



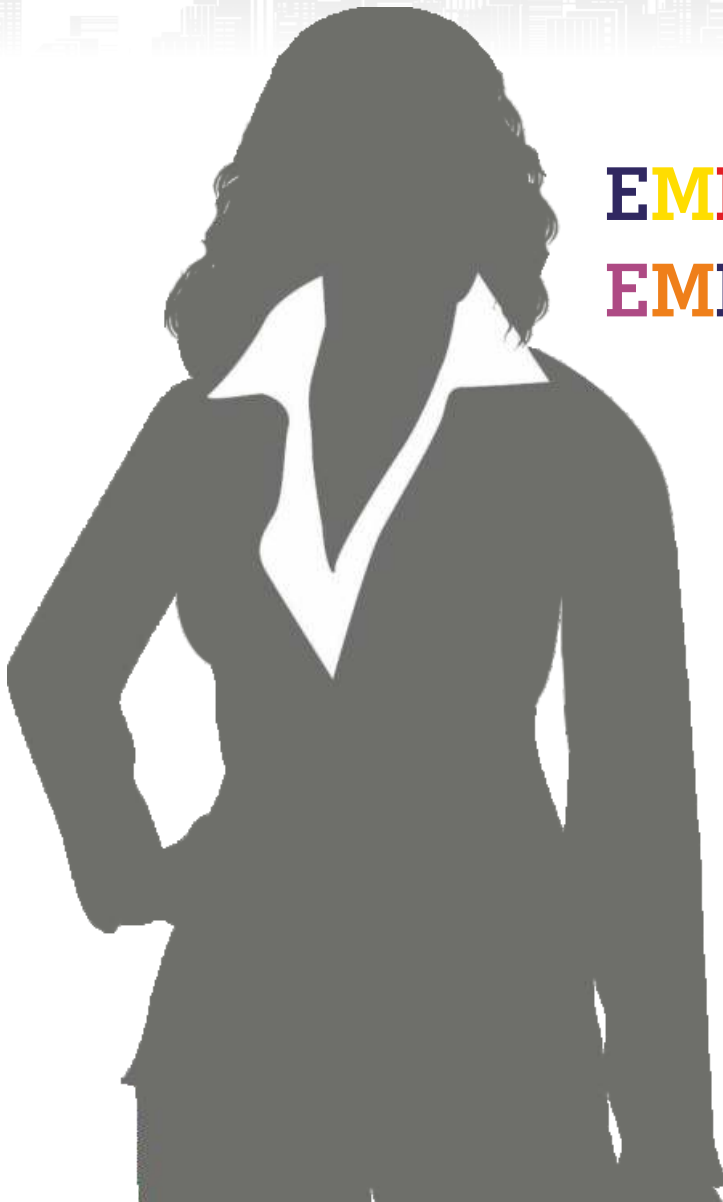
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October - December 2016 | VOL. 3 ISSUE 2

# ON TRADE

THE INTERNATIONAL TRADE RESEARCH JOURNAL OF MVIRDC WTC MUMBAI



## EMPOWERING WOMEN EMPOWERS SOCIETY

- Engaging Women in Trade for Inclusive Growth
- Women Entrepreneurial Spirit at its Best in China
- Digital India has to be Inclusive



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Dear Readers,

Any analysis or discussion on world trade would be incomplete without taking into account and recognizing women's contribution. Women represent one-half of humanity, and research reports indicate they can significantly contribute to the global economic growth. The latest McKinsey report has unequivocally stated that if women join the economic activity in equal measure as men, they can add \$28 trillion to the world GDP by 2025.



Acknowledging the importance of this paramount cause, World Trade Centre Mumbai is organizing the 6<sup>th</sup> Global Economic Summit 2017 (GES 2017) on the theme of 'Women's Empowerment: Entrepreneurship, Innovation & Capacity Building' to further the agenda in both social and economic spheres. GES 2017 will witness a congregation of some of the best minds from India and abroad representing the government, multilateral agencies and other stakeholders to discuss the vital areas that may impinge on women's role in all spheres of the economy.

Recognition at the highest levels alone has proven to be insufficient, as highly successful women represent a minuscule portion of the female population. The need of the hour is to generate the political and social will to further women's issues across strata and geographies. When world leaders address the mechanism of women empowerment, resultant policies can potentially triple global trade and contribute toward inclusive growth. Since women's contribution to mainstream economy is of relevance in fuelling growth, creating jobs and reducing poverty, this edition's Cover Story has carried an interview with Ms. Arancha González, wherein she provides a perspective on the role of women in trade, business and other areas.

In a similar vein, an article on how women entrepreneurs in China have contributed to what it is today and an article on Intel's role in getting women empowered through technology show how it is possible to bring women into the economic mainstream.

On another note, World Trade Centre Mumbai participated in the 2016 Members' Seminar, a signature event of the World Trade Centers Association and in 'India Meets Tuscany', a programme organized by the Embassy of India in Tuscany, Italy. The issue carries detailed reports on both.

The issue also discusses the opportunities that foreign investors can avail of if they look at Pune District on a serious note, especially in areas such as Information Technology and the automotive industry. The city also prides itself on having a start-up culture and is second on the list of the Smart Cities Mission announced by the government.

We hope you find this issue as insightful as the previous ones, with articles and interviews on areas such as Arbitration, Insolvency and Bankruptcy Code, BRICS, Demonetization, GST and Foreign Direct Investment, which will impact businesses and the economy at large.

Happy Reading!

*Y. R. Warkerkar*

**Y. R. Warkerkar**



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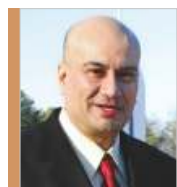
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An Introduction



# Engaging Women in Trade for Inclusive Growth

*If women participated equally in the economy, it would add to \$ 28 trillion to annual global GDP by 2025, says Arancha González, Executive Director, International Trade Centre, Geneva, quoting a study report. In this interview with the World Trade Centre Mumbai, Ms. González discusses constraints women face and how they can be overcome. Women's role and contribution to trade can all lead to making economic empowerment of women a reality.*

**During your stint at WTO, you played a significant role in launching the Aid for Trade Initiative. In February 2016, WTO developed a work programme for Aid for Trade for the period 2016-17. This work programme provides thrust to gender and women's empowerment. How can we enhance the participation of women-owned enterprises in global value chains?**

First off, why empower more women to trade on the global scale? That's because when women succeed, we all share the benefits. We know that women-owned enterprises that export tend to earn more, pay more, employ more people and be more productive than firms that only operate domestically. Currently, women own up to 40% of small and medium-sized enterprises globally,

but lead only one in five exporting firms. If women participated equally in the economy, it would add up to \$28 trillion<sup>1</sup> to the annual global GDP by 2025 – that's like adding another China and United States. We cannot afford to keep the status quo, especially in a period of sluggish global growth.

Inclusive trade can fuel growth, create jobs and reduce poverty. The first step is gaining knowledge and a better understanding of what needs to change. Women often face cultural and regulatory barriers, time constraints due to family care, and limited opportunities to pursue education. Since the companies where women own or manage tend to be smaller, they also have a more difficult time dealing with trade-related fixed costs, such as those arising from standards, technical regulations, and border procedures.

The solution to these issues lies in a partnership between women business leaders, trade and investment support institutions, governments, multinational companies and international organizations, including the International Trade Centre. We need to work together to facilitate women's access to finance, provide access to market information and networks, and build capacity through training opportunities. For example, governments and multinationals alike are committing to sourcing more from women-owned businesses. Governments have a particularly important role to play in laying the right foundation: 155 countries out of the 173 studied by the World Bank still have laws and regulations that impede women's economic opportunities and hold back their full participation as entrepreneurs, employees and business leaders.

<sup>1</sup> McKinsey Global Institute

<http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>

By addressing these issues together, we can ensure that the economic empowerment of women becomes a reality.

