offers opportunities for the developed, developing and least developed countries but within Asia there lies a great potential to cooperate and collaborate with the trading blocs.



Trade Promotional Activities Held This Quarter

Consul General Discusses India-South Korea Trade Ties

Mr. Soung-eun Kim, Consul General of the Republic of Korea, visited World Trade Centre Mumbai to discuss ways to stimulate bilateral trade and investment between India and South Korea.

Mr. Kim held extensive discussions with Mr Kamal Morarka, Chairman, World Trade Centre Mumbai, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai and other officials of the Centre on the future roadmap to strengthen economic co-operation between both nations.

Other officials of the World Trade Centre Mumbai who attended the discussions were Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai and Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai.

Mr. Kim emphasized the need to exchange high level delegations, conduct trade shows and organize trade promotion activities to promote economies of both countries.

Mr. Kim's visit to India assumes significance as it coincides with the efforts of the governments of South Korea and India to review the Comprehensive Economic Partnership Agreement (CEPA) between both countries.

South Korea is the eighth largest trading partner of India with bilateral trade between both countries at USD 16.59 billion as of 2015-16. Experts project that the bilateral trade volume between both countries would double in the next 3 years.

Prime Minister Narendra Modi's visit to South Korea in May 2015 and G-Fair Korea 2016 held in Mumbai have evoked interest amongst the business community.

Mr Morarka, who was the convener of the meeting, expressed his keen interest in strengthening trade ties with South Korea and invited trade delegations to explore investment opportunities in infrastructure sector in the wake of the 100 smart cities project being planned by Prime Minister Mr. Narendra Modi.

"Maharashtra being the economic and commercial capital of India and a premier industrial state, South Korean companies such as LG Group, Hyundai, Posco,



From (L-R): Mr. Soung-eun Kim, Consul General of the Republic of Korea in Mumbai (middle) being felicitated by Mr. Kamal Morarka, Chairman, World Trade Centre (WTC) Mumbai (right). Also seen in the photograph is Capt. Somesh Batra, Vice Chairman, WTC Mumbai (left).

Daewoo have set up operations here. World Trade Center Mumbai extends all possible support and assistance to such companies looking to invest in Maharashtra," Mr. Morarka remarked.

He further added, "World Trade Centre Mumbai will lead a delegation to South Korea in September 2016 to visit the Buyer Delegation Program and seek collaborations in sectors such as ports, construction, power, infrastructure, engineering and automobiles". Mr. Morarka finally expressed confidence that under the leadership of the Consul General, trade promotion and investment activities will be further enhanced.

Capt. Batra said, "India has immense opportunity in almost every sector, since it is a consumer market with the second largest population. Specifically, there is a huge unmet demand in the construction sector."

The meeting was held at the World Trade Centre Mumbai on July 5, 2016.

WTCA CEO Visits WTC Mumbai



From (L-R): Mr. Y. R. Warkerkar, Executive Director, World Trade Centre Mumbai (WTC) Mumbai, Mr. Scott Wang, Vice-President, Asia Pacific, World Trade Centers Association New York (WTCA, NY), Mr. Kamal Morarka, Chairman, WTC Mumbai and Mr. Scott Ferguson, Chief Executive Officer, WTCA NY, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Capt. Somesh Batra, Vice Chairman, WTC Mumbai.

In his first-ever visit to India since becoming Chief Executive Officer of World Trade Centers Association (WTCA), Mr. Scott Ferguson addressed the board members of the World Trade Centre (WTC) Mumbai at a meeting on August 1, 2016. He said, "India is moving ahead in a measured way with definite policies and plans rather than populist approach that often fails on delivery." Mr Ferguson was on a two-day visit to Mumbai. From Mumbai, after which he traveled to Bangalore and then to Delhi.

Praising the Indian government's projects like Make in India, Start up India, Mr. Ferguson said that WTC network can have a role to play in this. "I believe the WTC Mumbai has many programs in this segment, which the start-ups will take advantage of", he added. WTCA is considering India as a growing market and in this visit, Mr. Ferguson is meeting all members to understand the functioning and programmes.

Mr Scott Wang, Vice-President, Asia Pacific, WTCA said that India is the fastest growing market for World Trade Centres as WTCs in India have risen from a mere 5 in 2011 to 26 in 2016. "There is change in FDI facilitation in India now; the Make in India campaign has had a huge impact. It is time that WTC Mumbai leverages its service capacities that will make the other WTCs in India grow." Calling Mr Ferguson an experienced hand in running WTCA, Mr Vijay Kalantri, Vice-Chairman, WTC Mumbai informed that WTC Mumbai is playing a leadership role among the 20 WTCs in India. "We have now agreed to

meet once in three months and work together. I feel as one of the oldest WTCs in the world, WTC Mumbai can play a bigger role in membership seminars, where we receive around 60 trade missions annually and our experience can be shared", said Mr. Kalantri.

M. Visvesvaraya Industrial Research and Development Centre is the promoter of WTC Mumbai and also WTCs in Goa, Bhubaneswar and Jaipur. Mr Sharad Upasani, Chairman, WTC Goa and Capt. Somesh Batra, Chairman, WTC Bhubaneswar also interacted with Mr. Ferguson. "As fastest growing economy in the world, it would be great if India gets a bigger role in the WTCA General Assembly," suggested Capt Batra.

At an evening reception held in Mr. Ferguson's honour, Mr. Kamal Morarka, Chairman World Trade Centre Mumbai who was all praise for Mr. Ferguson expressed confidence in his leadership. Mr. Morarka said, "With his rich experience and dynamism, WTCA will further expand its network and grow to newer heights. A well defined framework will benefit the members setting effective organizational goals with economic realities". WTCA should promote and project India as a land of opportunities both for investment and trade, he added.

The meeting was held at the World Trade Centre Mumbai on August 1, 2016.

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Brexit to Have Minimal Impact on Indian Economy

World Trade Centre Mumbai organized an interactive panel session on 'Brexit: Impact on Indian Economy' at WTC Complex to understand the possible impact of Britain's exit from the European Union on the Indian businesses in the UK and the Indian economy.

Economists, present in the session, felt that there would not be much adverse impact of Brexit on India because of its strong macroeconomic fundamentals. However, they pointed out that the businesses of Indian companies operating from the UK could be affected by the future changes in several business laws in that country.