**A large part of the women workforce and women entrepreneurs work in the service sector. In recent years, India has been advocating the need for signing a trade facilitation agreement in the service sector, on the lines of the one signed for merchandise trade. Do you hope that improving the ease of cross-border trade in services would enhance women's participation in global value chains?**

As Indians are well aware, trade in services provides a way for traditionally marginalized people – including women, youth and people in rural areas – to leapfrog into global markets. For example, we have projects in Bangladesh, Kenya and Uganda that train workers in the information technology sector to increase their export competitiveness. Through the skills that they gain, they have an opportunity to earn higher incomes by reaching out to more clients in foreign markets.

Looking ahead, technology-enabled services are a fertile source of employment, especially in developing countries and for women. We are mainstreaming gender parity in all areas of our work. There is tremendous potential for growth in this sector. In Bangladesh, for example, only 13% of the workforce are women and 1% of the 800 companies in the Bangladesh Association of Software and Information Services are led by women. In Kenya, women make up only 15% of the information and communications technology workforce.

**“ We know that women-owned enterprises that export tend to earn more, pay more, employ more people and be more productive than firms that only operate domestically.”**

There is indeed scope for a global agreement on facilitating trade in services analogous to the WTO Trade Facilitation Agreement. As with the merchandise-focused TFA, technical and financial assistance would have to be central to any services facilitation agreement - in this case to support developing countries in building and modernizing the soft infrastructure, like regulatory capacity, that is essential for people to benefit from market opening.

**How should world economies meet the 17 goals set out in the sustainable development goals with special emphasis on gender equality?**

As former United Nations Secretary-General Ban Ki-moon said, we won't win the match with half the team on the bench. Empowering women economically is critical to achieving gender equality and the Global Goals.

Women are the backbone of practically all economies and societies: they invest far more of their income than men do in their families' health and education. Investing in women is not only the right thing to do; it makes sense. To achieve sustainable growth, every goal needs to take into account Goal 5 – 'achieving gender equality and empowering all women and girls'.

It is worth noting that the fight against poverty cannot be won without trade. One in 10 people live on less than \$1.90 per day and 20% of people in developing countries

live below the poverty line. Women suffer disproportionately – they earn an average of 24% less than men. Thus the economic empowerment of women plays a critical role in winning this fight, as trade creates jobs and opportunities to move out of low-productivity, low-paying jobs.

**Which are some of the areas that ITC addresses in the Asia Pacific region especially India?**

One of ITC's biggest projects to date – the Supporting Indian Trade and Investment for Africa (SITA) project – is designed to stimulate trade and investment between India and East Africa. Global trade is increasingly shifting to trade between emerging economies. This so-called South-South trade<sup>2</sup> has increased steadily since 2000, accounting for more than half of developing countries' total merchandise exports in 2014, according to recent data from the World Trade Organization.

In keeping with this global trend, we fully support South-South collaboration. Through the SITA project, entrepreneurs in India and the East African countries of Ethiopia, Kenya, Rwanda, Uganda and the United Republic of Tanzania are sharing knowledge, skills and technology. They are working in a variety of sectors, from essential oils to apparel and business process outsourcing to pulses. The emphasis on sustainability and inclusiveness is embedded into the sector-specific projects to ensure that women are not only included but take on leadership roles.

<sup>2</sup> World Trade Organization 2015, p. 30  
[https://www.wto.org/english/res\\_e/statistics\\_e/its2015\\_e/its2015\\_e.pdf](https://www.wto.org/english/res_e/statistics_e/its2015_e/its2015_e.pdf)

## What role can women play in the agriculture trade of a country?

Women need to play a greater role in value-added segments of the agricultural sector. This means going beyond picking coffee beans to processing them. This means moving from picking cotton to producing garments used in international fashion shows.

Having more women-owned businesses in agricultural processing, and giving women a stronger voice in cooperatives and associations are steps in the right direction. This also involves ensuring that their inputs are taken into account in public-policy dialogues, particularly when related to non-tariff measures. Our research on non-tariff mea-

an enabling ecosystem and greater integration of women in the economy. To date, we have already received commitments to connect over 600,000 women. We are working with partners like Barclays Bank, ChileCompra, the Nigerian Export Promotion Council and Apex-Brasil to reach this target.

SheTrades provides an online platform ([www.shetrades.com](http://www.shetrades.com)) for women entrepreneurs to connect with buyers, share experiences, find information and conclude business deals. SheTrades is also a mobile app.

The SheTrades initiative spells out seven global actions on which governments, business and civil society groups can make concrete pledges to address obstacles

the gap between men and women to access financial services.

7 Grant ownership rights: Ensure legislative and administrative reforms that guarantee women's rights to ownership and control over resources.

## What is your message to an entrepreneur wanting to scale up his or her business?

As our innovative young entrepreneurs tell us, if you're an entrepreneur, start simple. Create a product, make sure it is of high quality and that there is a market for it. Get the good or service out on the market – it does not have to be perfect – and then refine it as you go, based on consumer feedback. It is important to understand the market opportunities and your clients.

In all of these aspects, from product development to marketing, digital tools are playing an increasingly important role. The other essential thing to keep in mind is standards. See them as an opportunity to prove yourself. Standards open doors to international markets because they help build your brand and reputation – in other words, they guarantee that your products meet international quality requirements.

Finally, these two points are especially important for women in business. Number one, take advantage of the opportunities around you. Many multinational companies and even governments are committed to procuring from women-owned businesses. Number two, build your networks and understand how to use them. Join our network on [SheTrades.com](http://SheTrades.com) to find prospective buyers and other women entrepreneurs you can partner with. ■

## “Having more women-owned businesses in agricultural processing, and giving women a stronger voice in cooperatives and associations are steps in the right direction.”

asures reveals that women – as well as the businesses they run – face more procedural obstacles than men, including personal interactions, even though the regulations are identical on paper. The share of procedural obstacles to trade reported by female-owned exporting firms is higher than for male-owned firms. Governments and business need to work together to pave the way for women to engage in trade on a more level playing field, in the agricultural sector and beyond.

## What are some of the initiatives undertaken by ITC to improve women's status and contribution to world trade?

We have an ambitious goal: to bring 1 million women entrepreneurs to global markets by 2020. This SheTrades initiative, launched last year, provides a framework for action for partners to work towards

holding back women-owned businesses:

- 1 Champion quality data: Collect, analyse and disseminate data on women's economic participation, to shape policies and programmes with impact.
- 2 Enact fair policies: Create trade policies and agreements that enhance women's participation in trade.
- 3 Secure government contracts: Empower women-owned businesses to participate in the \$10 trillion annual public procurement market. Their current share is an estimated 1%-5%.
- 4 Strike business deals: Create corporate procurement programmes that embed diversity and inclusion in value chains.
- 5 Enable market access: Address supply-side constraints that especially affect women-owned businesses.
- 6 Unlock financial services: Close





**Maulik Doshi**  
Partner, SKP Business Consulting LLP

# Impact of Demonetisation

As part of a long-term scheme to fight corruption, black money, money laundering, terrorism and financing of terrorists as well as counterfeit notes, on November 8, 2016, Prime Minister Narendra Modi announced the demonetisation of ₹500 and ₹1000 notes within the country. These denominations comprise 86% of the cash within the economy. The demonetisation has led to substantial panic as nearly 90% of the country's transactions are cash-based.

This move has earned its fair share of praise and criticism. Critics have strongly opposed the planning and implementation and are sceptical of the impact that it may have on the common man. Others, however, are optimistic that its impact on Indian business in the long-run will be positive. Given that the country ranked 76 on Transparency International's Corruption Perception Index, it was both a welcome move and a necessary action to curb corruption and the black money in the economy.

The announcement resulted in an immediate shortage of cash which was a minor setback, particularly for cash-rich small businesses that were not equipped to accept electronic payments. With time, however, even small retailers are moving towards e-wallets, accelerating the move towards a cashless economy.

As a process of demonetisation, the government has opened a window for all people holding 500 and 1000 notes to deposit it back into banks between the November 9-December 30, 2016. Naturally, people are expected to show the source of this cash deposit, failing which it would have been liable for tax and penalties. However, people discovered that under the present tax laws, the provisions of penalty would fail if the individual declares the cash as the income of the current year. Accordingly, to plug these loopholes, the government has declared tax amnesty schemes which provide for a

much higher tax rate (including penalty) than the standard tax rate. The government has cautioned tax evaders about avoiding tax, which could help the fiscal deficit.

The structural changes that have followed show the government's intent on simplifying the tax system, increasing transparency and reducing the discretionary powers of the authorities. To align government bodies to this change, all payments above ₹5,000 made by the government to vendors will be made via a digital platform. The government has also formed a committee to suggest ways and means of making India a cashless economy and move towards a digital economy.

Many economists believe that there will be a dip in the country's Gross Domestic Product (GDP) over the next two quarters. With the government's emphasis on cashless and digital economy and online processes, there would be a marked reduction in corruption which will help create a level playing field. Most importantly the online processes are reducing the interaction with government and bureaucratic powers of the government officers thereby easing doing business in India. All these effects will be seen in next 1-2 years.

While the public faced a few difficulties in conducting smaller transactions and waiting in queues to exchange currency, the overall reception was positive with the majority of people praising the move by the government despite the hardships faced by them. In the long run, it is expected that these measures will increase transparency and reduce corruption, thereby boosting the country's rankings on ease of doing business and making India an even more attractive investment destination. ■



# Digital India has to be Inclusive

**Debjani Ghosh**  
 Vice President-Sales and Marketing Group and  
 Managing Director-South Asia, Intel Technology India Pvt. Ltd

While several studies have shown the importance of diversity and inclusion to business, none specifically highlighted the impact that these factors have, on the technology sector. However, a new report by Dalberg and Intel, which studied 170 companies in the United States, shows that improving ethnic and gender diversity in the country's technology workforce represents a massive economic opportunity, one that could create \$470 – \$570 billion in new value for the technology industry, and add 1.2–1.6% to national GDP.

If that is the value that diversity and inclusion can generate in the United States, imagine what the same factors can do for India. There is no better time to act on this thought, than now. As Digital India transitions from vision to reality, India is undergoing a huge transformation, and it is crucial to ensure that half of its population does not get left behind, yet again. One of the biggest priorities of Digital India should be to ensure that women, who form 48.5% of the population, achieve full representation in the mainstream economy, through use of technology. That will unleash the true power and impact of Digital India.

This does not by any means imply a one-time use of a computing device, but a concerted effort, a 360 degree approach, to ensure women are benefitting from the digitization of India and are able to leverage the opportunities it provides to access education, employment, healthcare and financial services, at par with men.

This desire alone is not enough. Everyone must be committed to making Digital India an Inclusive India

with full representation of women across sectors. This needs a dedicated effort and plan across all stakeholders – government, policy makers, and industry.

Policy makers need to mandate inclusivity across policies for the digitization of India and ensure that these are supported by the right education and incentives. An excellent example is the government's Stand-Up India scheme, under which ₹500 crore has been allotted for the development of SC/STs and women entrepreneurs. Another example is how the Madhya Pradesh government has issued policy directives to include gender issues in the annual administrative reports of all departments, ensure representation of the women and child development department in the approval committee for new programs, and set up gender budget cells in all departments. This is exactly the mindset and approach needed across departments and states.

There is also an urgent need for companies, especially those in the technology sector where diversity is still lagging, to accelerate the process of including women in the Digital India conversation, not just as users of technology, but also as designers, developers and makers. As a part of the Rashtriya Avishkar Abhiyan announced last year, the Intel Tech Girls Challenge was launched to promote STEM (Science, Technology, Engineering, and Mathematics) equality and access. 5000 girls underwent online ideation workshops and 1000 girls were trained and mentored by technologists and maker evangelists through Makeathons. Initiatives like these have led to an increased interest by girls and women, in STEM; a reflection of this success was evident in the Indian contingent for Intel International



Science and Engineering Fair (Intel ISEF), where 50% of the participants this year, were girls.

Further as part of our digital literacy, over the past 6 months, we have identified and trained over 500 Dalit and Maha Dalit women in Bihar, who are now using technology to their social and economic empowerment.

There's a lot to be done and we have to join hands for the best results. For example, last year, Google, Tata Trust, and Intel India initiated the Helping Women Get Online program to empower 1 million women with the power of technology by making them digitally literate. The initiative has touched the lives of 500,000 women across 4500 villages. Collaborations with the government and ecosystem are needed to deliver impactful and scalable initiatives. One such effort includes Girl Rising, an ambitious public-private project that the company co-founded globally, to inspire people across ten developing nations, including India, to provide equal access to education.

Last but not the least, diversity and inclusion efforts must cut across the socio-economic pyramid. As a part of this philosophy, Intel is supporting DISHA, a government-led program targeting the tribal and Dalit women who want to empower themselves through digital literacy

and effective use of technology. More than 300 women in Bihar and Chhattisgarh have already been educated. While every step we take is a step forward, there are miles to go before we see real change. The learning so far, is clear – diversity and inclusion are important for India's progress and have to be integral to any growth strategy for sustainability, scalability and impact.

A McKinsey report reinforces this view, and states that bridging gender gap may add ₹46 lakh crore to India's GDP in 2025.

As we step into the next year of Digital India, it is important that the government make the vision synonymous with Inclusive India; that is the only way this ambitious vision will succeed. Further, industry must ensure that diversity and inclusion is a built-in goal for any program they undertake towards realization of the Digital India vision.

As Sir Peter Blake said, "New technology is common, new thinking is rare." And that thinking is the change what needs to come.

■

# GST: Destination to Determine Taxability



**Abhishek A Rastogi**  
Partner, Khaitan & Co.

The Goods and Services Tax (GST) gusto has been inviting much debate, discussion, and prognostication by experts all over, making it a ubiquitous part of our trade and commerce lexicon. As the race to GST continues, there have been several meetings with Mr. Arun Jaitley, Finance Minister of India to discuss the upcoming GST reforms. The Finance Minister confirmed that the endeavour of the Central Government is to roll out GST in 2017 and that there are only couple of issues on which consensus is required. When asked about the message which should go to industry, he was very clear that the new tax regime will be a boon in the long run for the honest taxpayers and that the Finance Ministry is open for suggestions. Presaging the various facets which GST might sketch to feature, this article discusses the principles of destination-based consumption tax and the corollary impact on exporters and importers under the forthcoming regime.

GST would be implemented as a destination-based or consumption-based tax. Hence, the place of consumption will decide the State that will get the benefit of State Goods and Services Tax (SGST) portion of the tax. The perception behind the destination-based taxation principle is that the producing and selling states may get a lesser share of taxes while the consuming States receive complete share of revenue. However, it should be noted that the states would also get the share in the services portion which was always part of the federal taxes in the pre-GST regime. The ray of hope under the consumption-based regime subsists as the consuming State may come on a path of growth of infrastructure and attract business, thereby facilitating income redistribution and expediting overall growth of the State. This would eradicate economic disparity in the long term. As a corollary, the destination-based taxation is a boon for less developed states which

consume more than what they produce. GST in India is to be structured on the destination principle. Base Erosion and Profit Shifting (BEPS) encourages this principle as well. Revenues will accrue to the State in which the consumption takes place or is deemed to take place. This is elaborated in the points as mentioned below:

- Exports outside India should be zero rated which are defined as a supply of any goods and/or services on which no tax is payable but credit of the input tax related to that supply is admissible
- Export benefits are given in the form of refunds. The expected time limit for filing the refund claim under the GST regime is two years from the date of filing the return pertaining to the exports. However, the question arises as to when the time of supply would occur for exports so that they can be reported in the returns. There was considerable confusion on this topic even under the current service tax law. Assessors used to claim that export was completed only on receipt of consideration and accordingly that should be considered for refund purposes. The authorities, on the other hand, claimed that the usual point of taxation rules under service tax applied. Specific provisions for relevant date have been incorporated for refunds putting an end to the prevailing confusion
- Imports of goods in India would be subject to Integrated Goods and Services Tax (IGST) (based on the aggregate rate of both Central Goods and Services Tax (CGST) and SGST) at the time of importing irrespective of whether the imported goods are produced domestically
- Imports of services to be taxable under the reverse charge mechanism on the basis of the place of provision of services rules. The definition of 'supply' has certain conditions attached and these would provide lot of certainty to taxing import of services

under different situations

- The IGST paid on imports would be credited to the consumer State in line with the destination-based principle. The consumer State would be determined on the basis of place of supply regulations

SGST on B2B import of goods should be collected by the same agency which collects the CGST. The SGST should be remitted to the State in which the place of destination of the imports is located regardless of where the goods enter the country. The place of destination may be defined to mean the address of the importer on the import invoice. SGST on B2C import of goods should be collected by the same agency which collects the CGST and should be remitted to the State in which the place of residence of the person importing the goods is located regardless of where the goods enter the country.