Mr. Sajjid Chinoy, Chief India Economist, JP Morgan opined that the short-term economic impact of Brexit on the Indian economy would be just an idiosyncratic regional shock (which is negligible). However, Brexit being a political event, it could unleash a wave of de-globalisation across the globe, which may affect the



From (L-R): Ms. Rupa Naik, Director-Projects, World Trade Center Mumbai, Mr. Ran Chakrabarti, Partner, IndusLaw, Mr. Sajjid Z. Chinoy, Chief India Economist, JP Morgan and Mr. Dharmakirti Joshi, Chief Economist, CRISIL.

prospect of India's exports in the long run, Mr. Chinoy remarked.

Therefore, he suggested that Indian policymakers must introduce long term economic reforms to boost domestic consumption instead of relying on exports to support economic growth.

Mr. Dharmakirti Joshi, Chief Economist at the leading credit rating agency - CRISIL - pointed out that CRISIL has maintained its forecast for India's economic growth at 7.9% in 2016-17. The impact of Brexit on India would be limited to Indian businesses in auto parts, textile and information technology sector, Mr. Joshi pointed out.

"India has a sound macroeconomic background. But our two weak areas are private sector investment (due to weak balance sheet) and the Non-Performing Banking assets," Mr. Joshi added.

Mr. Ran Chakrabarti, Partner, IndusLaw touched upon the impact of Brexit on Indian companies that have exposure to the UK economy. He suggested that companies dealing with UK firms must include a termination clause that would enable them to end their business with their UK counterpart in case the terms of the UK's exit negotiations would make their contracts unviable.

"Legal consequences are going to be critical for companies having business in UK or the EU over the coming years. If no agreement is reached, UK's trade with the EU would come under the rules of WTO. UK may not have a say in the making of EU laws," Mr. Chakrabarti pointed out.

The interactive panel session was held at the World Trade Centre Mumbai on July 11, 2016.

Farewell to Trade Attaché of Turkey in Mumbai

World Trade Centre Mumbai team bids fond farewell to Mr. M. Goktug Bayri, Senior Commercial Attaché from Consulate General of Turkey Office of the Commercial Attaché in Mumbai.

The meeting was held at the World Trade Centre Mumbai on September 9, 2016.



Mr. Y. R. Warerkar, Executive Director, WTC Mumbai (second left) felicitating Mr. M. Goktug Bayri, Senior Commercial Attaché, Turkey Consulate, Mumbai (fourth left). Looking on (L-R): Mr. Ariaafh Qureshi, Assistant Commercial Attaché, Turkey consulate, Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai and Ms. Rupa Naik, Director-Projects, WTC Mumbai.

WTC Mumbai Promotes Indo-Canadian Ties in Energy

A round table interactive meeting on 'Natural Resources Canada: Opportunities to Discover' was organized by Consulate General of Canada in Mumbai in association with World Trade Centre Mumbai. The objective of the meeting was to explore business opportunities in the clean energy sector and potential export prospects between India and Canada. World Trade Centre Mumbai's key functionaries interacted with Mr. James Gordon Carr, Minister of Natural Resources, Canada and discussed collaborative efforts in the sector.

The meeting was held at the Taj Mahal Hotel, Colaba on September 9, 2016.



Mr. Kamal Morarka, Chairman, World Trade Centre (WTC) Mumbai (extreme left) interacting with Mr. James Gordon Carr, Minister of Natural Resources, Canada (extreme right). Others looking on from (L-R): Mr. Vijay Kalantri, President, All India Association of Industries (AIAI) and Mr. Jordan Reeves, Consul General, Consulate General of Canada in Mumbai.

WTC Mumbai Honors its Founder on Birth Anniversary

World Trade Centre Mumbai paid tribute to Bharat Ratna Sir Mokshagundam Visvesvaraya, Founder of the M Visvesaraya Industrial Research and Development Centre (MVIRDC) on his 156th Birth Anniversary, who was born on September 15, 1860.

A bust of Sir Visvesvaraya was garlanded by Mr. Vijay Kalantri, Vice Chairman, World Trade Centre (WTC)



From (L-R): Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai and Mr. Sharad Upasani, Vice Chairman, WTC Mumbai.

Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai. The ceremony reaffirmed commitment to promote his vision 'Prosperity through Trade and Industry'.

Sir M. Visvesvaraya affectionately addressed as Sir MV had a dream to see India prosper through Industrialization. Named after him, WTC Mumbai came into existence on June 26, 1970 which was registered under the Indian Companies Act, 1956 under section 25 as a not-for-profit company. The main objective of the Centre was to conduct 'research and development' and the ancillary objective of establishment of WTCs across India.

Sir MV dedicated his life towards nation building and epitomized all qualities of an ideal engineer throughout his life. The Engineer's Day is also celebrated in India on his birth anniversary as he is a great Indian engineer and is also remembered every year not just as an engineer par excellence, but also as a highly respected statesman and Diwan of Mysore Kingdom. A visionary thinker and one of the builders of the Indian economy, Sir MV was conferred India's highest honor 'Bharat Ratna' in 1995.

Taking forward his vision, MVIRDC World Trade Centre

Mumbai during the year organized over 80 events involving governments, both at the domestic and International levels, involving embassies, consulates, chambers of commerce and other trade promotion organizations. The Centre continues to forge ahead building and maintaining regular interaction with the local trading and business communities, helping them to connect globally.

Addressing the gathering at WTC Mumbai on this occasion, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai said "There is no finer legacy than what Sir

Visvesvaraya has left behind, and it is for us to grasp the essence of his vision, values, fortitude and humaneness to serve the nation by working towards the progress of trade and industry which will take us towards inclusive growth".

The garlanding ceremony was held at the World Trade Centre Mumbai lobby on September 15, 2016.

WTC Mumbai Installs Solar Power Unit at the Arcade

A high capacity 250kWp rooftop grid tied solar photovoltaic (PV) power plant was installed on the Arcade, World Trade Centre (WTC) Mumbai which was inaugurated by Mr. Kamal Morarka, Chairman, World Trade Centre (WTC) Mumbai.

On the occasion, Mr. Morarka said "With the commissioning of the Solar Power Plant on the Arcade, WTC Mumbai has become the first commercial

Arcade building and will generate over 3 lakh units annually".

Mr. Morarka further added that the PV modules are mounted on specially designed aluminium module mounting structures. The Solar Modules used are of poly crystalline technology and are manufactured by Waaree Energies Ltd, one of India's leading module-manufacturing company. The Grid Tied Solar Inverters



From (L-R): Mr. Kamal Morarka, Vice Chairman, WTC Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Y. R. Warerkar, Executive Director, WTC Mumbai.

establishment in Mumbai to set up a 250kWp Rooftop Grid Tied Solar PV Power Plant under the net metering scheme of BEST Undertaking".