The place of supply rules would assist in determining whether a particular supply is an import or export for the purpose of GST. In case a supply qualifies as an import (when the place of supply is in India and the supplier is outside India), the importer is liable to pay applicable GST on the transaction. If a supply qualifies as an export (when the place of supply is outside India and the supplier is in India), the supplier need not charge any GST on such transaction. In fact, such a supplier can claim refund of input tax credits paid on procurements. As a general rule, the place of supply rules reiterates the destination-based principle that the GST is based on. Thus, all the below provisions generally appoint the place at which the goods and services are consumed as the place of supply.

GST would hopefully address the issue of only one taxing jurisdiction for one transaction. The principle established is useful under the GST regime as well. In KPIT Cummins Infosystems Ltd versus Commissioner of Central Excise, Pune-I 2013-TIOL-1568-CESTAT-MUM, the Tribunal held that the provisions of import of service are attracted only when services are received in India by a person situated in India even if such persons may have permanent establishment abroad. In this case, the appellant provided services through their branches

abroad to customers located abroad. Therefore, it was not a case of the appellant receiving the services but it was a question of rendering services abroad. Further, the appellant did not make any payments for the receipt of any services whereas on the other hand, the appellant received proceeds of the service rendered abroad by their branches, after deduction of expenditure incurred for rendering of services abroad. Therefore, the Tribunal held that the provisions of import of service were not at all attracted.

The important observation made by the Tribunal was if the services rendered abroad have been subject to local taxation, the question of levying service tax in India on the very same transactions would not arise at all. There cannot be two taxing jurisdictions for the same transactions. Service tax is a destination-based

consumption tax and taxability would arise only at the place where the consumption takes place. In the instant case, the service has been rendered to the clients abroad and, therefore, the consumption of the service is not in India but abroad. Therefore, the question of subjecting the service tax in India does not appear to be sustainable in law. The appellant in this case assured that they will be able to lead evidence

regarding payment of GST and VAT on the services rendered abroad. However, it should be noted that there could be various challenges due to Section 3(1)(b) of the Model GST Act.

It is hoped that various issues under the indirect tax regime would be addressed on a very pragmatic basis. It is advised that industry comprehend important aspects for the business right now and represent before the relevant forum at the earliest. Certainly, there are interesting days ahead.

**(Views expressed are personal)**

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# Demystifying Insolvency Code for Small Businesses

**Debanshu Mukherjee**  
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The prevalence of non-performing loans in the Indian banking sector exerts significant pressure on bank lending, increases the cost of raising finance and makes it considerably difficult for small businesses and individuals with limited assets to obtain loans. This is largely attributable to the absence of an efficient bankruptcy regime in India. For a long time, the Sick Industrial Companies Act, 1985 (SICA) was the only law that dealt with insolvency resolution of businesses in India. Nevertheless, it applied to industrial companies only and excluded most small businesses from its purview.

Further, SICA relied on the outdated test of 'erosion of net worth' that did not facilitate timely resolution of debtors under financial distress. SICA also allowed the management of the industrial company to remain in possession of the company during the rehabilitation process. This feature of SICA was one of the main causes for its failure, as it often facilitated siphoning of assets and suppression of information by the management, which undermined stakeholders' confidence in the proceedings. Pro-rehabilitation bias was another major problem of the SICA system. SICA was primarily aimed at solving the problem of 'industrial sickness'. This purported justification was used to allow rehabilitation packages for many

non-viable ventures. As noted in the interim report of the Bankruptcy Law Reform Committee (Interim Report), independent research shows that this was further aggravated by the development of a judicial practice in the High Courts of permitting SICA companies to explore rehabilitation even after the issuance of a liquidation opinion by the Board of Industrial and Financial Reconstruction. If a business is unviable, it should be liquidated as soon as possible. This is more important for small businesses. It is only when stakeholders allow unviable small businesses to be liquidated (and not insist on their revival), will there be proper allocation of resources. Earlier an unviable business is liquidated, the better it is for its stakeholders, including promoters who can start afresh through a new vehicle after the failed entity is liquidated.

The law relating to liquidation of insolvent companies was contained in the Companies Act, which provided that a company may be liquidated if it was 'unable to pay its debts'. However, as noted in the Interim Report, research also shows that courts in India have been inclined to view the non-payment of a single undisputed debt as an insufficient basis to prove a company's 'inability to pay debts'. Courts required the evidence of such non-payment to be supple-

mented with additional evidence demonstrating the company's omission to pay without reasonable excuse and the existence of insolvency in the commercial sense. Once the liquidation order was made, the liquidation of assets was carried out by court-appointed 'official liquidators' who were severely under-resourced and overburdened, causing significant delays.

The Insolvency and Bankruptcy Code (Code) seeks to address these challenges by ensuring that (a) it applies to a wide range of corporate debtors covering all kinds of businesses, (b) it allows proceedings to be initiated on the occurrence of any default (and not after erosion of net worth), thus facilitating intervention by the stakeholders at the earliest opportunity, (c) it provides for displacement of management by an insolvency professional appointed by the creditors such that the powers of the debtor's management are suspended during the resolution process. Once a case is admitted, an insolvency professional is appointed to run the affairs of the company who is also mandated to constitute a committee of creditors that decides on whether to rescue or liquidate the company. If the committee decides to rescue the business, the creditors must agree on a resolution plan within a

specified period, failing which the business automatically goes into liquidation.

### Small Businesses

The Code also prescribes a fast-track process for making this determination. The Government is yet to notify the kind of businesses that will be eligible for such fast-track process, but this seems to be targeted at small businesses and start-ups, which are unlikely to have a complicated debt structure. Another feature of the Code that is likely to benefit small businesses is

the provision that allows operational creditors to initiate insolvency proceedings if their dues are not cleared as per the terms of the contract. Since many operational creditors (raw-material suppliers etc.) are likely to be small businesses, this provision will ensure that recalcitrant debtors do not take such creditors for granted and make their payments in time. Although operational

creditors do not get to vote in the committee of creditors, the Code and applicable regulations require a minimum level of protection for their unpaid dues.

Although, all proceedings under the Code will be conducted under the supervision of an adjudicating tribunal, its role will be largely limited to ensuring procedural compliance. In order to address the challenges relating to establishing defaults, the Code provides that defaults can be proved on the basis of information provided to the adjudicating tribunal by regulated information utilities entrusted with the task of recording and tracking all financing transactions in India so that there is little scope for long-drawn-out litigation on this issue (in

comparison to the old regime where disputes on proof of default were very common).

It is important to point out that unlike the old regime, there is no direct entry into liquidation under the Code and every case must first go through the resolution process. Liquidation can be ordered only after the creditors have considered the possibility of saving the business. This will be quite beneficial for viable small businesses under financial distress. The Code provides the following grounds for liquidating a corporate debtor: (a) where no

### Insolvency and Bankruptcy Code, 2016 (IBC) - Impact on Small Businesses:

- Trade creditors and suppliers empowered to initiate insolvency resolution proceedings for unpaid dues
- Minimum level of protection to be ensured for such creditors in the resolution plan
- Provision for fast-track insolvency resolution process for specified entities
- A modern framework for resolution of personal bankruptcies to address insolvency resolution of sole proprietors and unincorporated small businesses
- Promotion of alternative sources of finance and reduction in the cost of financing in the long run

resolution plan is submitted before expiry of the period specified in the Code, (b) where the tribunal rejects a resolution plan for non-compliance of the conditions stipulated in the Code, (c) where the committee of creditors decides to liquidate a company at any stage, and lastly (d) where the corporate debtor contravenes the provisions of an approved resolution plan. The intent of the legislature seems to be to provide an objective (and market driven) process for ordering liquidation under a time-bound process, which could not be achieved under the Companies Act. The actual liquidation of assets will be carried out by regulated insolvency professionals whose fee will be proportional to the recoveries. This will provide appropriate

incentives for quick and efficient liquidation of businesses.

Another way in which the Code may help small businesses is by promoting bond markets. The financing needs of Indian businesses (and small businesses in particular) cannot be met by banks alone. They need other sources of financing. India does not have a sufficiently developed bond market because bond holders do not have access to efficient remedies in the event of default. By allowing bond holders to initiate the insolvency resolution process and treating them at par

with other financial creditors, the Code will have a significant effect on promotion of bond financing in India. In the long run, such alternative sources of finance will reduce the cost of financing in general, thereby promoting entrepreneurship.

Lastly, the provisions relating to resolution of personal insolvency will also be relevant for small businesses that operate as sole proprietorships and unlimited partnerships. Although these provisions of the Code and the rules thereunder are yet to be notified, once implemented, the Code will apply to all kinds of small businesses, irrespective of the mode of business. The old regime for resolving personal insolvency is quite outdated and has little practical relevance in today's world. The Code provides a modern framework for resolving such insolvencies with the help of insolvency professionals such that market driven outcomes are achieved in resolving such insolvencies as well.

**(The views expressed are personal)**

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# Tweaking Indian Arbitration Regime could Improve Ease of Doing Business

**Mr. Krrishan Singhania**  
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Advocates & Solicitors



## Overview of India's Arbitration

Today's scenario reflects an incredible appetite for growth of arbitration in India. India is on the edge of becoming a global hub of arbitration with the establishment of Mumbai Centre for International Arbitration (MCIA), the country's first International Arbitration Centre, on October 15, 2016. Several arbitration norms have been tailored to adjust to the needs of construction sector. Passing of Arbitration Amendment Act seeks to expedite settlement of disputes in the most sophisticated way and sketches out drastic changes in the form of conduct of International Commercial Arbitration, interim reliefs granted by the courts and arbitral tribunals, manner of appointment of arbitrator and grounds for its challenge, laying down timelines and fees schedule and many more. An ideal arbitration regime needs to provide for party autonomy, minimum court intervention, and efficient and speedy settlement of International Commercial Arbitration. There has been an ample set of reforms in arbitration arena over the past two years, providing for both advantages and disadvantages. The article, looks at the radical changes in the arbitration regime in India.

## Red Carpet for Arbitration in India

### ■ *Transforming the look of Indian Arbitration Act*

In India, arbitration proceedings are governed by The Arbitration and Conciliation Act, 1996. Considering the need of the hour, the Arbitration and Conciliation (Amendment) Act 2015 received assent of the President on December 31, 2016 and was notified in the Gazette of India on January 1, 2016. The amendment was a welcome move towards ensuring efficient and timely settlement of disputes, faster enforcement of contracts and quicker recovery of monetary claims. An efficient arbitration regime would also help in reducing the backlog of courts, and completely transform the manner in which cases are heard and tried across the country making it more flexible and user friendly.

### **Changes in the amendments**

❶ To reduce ambiguity with respect to the grounds for setting aside an award, the Act has explicitly defined 'public policy'. It provides that an award is in conflict with the public policy of India, only if the making of the award was induced or affected by fraud or corruption,



or the award is in contravention with the fundamental policy of Indian law or in conflict with the notions of morality or justice.

② Limits the jurisdiction of Courts for passing interim orders when it says 'the court must not accept such an application, unless it thinks that the arbitral tribunal will not be able to provide a similar remedy'. The arbitral tribunal has been conferred with the power to grant judicially enforceable interim order.

③ In order to deal with the lacuna contained in International commercial arbitration, the provisions such as interim relief by court under part 1 of the Act, would now also apply to international commercial arbitrations even if the seat of arbitration is outside India.

④ In order to ensure timely disposal of cases, it has been laid down that an arbitral award will be made within a period of twelve months and this period may be extended for a period of only six months with the consent of the parties. It has also been provided that the challenge to an arbitral award made before a court must be disposed of within a period of one year. It also permits parties to conduct arbitration proceedings in a fast track manner.

⑤ Provides Model Fees Schedule for arbitrators, in order to curb costs.

⑥ The Amendment Act 2015 has also added the electronic mode of communication as a means of entering into an arbitration agreement under Section 7. The new Amendment Act is seen as a legislative effort to revamp the arbitration regime in India and thereby provide for ease of doing business in India.

#### ■ **Arrival of Commercial Court and its Jurisdiction Over Arbitration**

The Commercial Courts, Commercial Division and Commercial Appellate Division of the High Court Act, 2015 came into effect to reduce the burden on existing courts deciding commercial disputes and received assent of the President of India on December 31, 2015. The Act provides for a separate set of Commercial Courts at District level to decide the commercial disputes of a value of at least ₹ 1 crore and above. The Act is deemed to be in force since October 23, 2015. Arbitration matters, involving a Commercial Dispute of subject matter of value of more than ₹ 1,00,00,000 is to be heard and disposed by the Commercial Court or Commercial Division of the High Court as the case may

be. Further, matters pertaining to international commercial arbitrations involving disputes of subject matter of value of more than ₹ 1,00,00,000 are to be heard and disposed by the Commercial Division.

This Act ensures speedy settlement of disputes with the introduction of amendments to Civil Procedure Code (CPC) rules in order to reform the stringent procedure followed in India. Inclusion of arbitration under the jurisdiction of Commercial Courts will bring about efficacy in deciding arbitration proceedings in India.

#### ■ **Revamping Model BIT**

The Government of India declared a fine new model bilateral investment treaty (BIT), which provides a slew of terms and conditions for private investments by nationals and companies of one country into another. The crux of BIT is a dispute resolution clause which allows private foreign investors to challenge host states in the event of violation of their BIT obligations. Disputes are generally settled through arbitration by a tribunal constituted according to the terms of the treaty.

India experienced first such award in the White Industries case in 2011 under the India-Australia BIT. In this case, the international arbitral tribunal held that unreasonable delay by Indian courts in enforcing an award breached the obligation to provide investors with 'effective means of asserting claims and enforcing rights'. This obligation was imported from a provision of the India-Kuwait BIT.

The Revised Model BIT measures provide clear and fair standards of treatment and give some quantum of discretion to an arbitral tribunal. It also brings new concepts requiring arbitrators to be impartial, independent, and free from conflict of interest. The essential feature of the model BIT includes a refined Investor State Dispute Settlement (ISDS) provision requiring investors to exhaust local remedies before commencing international arbitration and confining the power of the tribunal to awarding monetary compensation alone. The revised text also gives an option to contracting states to decide an appellate body for review of investment tribunal awards. The new Indian Model BIT will soon witness FDI flow in Indian markets and it is expected to boost the confidence of foreign investors by providing standards for protecting foreign players and a dispute settlement mechanism by arbitration.

### ■ **International Arbitration Centre**

Mumbai Centre for International Arbitration Centre (MICA) was established, which is the first International Arbitration Centre in India. MICA will provide an arbitration platform for Indian business houses thereby paving way for ease of doing business in India. The Centre also endeavors to help Indian parties to resolve disputes here in India instead of approaching other centers in London and Singapore.

### ■ **Promoting Institutional Arbitration**

Maharashtra government has taken one step ahead and released a new arbitration policy which has made it binding for all Maharashtra government contracts with a value of more than ₹ 5 crore to include compulsory institutional arbitration clause. Earlier, the government used to appoint an arbitrator who would generally be a former government official. As per the new state policy, there would only be independent arbitrators. This aims to foster institutional arbitration as a preferred mode of settlement of disputes and will provide a boost to the setting up of the International Financial Services Centre (IFSC) in Mumbai. Also, the provision of appointing an independent arbitrator will bring in transparency and accountability in the arbitration process.