Further, Mr. Morarka said that the "Solar plant designed with 808 Solar Photovoltaic modules each of 310Wp has been built by Maxwell Solar & Wind Energy Pvt. Ltd, Mumbai is spread over 25,000 sq. ft. of roof area of the Arcade and the power from Solar PV power plant will cater primarily to the air-conditioning plant of the

which is the heart of the Solar PV Power Plant is manufactured by the world's leading Inverter Company - SMA Solar Technologies, AG of Germany.

Additionally, Mr. Morarka said, "WTC Mumbai has shown the city, a way for harnessing clean, green energy from the sun and is participating in the government's mission announced by Hon'ble Prime Minister, Mr. Narendra Modi to scale up solar power to more than 10 percent of total energy mix by 2022".

In conclusion, Mr. Morarka said that the right approach to energy can drive progress across all three pillars of sustainability which include economic, social and environmental.

Solar power is attractive because it is abundant, offering a solution to the negative effects of fossil fuel emissions coupled with the city energy needs rising exponentially paving the way for a breakthrough in renewable energy development in the city. Further, the state of Maharashtra is undergoing a major transformation in how it generates electricity. WTC Mumbai reinforces the economic and environmental

advantages of deploying large-scale solar project and sets itself the goal of achieving a green and clean India", stressed Mr. Morarka.

Mr. Vijay G. Kalantri, Vice Chairman, WTC Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Y. R. Warekar, Executive Director, WTC Mumbai were also present on the occasion.

The inauguration was at the Arcade rooftop, World Trade Centre Mumbai on September 16, 2016.

Argentina Eyes Food Sector in India

An interactive discussion was organized with Mr. Jesús Silveyra, Joint Secretary of Agricultural Markets, Argentina along with a delegation to explore possibilities for collaboration with Indian companies in the field of agriculture and food processing.

Mr. Silveyra said, "With new economical rules established by my government, Argentina is moving in a pro-trade direction and looks to India to promote bilateral trade especially in agriculture.

The rules will enable potential investors to purchase more than 1000 hectares of land in Argentina boosting its agriculture output by 20 percent. The other areas include IT, pharmaceuticals, mining, hydrocarbons, wine & honey production, chicken, meat, edible oil, and bio- sciences". The event was held at the World Trade Centre (WTC) Mumbai which was jointly organized by WTC Mumbai and the All India Association of Industries.

Mr. Silveyra, stressed that Argentina had a positive approach and is keen on reaching out to international markets. He said, "India's demographic dividend and increasing rate of growth, Argentina should be exporting more agriculture and bio products to India". He opined that India must help Argentina to expand worldwide which it has proven in IT and Pharma sectors. More student exchange programs need to be part of the curriculum in agriculture institutes.

Mr. Silveyra expressed his interest in exporting queen bees to India for honey production and investing in India's food parks. In the area of cattle breeding, Argentina leads by 60% in labour production beating US which is at a measly 20%. Argentina is one of the leaders in bio-products, exporting 7000 tonnes. They have capabilities in technology warehousing and post



From (L-R): Mr. Alejandro Zothner Meyer, Acting Consul General, Consulate General and Promotion Centre of the Argentine Republic in Mumbai, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Jesús Silveyra, Joint Secretary of Agricultural Markets, Argentina, Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai.

harvest management which could be of interest to India.

Mr. Silveyra said that Argentina's President and Cultural Minister plan to visit India next year. Also there is need to establish an Argentina-India Chamber of Commerce to create a favorable environment to foster conducive bilateral trade between both countries. In closing he said, "We look forward to World Trade Centre Mumbai and its networks to achieve this goal".

Capt. Somesh Batra, Vice Chairman, WTC Mumbai in his opening remarks said, "In 2015-16 India's bilateral trade with Argentina stood at USD 3 billion and there is immense scope for further bilateral relations. Argentina has the capacity of 150 million tonnes agro foods of which 100 million tonnes is exported providing scope for joint ventures in agro and food processing sectors".

Argentina government could consider India's new initiatives such as a Make in India, Skill India and the Ship Building sector.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai said "India should initiate subsidies in freight cost for exports to Argentina and create a platform for sharing best agriculture practices and technology between both

countries. The focus of the foreign trade policy is to support services and exports along with improving the ease of doing business".

The interactive discussion was held at the World Trade Centre Mumbai on September 19, 2016.

Uzbekistan Keen to Partner with India

A session on 'Doing Business with Uzbekistan' with Mr. Avaz D. Khodjiev, Counselor (Trade & Economic), Republic of Uzbekistan in India was held at the World Trade Centre (WTC) Mumbai which was jointly organized by World Trade Centre Mumbai and All India Association of Industries.

Mr. Khodjiev said, "India is a strategic partner for Uzbekistan with a current bilateral trade of US\$ 320 million which has potential to reach 1 billion in the coming years in sectors such as minerals, pharmaceuticals, textiles, chemicals, oil and gas, automotive, agriculture, construction material, logistics, light, IT, communication etc."

Mr. Khodjiev, presented on the 'Export Potential of Republic of Uzbekistan' highlighting the macroeconomic stability of Uzbekistan with an inflation rate of 7 per cent and GDP growth rate of 8 percent, 30 times increase in export growth with steady decrease in tax burden and focus on small business and private entrepreneurship contributing to job creation of 77 per cent. Uzbekistan has a stable banking and financial system which complies with the Basel Core Principles. The country has been ranked among the 5 fastest growing economies of the world according to the World Economic Forum.

Mr. Khodjiev highlighted the investment opportunities in low-cost energy resources (gas, electricity), general and special incentives (tax, custom, cotton), easy availability of stocks of raw material (cotton, yarn) and skilled labour in traditional textile production and access to international markets.

Further, he stated that there is tremendous potential for Indian investors in the special economic zones namely, 'Navoi', 'Angren' and 'Jizzakh' in Uzbekistan.

Mr. Vijay Kalantri, Honorary Consul, Consulate of the Republic of Uzbekistan in Mumbai, Vice Chairman, WTC Mumbai and President, All India Association of Industries said, "With improvements in the ease of doing business and the Indian government's new initiatives, there are innumerable opportunities for trade and investment between both countries. Both governments can enhance connectivity through the International North South Transport Corridor project involving ship, rail and road route covering India, Russia, Iran, Europe and Central Asia."

Mr. Kalantri suggested that Uzbekistan should explore possibilities for direct flights between India and Uzbekistan. There is considerable scope for cooperation in various sectors such as mining, automobile parts, tourism and logistics.

Capt. Somesh Batra, Vice Chairman, WTC Mumbai suggested that "India-Uzbekistan Business Forum should be held in Mumbai and Tashkent to discuss and identify trade and investment opportunities. This exchange of delegations and trade information will facilitate and strengthen bilateral trade between the two countries".