### ■ **Revisiting Construction regimes**

The Cabinet Committee on Economic Affairs has given its nod to arbitration measures in order to revive the construction sector in India. Under the new norms:

- ❶ The government will release 75% of amounts against margin free guarantee where the award is challenged by the concerned authority. In such cases, government agencies would be directed to pay 75% of the arbitral award amount to an escrow account against margin free bank guarantee where the award is given. The escrow account can be used to repay bank loans or to meet commitments in ongoing projects. With these actions, the stalled construction projects are expected to have an intense move. It will also boost the confidence of construction companies to bid for new contracts.
- ❷ Pending arbitration cases are allowed to be transferred from the pre-amendment arbitration act to the amended arbitration act having speedy procedure, with the consent of the contractors.
- ❸ Disputed item rate contracts may be substituted by EPC (Engineering Procurement Construction) contracts

and PSUs/ departments may adopt the Model EPC contracts for construction works.

This regime helps lessen the financial constraint on the infrastructure industry and help move the ongoing projects. The bank guarantee given will also remain alive till the disposal of the proceedings or thereafter till the disposal of the case from the court. In coming years, construction companies are expected to be benefited from these measures.

### **Key Challenges faced in Arbitration Regime**

#### ■ **An issue raised in recent times is whether two Indian contracting parties can agree to a foreign seat of arbitration?**

This was brought first in the case of TDM Infrastructure Pvt Ltd vs UE Development India Ltd and Apex court held that the intention of the legislature appears to be clear that Indian nationals should not be permitted to derogate from Indian law. This is part of the public policy of the country. Thus, it was concluded that Indian parties cannot seek a foreign place of arbitration. This decision was followed in Addhar Mercantile Pvt Ltd vs Shree Jagdamba Agrico Exports Pvt Ltd, where the High Court directed Indian parties to adopt Indian law as the substantive law of the contract even though the parties had mutually agreed to 'Arbitration in India or Singapore'.

Thereafter, this dispute was challenged in Reliance Industries Limited & Anr. vs Union of India where the Supreme Court did not pass any specific order on the main issue and upheld the award between Indian parties conducting a foreign seated arbitration. After various conflicting decisions from High Courts and the Supreme Court, the issue still remained unattended and in Sasan Power vs North American Coal Corporation, the Supreme court did not touch this issue in an appeal made by Madras High court, where the findings of Madras High Court records that Indian contracting parties have the freedom to choose a foreign seat of arbitration.

To conclude this issue, it can be seen that the decisions in TDM Infrastructure and Addhar Mercantile make two Indian parties incompetent to arbitrate abroad. The verdict of Madras HC on Sasan Power and Reliance Industries are contradictory, thereby leading to uncertainty. It is now expected from the Supreme Court to deal with such ambiguity and pass the relevant directions.

■ **Other area of concern in Indian arbitration law was applicability of Amendment Act to post arbitral proceedings.**

The Section 36(2) is reproduced herein:

“Where an application to set aside the arbitral award has been filed in the Court under section 34, the filing of such an application shall not by itself render the award unenforceable, unless upon a separate application made for that purpose, the Court grants stay of the operation of the award in accordance with the provisions of sub-section (3) hereof;”

After receiving various judgments on the above disputed issue by several courts in *Electro Steel Casting Limited vs Reacon (India) Pvt. Ltd* and *New Tirupur Area Development Corporation LTD vs M/s Hindustan Construction Co. Ltd*, the Bombay High Court expressed its view in this regard in *BCCI vs RSW, Kochi Cricket Private Ltd*, while dealing with the matter whether a separate application under Section 36(2) is to be made where the petitions challenging the awards under section 34 of the Act were filed prior to the Amendment Act. The Court held that amendments are removing shadow over the rights of the award holder while balancing the rights of both parties. The Court then directed the party challenging the awards to file an application seeking stay against enforcement of arbitral awards.

Therefore, it was decided under the above judgement that the Section 36 as amended by the Arbitration and Conciliation (Amendment) Act, 2016 is applicable even where an application under Section 34 of the Act had already been filed prior to the Amended Act coming into effect. This decision is challenged before the Supreme Court and it is soon going to bring more transparency in the matter. However, the findings of Bombay High Court have brought clarity with respect to the interpretation of applicability of the Amendment Act. It endeavours to shed light on the intention of the legislation while making such amendments with a view to protect the rights of the award-holder and award-debtor.

■ **Lack of transparency and accountability in appointment of arbitrators**

Under section 11 of the Arbitration Act, the Court is given the power to appoint arbitrators. However, the manner in which the arbitrators are appointed is arbitrary. There is seldom any thought over the minimum qualifications of the arbitrator that would be suitable to a particular dispute. Also, the statute does

not provide for any minimum qualifications of the arbitrator. It is important that arbitrators are required to seek minimum professional training from international centres and institutes for being able to adjudicate upon the disputes efficiently. It is also important that there is empanelment of arbitrators in order to ensure transparency and accountability in the arbitration process.

■ **Inflexibility of the timeline under Section 29A of the Amendment Act**

It has been argued that the timeline of 18 months provided under the Amendment is inflexible and impractical as arbitrations involving the state are complex matters and on an average take about 24 months. Also, the timeline of 18 months does not take into account the complexity of the matter, the number of witnesses to be examined and other factors that play a role in determining the timeline.

### Conclusion

Recent arbitration norms seek to create a vibrant ecosystem for arbitration in India. India is on the radar of becoming a world leader in the wake of growing international commercial arbitration. Indian legislation and judiciary is constantly looking after eliminating bottlenecks coming in the way of interpretation of certain aspects of arbitration. The Indian government is working towards making speedy disposal of arbitration proceedings and thus, new reforms are being put into place. Recently at the Global Arbitration Conference conducted from October 22-24, 2016, the government has affirmed that arbitration is one of its top priorities and steps will be taken to make India a global hub of arbitration. At the conference, it was suggested that steps will be taken to educate and train the judiciary, establish special arbitration courts and benches and a special arbitration bar. The Indian Government will also take steps to improve the infrastructure and promote institutional arbitration. Looking at these recent developments, it is expected that India will be able to revamp its arbitration regime and thereby attract investors to doing business in India.

**(The article includes inputs from Ms. Kranti Khatu, Associate, Singhania & Co., Advocates & Solicitors and Ms. Srishti Singhania, Intern, Singhania & Co., Advocates & Solicitors.)**

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# WTC Atlanta Helps Businesses Make the Right Connections



*Mr. Sam Tandon, International Trade Services VP, World Trade Center Atlanta comes with decades of experience in entrepreneurship, leadership, mentorship and is often referred to as a 'go-getter in business'. In an exclusive interview, Mr. Tandon provides his perspectives on planning for business, innovative practices, start-up sustainability, women in business to name a few.*

**I understand that you have a passion to help people and companies actively involved in investing in new businesses worldwide. What is your modus operandi?**

With over 30+ years of experience doing business in Europe, Asia, Africa and America, I am passionate about giving back to the community and I like to mentor. I recommend creating a strategic plan, as each market is different. One cannot transplant the same style of doing business in another country or market. I have seen many well established European and foreign companies fail to gain foothold in American markets. For that reason, I mentor and conduct programs and seminars on how to do business in USA. I also offer many other programs tailored to the different needs of companies.

**As the International Trade Services VP at World Trade Center Atlanta, what are some of the innovative practices that you have brought in to help businesses see things differently?**

I help businesses see the bigger

picture and help them to go to the next level, every company wants to grow -- be it a startup or IBM, they are afraid to step of their comfort zone. I make them realize the huge potential of the world as a big market, how to step out of the well and into the ocean of opportunity. We run programs to educate them about the proper approach and nuances of doing business in different market conditions.