The session was held at the World Trade Centre Mumbai on September 20, 2016.



From (L-R): Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai, Mr. Arun Meghani, Member of the Council of Management, WTC Mumbai, Mr. Vijay Kalantri, Honorary Consul, Consulate of the Republic of Uzbekistan in Mumbai and Vice Chairman, WTC Mumbai, Mr. Avaz Khodjiev, Counselor (Trade & Economic), Republic of Uzbekistan in India, and Capt. Somesh Batra, Vice Chairman, WTC Mumbai.

Philippines to Enhance Ties with India in Services

The Philippines is targeting to increase its bilateral trade with India at US\$ 1.91 billion by reaching Indian industry through forums such as World Trade Centre (WTC) Mumbai, where a 'Business Round Table: Introduction on Strategic Trade' and Investment Opportunities with the Philippines was jointly organised by WTC Mumbai and All India Association of Industries. Mr. Michael Alfred V. Ignacio, Commercial Counsellor, Embassy of the Republic of the Philippines – New Delhi said, "India can look to Philippines as a secondary location to reach out to US Markets for Goods and Services to avail of US GSP privileges and reap benefits of ASEAN Markets. English is the main language of Business for both countries, who are also the world's fastest growing economies and are major players in the Global IT-BPM Value Chain, therefore Tier II companies of India can locate their businesses in the Philippines to avail of the conducive economic and business climate".

Mr Ignacio highlighted, "India is currently 20th export market for Philippines and we look forward to tap the unexplored potential in all sectors between our countries. Philippines has improved its global competitive ranking and scope for public-private partnership especially in infrastructure development, which Indian companies can consider."

Philippines has 345 Economic Zones and enjoys fiscal and non-fiscal incentives. Priority sectors include information and communication technology, automotive components, renewable energy and exploration of market potential for products in innovation, and design-driven products for the niche market, electronics and semi conductors, and education as a service.

Mr. Subramanian Krishna Moorthy, Vice Consul Ad Honorem, Honorary Consulate General of the Republic of the Philippines, Mumbai said, "Philippine's economy is driven mainly by the services sector and India's strength too lies in this sector, so there is tremendous scope for Indian collaboration in banking and other

financial services, telecommunication, tourism, etc.

With the establishment of Indo-Philippine Textile Mills, Inc. (Indo-Phil), 14 out of top 15 Indian companies in ICT having set base in the Philippines and GMR involvement in developing the Cebu - Mactan International Airport, similarly there is further scope for such joint ventures.

Mr. Manoj Kedia, Chief Financial Officer, Birla Group said that the company commenced its operation in 1975 and has 76 per cent of women employees. The company provides livelihood to thousand families in the



From (L-R): Mr. Manoj Kedia, CFO, Birla Group, Mr. Subramanian Krishna Moorthy, Vice Consul Ad Honorem, Honorary Consulate General of the Republic of the Philippines, Mumbai, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Michael Alfred V. Ignacio, Commercial Counsellor, Embassy of the Republic of the Philippines - New Delhi and Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai.

Bulacan area of Philippine. What started with 15 thousand spindles has now grown up to 60,000 spindles supplying 20 per cent of total market share in cotton and acrylic yarn.

Capt. Somesh Batra, Vice Chairman, WTC Mumbai said, "India's Look East Policy is a priority for India's foreign policy and the favourable developments in Philippines can cover matters related to foreign policy, defence, trade, tourism, culture and people-to-people relations". With India's stress on infrastructure development, Philippines could play a major role in collaborative efforts.

The Business Round Table was held at the World Trade Centre Mumbai on September 20, 2016.

Dairy Sector Holds Scope for Indo-Polish Tie-up

An Interactive session with the delegates of Poland was jointly organized by World Trade Centre (WTC) Mumbai and All India Association of Industries at WTC Mumbai. Mr. Mahadev Jankar, Hon'ble Minister of Animal Husbandry, Dairy Development and Fisheries Department, Government of Maharashtra said, "Maharashtra's per day milk production rose from 80,000 litres to 7.5 lakh litres providing an alternate livelihood for farmers making it a potential sector for further development. India is the highest milk producing country in the world employing 8.5 million workers. I invite the Polish government to consider investments and exchange of technology know-how in this sector."

mango exports", He further added, We are here to understand the Indian markets, distribution channels, products and policies of India.

Mr. Olowski said, "Poland is number one in poultry, number two in milk, number three in beef, number four in pork, number five in fruit, number six in vegetables and number seven in honey, employing cutting-edge technology, high capacity, high efficiency which can cater to Indian tastes.

H. E. Tomasz Lubaszuk, Ambassador of the Republic of Poland said that Poland looks to augment ties with India especially in agriculture and food processing sectors.



From (L-R): Capt. Somesh Batra, Vice Chairman, WTC Mumbai, H.E. Tomasz Lubaszuk, Ambassador of the Republic of Poland, Mr. Jaroslaw Olowski, Deputy President of Agricultural Market Agency, Poland, Mr. Mahadev Jankar, Hon'ble Minister of Animal Husbandry, Dairy Development and Fisheries Department, Government of Maharashtra, Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and Mr. Y. R. Warkerkar, Executive Director, WTC Mumbai.

The Minister said, "We intend equipping each farmer with five cattle, 10 goats, a small poultry and a fish pond aiming to provide an alternative financial means of livelihood. In keeping with the ease of doing business, our department will launch one window system to bring speedy clearances of proposals and transparency".

Mr. Jaroslaw Olowski, Deputy President of Agricultural Market Agency, Poland said, "We have expertise to handle 95 percent of food processing requirements while India only handles 10%, which holds scope for Polish collaboration. We supply one crore apples every year to India, while India can consider increasing

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai said, "India's bilateral trade with Poland has grown almost 7 fold over the last 10 years and India has invested US\$ 3 billion in Poland. He raised concerns that 40 per cent of agri-products perish before reaching the markets. Polish expertise can develop food processing and warehousing technologies. He further added that the farmer does not get his due share in the agriculture revenue, therefore a proper chain wherein farmers, agriculturalist and horticulturists are equally benefitted doing away with the middlemen which is required.

Capt. Somesh Batra, Vice Chairman, WTC Mumbai

said, "Poland had grown since it acquired democratic status especially in the agriculture sector. 47 per cent of the land is utilized for agriculture and 30 per cent is under forest cover. The other sectors where India could look for collaborations are in tourism, mining, defence, chemicals, rubber, plastic, heavy machinery, readymade cotton garments, iron & steel etc.