**As a founder of a startup company, you have been able to convert it into a publicly listed company. How have you achieved this? In your opinion what is the right approach to making a startup sustainable?**

There are no short cuts or one size fits all formula. I am an advocate of having a professional approach to running a company, it requires a huge change of mindset -- especially for Indian family-run businesses. That is what helped me in converting my startup into a publicly listed company.

To address the issue of making a start-up sustainable, you may be able to raise money from investors but that comes with many strings

attached and you lose autonomy. Remember the moment someone finances you, they have all the strings, so the best approach is to be lean and bootstrap your venture. Best example is of Steve jobs, who was kicked out of Apple, a company he founded.

**I hope you will agree that one of the ingredients for a business to thrive is to have the right connections. How can this be achieved through the optimal use of technology and social media?**

Business is all about connections. Technology and social media play a very important part in today's world. You can connect with anyone on the other side of the world instantly, one should know how to best make use of these available resources. You can google, visit their website, read reviews, see the profile on LinkedIn or Facebook before you meet with someone, it is of a tremendous advantage to know more about the company or person beforehand.

**Which are some of the areas that WTC Mumbai and WTC Atlanta can partner in achieving mutual goals of serving**

**businesses to reach out in each others markets?**

We both can partner and act as gateways to their respective country markets. I would love to help any company interested in partnering or opening shop and tapping the huge American market. Atlanta is a logistics hub and has the busiest airport in America, it is home to many of the fortune 100 companies with head offices such as, Delta,

“I help businesses see the bigger picture and help them to go to the next level, every company wants to grow -- be it a startup or IBM, they are afraid to step of their comfort zone.”

UPS, Coca-Cola, Home Depot, AT&T.... to name a few. I see a win-win for both World Trade Centers. We can partner to host joint events, with the new technology it is seamless.

**How is WTC Atlanta helping women-owned and managed businesses?**

WTC Atlanta is very strong in promoting women owned businesses, we have a very active women-owned business association that meets weekly. There is great incentive and special status given by the government to women-owned businesses. According to Georgia small business organization 'Women Business Enterprises (WBE) are one of the fastest growing segments in Georgia, and the state ranks 5 in the US for greatest number of women-owned firms, Metro Atlanta ranks 5. Georgia ranks 2 in growth in number of women-owned firms and 7 in growth in economic clout of women-owned firms.'

**Atlanta has always harboured a pro-business climate with companies headquartered there. What is the contribution of WTC Atlanta in carrying on the legacy?**

WTC Atlanta has very strong board members who are very well connected, from the mayor's office to all the consulates in Atlanta who are our members. We help members and visiting business delegations, by connecting them with Fortune 100 companies and host trade delegations of foreign countries, promote the hosting of joint events with the local chambers of commerce. We invite Fortune 100 corporations on our panel and as speakers. You can connect with the CEO and executive team member of these big corporations, an opportunity that a small business does not normally get.

**In your view how can WTC Atlanta partner in the ambitious 'Make in India', 'Skill India', 'Smart Cities' and 'Digital India'?**

Atlanta has a robust Indian community and WTC Atlanta partners with the Indian chamber and consulate to promote the message of 'Make in India'. On my recent trip I visited WTC Pune and was very impressed by the Technology Park – it is truly world class. We all know that India is ranked 1 for software outsourcing and is the first option for any company looking to outsource services. We will be happy to help WTC Mumbai, in any way to promote India as a destination of choice.

**How will the upcoming World Trade Week in May 2, 2017 promote trade in Atlanta?**

World Trade Day is the signature event of WTC Atlanta and showcases the best achievement of its industries. We acclaim and honor them by presenting awards in recognition of their significant contributions to Atlanta's economy and growth. This is a huge networking opportunity to connect with the top names in the industry and meet everyone under one roof. The major players in Atlanta industry including fortune 100 companies participate and are sponsors, who play an active role in helping small businesses get equal opportunity to do business with them.

**What is your message for a potential Indian investor or business wanting to set shop in Atlanta?**

You will be happy you made the move, we will be delighted to host you and show why Atlanta is famous for its southern hospitality. We will facilitate and help connect with every aspect for you to open an office. Anyone can open a company in USA – one does not have to be a local citizen or resident. The rules for opening shop are different versus working on a Visa. You will be surprised how easy it is to start and do business here. I will be happy to help anyone from World Trade Centre Mumbai.



# EU Partners with India in Skill Development

**Vaclav Klenha**

Team Leader, India-EU Skills Development Project



The India EU Skills Development project implemented during the period 2012–2016 and funded by the European Union has provided a direct support to the Indian skills development policy, which is one of the national priorities. There are three areas in which the project achieved significant results:

- Implementation of the National Skill Qualification Framework (NSQF) underpinned by the National Quality Assurance Framework (NQAF)
- Establishment of the Labour Market Information System (LMIS) and piloting Labour Market Analysis (LMA)
- Capacity Development of Indian Stakeholders

In all the areas, the project has worked closely with its main beneficiary, the National Skill Development Agency (NSDA) which is an autonomous part of the Ministry of Skill Development and Entrepreneurship (MSDE). In cooperation with NSDA the project also assisted skills development in six sectors of the economy (capital goods, logistics, beauty & wellness, plumbing, construction and healthcare) and in seven states (Himachal Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu, Telangana and Uttar Pradesh). The project team has brought in expertise from a range of different countries – not only EU – and this has provided India with insights gathered from a wide range of experience and know-how.

The National Skills Qualifications Framework (NSQF) mandated by the Indian government notification, proposed a format for defining qualifications as key tools for the framework implementation: the Qualification File Template and Guidelines were approved by NSQC which entered 1633 (as of October 2016) qualifications in the NSQF Register. This was an important first phase in implementing NSQF. In connection to NSQF the project also proposed a policy for Recognition of Prior Learning (RPL) and a holistic approach to assessment of trainee knowledge, skills and competences, with a number of tools, such as assessment guidelines and workbooks. Initial steps were taken with the help of the project for future international alignment of NSQF, in particular with the European Qualifications Framework (EQF).

Quality lies at the heart of effective education, training and skill programmes. The project was instrumental in establishing a comprehensive quality assurance framework consisting of a set of National Quality Assurance Framework (NQAF) manuals, namely:

- 1 NQAF Overview Manual
- 2 NQAF Registration of Qualifications Manual
- 3 NQAF Accreditation of Training and Education Institutions Manual
- 4 NQAF Assessment Manual
- 5 NQAF Auditors Manual
- 6 NQAF Risk Assessment Manual

- 7 NQAF Sector Skill Councils Manual
- 8 NQAF National and State Level Bodies Manual
- 9 NQAF Implementation Roadmap

The first six manuals have already been approved by NSQC and the others will follow shortly, together with an NQAF implementation roadmap.

The project proposed an approach to skilling in the unorganised sector and in cooperation with NSDA carried out a scoping study which focused on head loaders and street vendors in Nagpur, Maharashtra. Still a work in progress, the project is also exploring the issues of gender equity in skills development, with the intention to draft an action plan in cooperation with Indian stakeholders and International Labour Organization (ILO).

The Labour Market Information System (LMIS) launched during 2016 by NSDA as a test version has been assisted by the project through the LMIS concept paper presented at the LMIS Steering Committee meeting, with a conclusion that the proposal is to be used by LMIS web portal designers. Then a proposal on the LMIS administration, including the portal maintenance, was prepared on NSDA request. Following the information gaps identified in the LMIS concept, the project prepared the LMIS web portal content proposal, which included the items and categories of

labour market information, with website sources identified. Finally, a paper titled 'Who to Train – the Occupations Data Gap in LMI in India' was elaborated. All these outputs were acknowledged by the LMIS Steering Committee.

In cooperation with Sector Skill Councils the project piloted labour market analysis in the sectors of automotive industry and capital goods, both in Maharashtra, and the sector of logistics in Tamil Nadu. The methodology used were company surveys, with a total of 462 companies interviewed, including 146 companies from the informal sector. Based on the experience, a Labour Market Analysis Handbook was developed for other sectors and states to follow.