The interactive session was held at the World Trade Centre Mumbai on September 21, 2016.

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Trade Promotional Activities Held This Quarter

Workshop on 'Implications of Goods & Service Tax (GST)'

A Workshop on the 'Implications of the Goods & Services Tax (GST)' was organised by World Trade Centre Bhubaneswar in association with Xavier Institute of Management Bhubaneswar (XIMB). Mr. Niten Chandra, IAS, Ex-Commissioner of Taxes, Government of Odisha was the chief guest at the event. Mr. Chandra said GST is a welcome step. He also highlighted the administrative hassles that will be addressed and streamlined with GST once it comes into effect. He emphasised that GST would only be effective if there is clear understanding and acceptance by tax payers. Comparing inclusive tax rates of developed countries he said that resistance from tax payers towards higher rates should be

countered by systematic orientation of the proposed Act. He also emphasised that economies of the developing states have established an increasing gap between the poor and rich, thus GST could be the solution to bring about balanced growth essentially in the developing states.

Mr. Gopal Agarwal, Director, Indirect Taxation, PricewaterhouseCoopers Pvt Ltd, presented an overview on GST, which included the impact and issues. He further discussed a model GST law and its provisions.

Professor Asit Mohanty, Head, Centre of Excellence in Fiscal Policy & Taxation, XIMB, presented a critique on GST Act and its provisions. He further dealt with the effect on trade and business transaction and how GST would be influencing the tax liability of businessmen.

CA. A. K. Sabat, Partner Sabat & Co. in his address analysed GST from a tax practitioner's point of view. While expressing his views on the Model GST Act he stressed on the benefits arising out of GST which should be widely conveyed to the general public, so that they are able to take advantage and appreciate the new pattern of taxation.



From (L-R): CA A.K. Sabat, Partner Sabat & Co., Mr. Gopal Agarwal, Director, Indirect Taxation, PricewaterhouseCoopers Pvt Ltd, Professor Asit Mohanty and on the dais is Mr. Niten Chandra, IAS.

The workshop was held at XIMB Campus, Bhubaneswar on July 19, 2016.

WTC Bhubaneswar Signs MoU with OSIC

World Trade Centre (WTC) Bhubaneswar inked a Memorandum of Understanding (MoU) with Odisha Small Industries Corporation (OSIC), Government of Odisha of the Department of Micro, Small & Medium Enterprises, Government of Odisha. OSIC provides export marketing and service support to MSE entrepreneurs, having created an Export Division, for which it has the export merchant licence issued by the Directorate General of Foreign Trade (DGFT). WTC Bhubaneswar has tied up with OSIC to support, promote and strengthen export activities.

Dr. Partha Sarathi Mishra, IAS, Managing Director, OSIC and Mr. A. O. Kuruville, Advisor, WTC Mumbai signed the MOU in the presence of Mr. Jogendra Behera, Hon'ble Minister, MSME Department, Government of Odisha. He said that Odisha has a huge potential to become a leader in various products and services. "It is known that WTC Bhubaneswar is a

member of the World Trade Centers Association, New York which is a global network of 324 World Trade Centers across 89 countries. Thus with the MoU between WTC Bhubaneswar and OSIC, I look forward



Mr. Parthasarathi Mishra, IAS, MD OSIC (Left) and Mr. A. O. Kuruville, Advisor, WTC Mumbai exchanging signed MoUs in the presence of important dignitaries.

not only to OSIC but all other associated departments to work together for market development and market penetration opportunities for the MSMEs of the State", he added.

The Memorandum of Understanding was signed at Bhubaneswar on July 20, 2016.

Seminar on 'How to do Business with Taiwan' & Introduction of Taiwan Product Centre

A Taiwanese team headed by Mr. Tu Fu Han, Director, World Trade Centre Taipei Kolkata Centre conducted a seminar on 'How to do business with Taiwan'. The Seminar was organised by World Trade Centre Bhubaneswar along with World Trade Centre Taipei in association with Odisha Small Industries Corporation Ltd. The seminar was aimed at creating awareness in facilitating trade and business with Taiwan. The sectors such as engineering, plastics, seafood, electronics, food processing, bio degradable products and IT have high potential in Taiwan which could be utilized by the MSMEs of the state for developing their enterprises and venture into assembling and direct manufacturing process.

The seminar comprised presentations which brought to fore the opportunities that could be explored by MSMEs of the state, which was followed by an introduction of the Taiwan Product Centre. The Centre is one of the new initiatives towards promotion of bilateral trade. While presenting a generic view of the economic scenario and the emerging trends of trade and business in Taiwan, Mr. Tu Fu Han also highlighted the unexplored resources possessed by Odisha in terms of natural resources and skilled human resources. Mr. Anup Narayanan, Project Manager, Taipei Product Centre Kolkata presented the latest Taiwanese innovations and products which could be utilized by the entrepreneurs of the State.

Dr. Parthasarathi Mishra, Managing Director, Odisha



From (L-R): Ms. Nimeshika Natarajan, Manager, WTC Bhubaneswar, Mr. Tu Fu Han, Director, WTC Taipei, Dr. Parthasarathi Mishra, Managing Director, Odisha Small Industries Corporation and Mr. Anup Narayanan, Project Manager, Taipei Product Centre.

Small Industries Corporation, Government of Odisha while lauding WTC Bhubaneswar for the initiative, deliberated on the trade relations between Taiwan and Odisha since 2012 which has been furthered cemented as a result of the seminar.

Ms. Nimeshika Natarajan, Manager, World Trade Centre Bhubaneswar said, "World Trade Centre Bhubaneswar has been actively extending its services to the entrepreneurial mass of Odisha by means of educating them and enhancing their access to the global markets" she added.

The seminar was held at Bhubaneswar on August 19, 2016.

Workshop on 'Lean Manufacturing Competitiveness Scheme, ZED & Accreditation of Business'

A workshop on 'Lean Manufacturing Competitiveness Scheme, ZED & Accreditation of Business' was organized by World Trade Centre Bhubaneswar in association with NABET (NABET) & Quality Council of India (QCI), under the Ministry of MSME, Government of India and Department of Planning & Convergence, Government of Odisha. Mr. Sujeet Kumar, Special Secretary to the Department of Planning & Convergence, Government of Odisha, while

delivering the inaugural address said, "Development of skill sets is the key to the success of MSMEs".

Mr. Kumar further added that the Government of Odisha is looking at quality in terms of good governance and has substantially come out with policies which are positive and encouraging. He emphasized that the MSMEs should come forward to reap the benefits of the latest IPR policy and start-up

policy of the government which put forth an efficient and effective institutional support system in place for the growth and development of the entrepreneurs of the

state. He further added that it is only through such skill development and educative forums that MSMEs could learn and be on a progressive path.



From (L-R): Mr. Sujeet Kumar, Special Secretary to the Department of Planning & Convergence, Government of Odisha, Cdr. J.S. Bhogal (Retd.), Senior Director Quality Control of India (QCI) and Ms. Nimeshika Natarajan, Manager, WTC Bhubaneswar.

The workshop was facilitated by Cdr. J.S. Bhogal (Retd.), Senior Director Quality Control of India (QCI). Cdr. Bhogal made his deliberations through a presentation citing specific case studies and daily life examples which made the workshop lively and interactive. The workshop enabled MSMEs, clusters, entrepreneurs and Start ups to get first-hand information on quality standards and accreditation services offered by QCI and NABET which would help them in enhancing their productivity and environment parameters to increase their profitability and thereby also participate in the Make in India programme.

The workshop was held in Bhubaneswar on September 1, 2016.

Workshop on 'Ushering Micro Enterprises' - A Step towards Make in India'

A Workshop on 'Ushering Micro Enterprises – A Step Towards Make in India' was organized by World Trade Centre Bhubaneswar in association with Urban Micro Business Centre (UMBC) and Entrepreneurship Development Institute of India (EDII) in Bhubaneswar. The workshop aimed at mentoring skilled and trained persons to establish micro enterprises.

The workshop was facilitated by Mr. Pradyumna Jena and Mr. Sidheswar Jena both of whom are faculties from Entrepreneurship Development Institute of India (EDII). Mr. Pradyumna's presentation explained the concept of entrepreneurship and its competitive advantages. He highlighted the difference between employment and self-employment. Mr. Sidheswar described the steps for setting up an enterprise and the key aspects of business such as development of relevant skill capacities, need for conducting market studies, availing finance through schemes such as MUDRA and banking procedures. The workshop provided an insight on entrepreneurship with a briefing about its prospects both in terms of livelihood as well as a holistic well-being of the nation, through inclusive growth and development. The workshop also provided a brief on the existing entrepreneurial ecosystem and institutional support system that is currently in place.



From (L-R): Mr. P. Jena, Faculty, EDII, Mr. Budhadev Bhanjo, Manager, WTC Bhubaneswar, Ms. Nimeshika Natarajan, Manager-Trade Research WTC Bhubaneswar and Mr. Subrat Dash, Executive Director, UMBC.

Mr. Subrat Dash, Executive Director, Urban Micro Business Centre explained the objective of the workshop. Mr. Dash spoke of the aim of UMBC which is to build capacities of people at the grassroots level helping build their own livelihood. This would bring about employment generation and this in turn would help build the nations strength in manufacturing sector.

Ms. Nimeshika Natarajan, Manager-Trade Research, World Trade Centre Bhubaneswar said that organized micro enterprises would lead to the formation of clusters and thereby pave the path for inclusive growth and development both at the national and international levels.

The workshop was held on September 23, 2016 at UMBC in Bhubaneswar.

Trade Promotional Activities Held This Quarter

Make in India Seminar Focuses on Financial Inclusion

World Trade Centre (WTC) Goa organized a seminar on 'Microfinance: Financial Inclusion a Game changer' which is the fourth in series 'Make in India: MUDRA Loans Awareness Program'. The program dealt with creating awareness on the opportunities available to micro and small level industries. The seminar explained various financial inclusion schemes such as Jan Dhan Yojana, Pradhan Mantri Suraksha Beema Yojana, Pradhan Mantri Mudra Loan Scheme etc. The information provided would help in realizing benefits of Universal Financial Access 2020 framework and data model identified by the World Bank Group.

The seminar was conducted by various bank representatives from the Small Industries Development Bank of India, State Bank of India, Syndicate Bank, HDFC Bank, ICICI Bank etc. Mr. Prakash Kamble, Lead District Manager, State Bank of India Goa and Mr. Saji K., Assistant Manager, Small Industries Development Bank of India (SIDBI) spoke on the topic of financial inclusion and various steps initiated by the Government of India. Dr. Pramod Sawant, MLA, Sanquelim constituency, Mr. Vijay M. Kalinani, Assistant General Manager, SIDBI, Mr. Chandra Hasan Krishnan, Manager, Syndicate Bank, Mr. Somnath Naik, Manager, HDFC Bank, Mr. Manoj Patil, President, Goa Entrepreneurship Mentoring Services and other bank representatives were also present.

Ms. Ambika Dhakhenkar, Assistant Manager, WTC Goa highlighted the potential of Goan MSMEs who would like to reach out to international markets.

Dr. Sawant commended WTC Goa's efforts in reaching the remote locations of Goa to educate people with the extremely important knowledge of self sustenance.

Dr. Sawant also said that Make in India is an important concept, to be focused by every business house that promotes India in industrializing and developing as an investment hub.

Mr Kamble presented a detailed overview on the Jan Dhan Yojana Scheme, which aims to bring every citizen under the financial access. Goa, being one of the smaller states is extremely resourceful in terms of its climatic conditions and natural resources that compel it to play a larger role in increasing India's GDP.

Mr. Kamble cited an example of a Goan special variety of mango called 'mankurad', which if exported along with its domestic supply could gain popularity with the likes of another variety known as 'Hapus' which is from Maharashtra.



From (L-R): Mr Manoj Patil, President, Goa Entrepreneurship Mentoring Services, Dr. Pramod Sawant, Hon'ble MLA, Sanquelim Constituency, Mr. Prakash Kamble, Lead District Manager, State Bank of India Goa and Ms. Ambika Dhakhenkar, Assistant Manager, WTC Goa.

Mr Saji K. spoke on the available MUDRA loan schemes and the benefits inclined towards promoting entrepreneurship at the lowest strata of the society. The importance of the 'Shishu' loans, which includes loan application amounting upto Rs 50,000 is the most sought after as it involves providing hassle free credit to a person intending to start a business at a small scale, especially women and youth. The loans applied for do not require any additional collateral,

which is the most important factor to be highlighted provided certain conditions are met.

Ms. Dhakhenkar further highlighted that as per NSSO survey (2013), there are around 5.77 crore small/micro units in the country, engaging around 12 crore people, mostly individual proprietorship/own account enterprises. Over 60% of units are owned by persons belonging to scheduled caste, scheduled tribe or other backward classes. Most of these units are outside the formal banking system, and hence are forced to borrow from informal sources or use their limited owned funds. MUDRA Loan Scheme has been proposed to bridge this gap.

The seminar was held at the Ravindra Bhavan, Sanquelim, Goa on July 8, 2016.

WTC Goa Observes Engineers Day

World Trade Centre Goa celebrated 'Engineers Day' which coincides with the birth anniversary (2016 – 156th birth year) of eminent Indian engineer, scholar, statesman and the Diwan of Mysore, Bharat Ratna Sir Mokshagundam Visvesvaraya. Sir Visvesvaraya conceptualized the World Trade Centre Mumbai as a pioneering platform for trade and development.

On the occasion, Engineer Mr. Anil Counto, Chairman of Alcon Anil Counto Enterprise, said, "There is no short cut to success and the new generation of engineers

should work dedicatedly to achieve their goals. He said that innovation was the key and advised the new generation to take up entrepreneurship, as there are many opportunities still unexplored". He said that WTC Goa is promoting international business and making available a platform for the Goan entrepreneurs to market their products worldwide.

Mr. Manguirish Pai Raikar, Advisor-World Trade Centre Goa said that since the establishment of World Trade Centre Goa, the Centre has tried to build the bridges of export business by holding several meetings with the international business partners and conducting seminars, creating awareness programs to educate the business fraternity. He also said that it was the endeavor of this organization to promote international trade and commerce and build permanent relationships all over the world. Technocrats are the architects of Modern India. Besides, the words and the work of Sir M. Visvesvaraya, should inspire everyone and they should walk on the paths laid down by the visionary predecessors, he opined.

The celebrations were held in Goa on September 15, 2016.



From (L-R): Mr. Anil Counto, Chairman of Alcon Anil Counto Enterprise garlanding the portrait of Sir M. Visvesvaraya.

Workshop on Startup Business for Entrepreneurs

A workshop on 'Startup Basics - For Budding Entrepreneurs' was organized by World Trade Centre Goa in association with i Create India. The main objective of the Workshop was to sensitize and create awareness of the opportunities that startups have to offer to budding entrepreneurs. Approximately, 57 entrepreneurs from Senior College attended the Workshop.

Reverend Dr. Simão Remedios Diniz, Principal of Rosary College was the Guest of Honor and Mr Manish Gosalia, Regional Coordinator-Goa, i Create India, was the resource person.

This Workshop addressed basic questions that entrepreneurs have when starting their own businesses such as how does one start a business? What are the requirements? What is a business plan? What are the

funding options available? What are the difficulties faced?, risks and investments options, etc. in order to make a start.

Mr. Gosalia, addressed each of the issues pertaining to finance, business plan, market research, 'out of the box' thinking and passion needed to run a new business enterprise and ingredients for success. He presented some of the online and Internet-based businesses such as Amazon, Natures Basket, Pepperfry, Zomato etc that were successful in spite of non compliance to business models.

The participants were presented with processes of planning and creativity, acquiring prior knowledge, mitigating risks, studying and carrying out effective research to gain knowledge to manage their businesses.

Dr. Diniz, emphasized that the youth must have a proactive outlook and work towards creating self employment opportunities for themselves rather than

depend on the Government to provide them employment.



Mr Cyril Desouza, Assistant Director, Trade Promotion, World Trade Centre, Goa, presented the activities and programmes conducted by the centre that are key to its main agenda of promoting business locally, nationally and internationally. He highlighted the concepts of seminars, conferences, exchange of trade delegations, organizing trade fairs, WTCA Reciprocity Desk among others that are widely implemented to make the World Trade Centre a catalyst for promoting trade and business development across international boundaries.

The workshop was held at Rosary College, Navelim, Margao, Goa on September 29, 2016.

From (L-R): Mr. Manish Gosalia, Regional Coordinator, i Create India, delivering his address.



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- ✿ Facilitates: Trade/Investment
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- ✿ Promotes Competitiveness through Research/Trade Promotional Activities

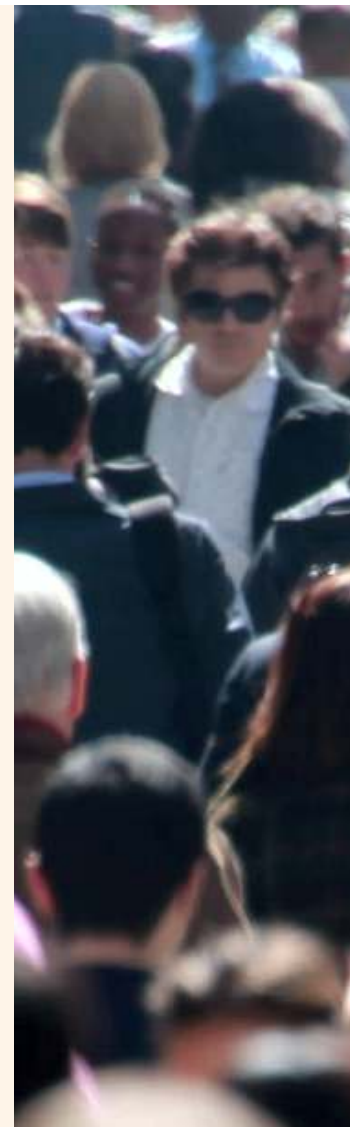
SMEs, Corporate Houses, Institutions and Professionals with a focus on International Trade are invited to join this global network

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Trade Promotional Activities Held This Quarter

WTC Jaipur Functionaries Forge ties with RCCI

A team from World Trade Centre Jaipur (Rajasthan) Association namely, Mr. Navneet Agarwal, Assistant Director-Trade Promotion and Mr. Ashish Modi, Assistant Director-Trade Promotion and Business Development met Dr. K. L. Jain, Honorary Secretary General of Rajasthan Chamber of Commerce and



From (L-R): Mr. A. K. Godika, Executive Director, RCCI, Mr. Ashish Modi, Assistant Director, WTC Jaipur, Dr. L. Jain, Honorary Secretary General, RCCI and Mr. Navneet Agarwal, Assistant Director, WTC Jaipur

Industry (RCCI) to discuss collaborative ways to serve the trading and business community. The team explained that setting up of a World Trade Centre Jaipur would provide world-class infrastructure to foster foreign trade. Dr. Jain, Promoter and Former President, Jaipur Stock Exchange was presented a Research Study on 'Export Potential of Rajasthan' prepared by World Trade Centre Jaipur. Also present at the meeting was Mr. A. K. Godika, Executive Director, RCCI.

The Study has identified 10 export potential sectors in Rajasthan. The focus sectors are agro and food products, electrical, electronics, computer software, plastics, drugs and pharmaceuticals, leather and related products, dimensional stones, marbles, granites and articles of stones, chemicals, engineering, ready-made garments, and gems and jewellery.

The meeting was held at Rajasthan Chamber of Commerce and Industry office in Jaipur on August 30, 2016.

WTC Jaipur Embarks on Trade Promotion Activity

An Open House Meet with Exporters and a Seminar on International Trade was organized by World Trade Centre (WTC) Jaipur. The event witnessed productive interactions on the prevailing Business Environment as well as the Export Strategy for International Trade. Mr. Anup Wadhawan, Director General of Foreign Trade, Government of India provided an overview of the export scenario in Rajasthan. He said that Rajasthan exports commodities worth Rs. 37,000 crore per annum. Shedding light on the challenges faced in this sector, he said that there are global factors besides, domestic factors peculiar to India such as infrastructure, export duties, high cost of land and interest rate, among others. These factors make India a high cost economy.

Mr. Wadhawan said that in order to curb the challenges, there is need for the economy to be low cost and efficient. The transaction cost and time for trade processes also need to be reduced. He highlighted that currently, online access is available to all export and import related queries and a single window system has also been implemented. However, it is necessary to create awareness for schemes and opportunities and fill gaps in online access of all trade-related processes, he added.

Mr. Yaduvendra Mathur, IAS, Chairman and Managing Director, Export Import Bank of India (EXIM) delivered the keynote address on the occasion. He said that the traditional export sectors of Rajasthan such as



From (L-R): Mr. Anup Wadhawan, Director General of Foreign Trade, Government of India, delivering the special address. Seated from (L-R): Mr. A. O. Kuruvila, Advisor, World Trade Centre Mumbai, Mr. Yaduvendra Mathur, IAS, Chairman and Managing Director, Export Import Bank of India (EXIM) and Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai.

handicrafts are affected. There is need for innovation and better technology to boost trade as export growth translates into better job opportunities. He further said that, earlier export development was only considered to be the responsibility of the Central Government, however, now the state governments are also actively involved in this area especially when it comes to the ground level work.

He also informed that the EXIM Bank is at an advanced stage of finalizing a Memorandum of Understanding (MoU) with the Government of Rajasthan for formulating an export strategy.

Ms. Rupa Naik, Director-Projects, World Trade Centre (WTC) Mumbai announced that apart from initiatives like open house meet and seminars, Jaipur will soon witness a World Trade Week as well.

The Open House Meet was followed by a Seminar on International Marketing and Export Strategy. Mr. Tarun Sharma, General Manager, EXIM Bank, presented

highlights of the efforts being made by EXIM Bank towards creating a lucrative environment for exporters. The Seminar was addressed by Mr. Arun Sehgal, Chairman-cum-Managing Director, Chempro Group and Faculty at WTC Mumbai. Mr. Sehgal said that India's population is its biggest strength as it would lead to increasing demand for goods and services thereby increasing consumption levels. Sharing his insight on the export strategy, he said that it should be oriented towards productivity, skill and quality. It is also important to focus on innovation and service excellence to create a USP for the products being exported. The scale of production should be such that it caters to both domestic and export needs, he added. He also urged exporters to extensively use e-commerce platforms apart from aligning with global business brands.

The Meet and Seminar was held in Jaipur, Rajasthan on September 7, 2016.



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Administrative office

World Trade Centre Jaipur (Rajasthan) Association

314, UB Aura, Sahkar Marg, Jyoti Nagar, Opp. Imliwala Phatak, Jaipur-302015
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World Trade Centre Bhubaneswar

Promoted by MVIRDC

*Connect
Globally*



*Prosper
Locally*

Connect for Trade

OBJECTIVE

To facilitate Trade & Investment Promotion of Odisha and to assist local businesses to foray in to global markets

STRENGTHS

Digitally networked with 324 WTCs
Access to information of the global markets
75+ business members | Association with Govt. Departments
Chambers | Trade Bodies | Financial Institutions

TRADE SERVICES

Export Counselling
International Market Connections
Education & Training Programmes

World Trade Centre Bhubaneswar

3rd Floor, Extension Building, IDCO Towers, Janpath, Bhubaneswar – 751022, Odisha, India

T: +91 674 2541233

Website

www.wtcbhubaneswar.org



An initiative by

**WORLD TRADE CENTRE™
MUMBAI**

Promoted by MVIRDC

M. Vivekananda Industrial Research and Development Centre



6th GLOBAL ECONOMIC SUMMIT

Conference | Exhibition | B2B Meetings

WOMEN EMPOWERMENT

Entrepreneurship, Innovation & Capacity Building

27 28 29 March 2017 | Venue: World Trade Centre Mumbai

► About

- An effective platform for Women to voice their concerns and issues on Women Empowerment
- Attain inclusive development by bringing Women into Trade
- To enhance business opportunities, address challenges, learn and equip women towards their Empowerment
- Networking platform for Women to connect across the world for Trade Development

► Discussion Topics

- Value addition to businesses: The role of women in global value chains
- Women's contribution to SMEs through entrepreneurship and innovation
- Women's Empowerment Principles (WEPs): Goals and Achievements
- Women in the informal economy
- The role of NGOs in capacity building
- Women achievers and glimpses of their success stories
- National policies and international programmes supporting women's participation in the socio-economic milieu
- Opportunities and challenges faced by women entrepreneurs in the global market place
- Skill development for economic inclusion
- Role of intermediaries in the development and upliftment of women

► Highlights

Conference | Exhibition | Summit Handbook | B2B Meetings & Networking | Awards
Visits to Women-owned & Managed Enterprises

► Who should participate?

Governments / Policymakers | Country representatives | International organizations | Women in businesses and services | Trade promotion organizations | Financial institutions | Researchers & Academicians | Educational Institutions | NGOs | Multinational Companies / Private Sector Educational Institutions | NGOs | Multinational Companies / Private Sector

► Hotel Accommodation

Accommodation for the participants at the GES 2017 with discounted rates at VIVANTA by Taj President, The Oberoi and Trident are 5-star Business Hotels close to the World Trade Centre Mumbai. Room Rates (per night inclusive of taxes and breakfast).

► Register

Conference Fee

National	Rs.5,000
International	US\$ 100

Exhibition Fee

National	6 sq. mtrs.	Rs.20,000
International	6 sq. mtrs.	US\$ 300

Above charges are inclusive of Service tax

► Mode of Payment

Participation charges are payable by Card or Cheque in favour of 'MVIRDC', along with duly-filled registration form of participation at GES 2017. Participation charges can also be sent through Bank transfer to 'MVIRDC', WTC Mumbai's Account.



FOR REGISTRATION CONTACT

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