All the results achieved in collaboration with beneficiaries as described above have an all-important capacity development aspect. They support concepts, tools and institutions newly introduced in the Indian skilling ecosystem, which require sustainable capacities at the national and state levels.

Besides sharing the international experience while helping to develop the NSQF, NQAF, LMIS and LMA, the project supported capacity development by organising workshops, training 199 trainers and 85 assessment professionals, piloting outcome based learner-centred curricula, and organising study tours (UK, Germany, France and Australia). The resulting reports, handbooks and course packs are available at the project website (<http://www.india-euskills.com>) which will help to spread the knowledge and experience. The Handbook for NQF developers was published in English and in Hindi. Cooperation linkages established between NSDA and qualification authorities or research institutes such as CNCP and CEREQ in France, NCVER in Australia and proposed also with SQA in Scotland can be productive even after the

project is finished. Extensive capacity building was achieved through the daily interaction of the expert team with NSDA staff and management, as well as with the Sector Skill Councils (SSCs) in the six sectors.

In terms of significance for the Government of India (GoI), the project addressed the strategic needs of the massive effort to develop the skilling ecosystem and have large numbers of people skilled. A close fit to meet these needs was achieved by redesigning the project in consultation with NSDA shortly after the agency came to existence in 2014. Thus the project



activities and expert team were tailored to support the GoI skill development strategies and the results achieved in 2014 – 2016 have had a large impact on laying foundations of a modern skill development system in India. This was fully acknowledged by GoI. The Government of India through NSDA and MSDE has been an active counterpart of the project, which in turn was flexible enough to respond to the evolving needs of the skilling reform. Mr. Rajiv Pratap Rudy, Minister of Skill Development and Entrepreneurship, Government of India said at the project final conference in November 2016: "We would have liked the association

with EU to continue. The EU project helped in achieving great progress in skilling ecosystem."

As a pilot project, the India-EU Skill Development has provided strategic tools for all actors: NSQF, NQAF, Recognition of Prior Learning (RPL), assessment, LMIS, but the implementation is necessarily not complete. It requires consensus building, political will and leadership and it needs large scale capacity building and institution development which the project has had only limited time to carry out. Adoption, dissemination, scaling up and following up the project outputs and outcomes require considerable

staff time and funding. These will have to be planned for and made available in NSDA and other beneficiary budgets, so that the NQAF can be implemented, training of trainers and assessors multiplied, labour market analysis surveys continued and international linkages maintained and further developed. The key challenge is for the Technical Vocational Education and Training (TVET) authorities to inspire trust in the Indian qualifications and this is what the NSQF and the NQAF are tackling, in order to serve the skill development and mobility policy. ■



**Alok Saraf**  
Partner, Mergers &  
Acquisition Tax, PwC India

# India Amends Tax Treaty with Singapore

March 31, 2019. During this period, gains arising from the sale of Indian companies' shares will be taxable in India (at 50% of prevailing domestic tax rates), subject to fulfillment of conditions under the LOB clause.

Thereafter, from financial year 2019-20, capital gains arising on transfer of the shares of Indian companies will be taxed in India at the full domestic rate.

The Singapore Protocol also includes an explicit provision for domestic laws and measures related to prevention of tax avoidance or evasion, which will override the treaty.

The Singapore Protocol comprehensively covers taxability on gains arising on transfer of shares. In order to promote a non-adversarial taxation regime, it clearly spells out that capital gains arising from transfer of Indian assets, other than shares such as convertible debentures, bonds, partnership interests, etc., will continue to be taxed, but only in the state of residence, i.e., Singapore, subject to the mandates of the General Anti-Avoidance Rules.

The signing of the Singapore Protocol brings certainty on taxation of capital gains arising from transfer of shares and transfer of capital assets other than shares, i.e., convertible debentures, bonds, partnership interests, etc. At the same time, it also makes it abundantly clear that domestic laws and measures relating to prevention of tax avoidance or evasion will override the treaty in certain circumstances.

However, in spite of the amendments mentioned above, Mauritius continues to be a more attractive jurisdiction for routing investments than Singapore for various reasons – the Mauritius Treaty provides a concessional withholding tax rate of 7.5% on interest income arising from

debt instruments, compared to 15% under the Singapore Treaty. Furthermore, the annual expenditure threshold under the Singapore Treaty LOB clause is \$200,000 or ₹ 5,000,000 (as applicable) for an entity to not qualify as a shell or conduit. The annual expenditure limit under the Mauritius Treaty is Mauritian ₹1,500,000 or ₹ 2,700,000 (as applicable).

Besides Mauritius being a preferred jurisdiction, the investors may now consider investing through Netherland. The Netherland Treaty fully exempts capital gains arising from the transfer of Indian Company shares to a non-resident subject to participation condition. Having said this, at this juncture it is difficult to envision whether the Indian government would negotiate its term with Netherland.

The Indian government's move to tighten tax treaties is in line with its policy of preventing double non-taxation, curbing loss of revenue and streamlining the flow of investments. According to Mr. Arun Jaitley, Finance Minister, Government of India, amendment of tax treaties will put an end to 'round-tripping' and black money routes. It will tighten the loopholes availed by companies or rich individuals setting up shop in jurisdictions with which India has inked tax-exemption treaties.

Taking into account the Indian government's effort to strike a balance between a stable tax regime and an efficient revenue collection process, we will now have to wait and watch how and when other treaties are revised or renegotiated, thereby putting an end to double non taxation.

**(Views expressed are personal. The article includes inputs from Ms. Siddhi Udani, Manager, M&A Tax, PwC India, and Mr. Vaibhav Zaveri, Associate, M&A Tax, PwC India.)**

The Protocol amending the India-Mauritius Tax Treaty, signed in May 2016, led to speculations in the investor group and legal fraternity about possible renegotiation of the India-Singapore Tax Treaty. With capital gains exempted under the Singapore Treaty being linked with the Mauritius treaty, it was important for the Indian government to amend its decade-old treaty with Singapore. This resulted in the Government of India and Singapore signing a Protocol on December 30, 2016.

In line with the changes in the Mauritius Treaty, the Singapore Treaty has led to source-based instead of residence-based taxation on capital gains arising from alienation of companies' shares. This implies that capital gains derived by Singapore residents from sale of Indian companies' shares acquired on or after April 1, 2017 will be taxable in the source country, i.e. India.

In an effort to provide certainty to investors, gains arising from transfer of the shares of Indian companies (acquired before April 1, 2017) are allowed to be grandfathered. These will continue to be liable to tax in Singapore, subject to fulfillment of the Limitation of Benefit (LOB) clause, which includes three tests - a purpose test, substance test and an annual expenditure threshold test.

Furthermore, to enable a smooth transition from residence-based to source-based taxation, the Singapore Protocol allows a two-year transition period from April 1, 2017 to





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## World Trade Centre Institute (WTCI)

### Seminar on 'Entrepreneurship and E-commerce'

World Trade Centre Institute organized a Seminar on 'Entrepreneurship and E-commerce'. The focus of the seminar was '10 Steps to Online Business' and the participants included exporters, importers, business owners and startups.

Mr. Nayan Bheda, Co-founder, Indian School of eBusiness enlightened the participants of the opportunities available to them through e-commerce and the ease of doing online business. He made a very interesting presentation covering information regarding choice of an appropriate online market place, ideation and its conversion into business, ideal business model, value proposition, choice of a right e-commerce platform, effective content which is both attractive and informative, available payment gateways, digital marketing, choice of the right logistics and packaging partner for timely delivery to the customer and most importantly, the funding partner.

**The seminar was held at the World Trade Centre Mumbai on November 16, 2016.**



### Diploma in International Trade Finance

Trade Finance is a very integral part of international trade. In keeping with this, World Trade Centre Institute introduced a new three-month 'Diploma in International Trade Finance'.

The course is designed to enable business, trade, export-import executives to gain a thorough understanding of the key procedures, practices and legislation associated with international trade finance. The classes are conducted twice weekly at World Trade Centre Mumbai. One can seek further information from the World Trade Centre website.

**The diploma course commenced on 1st December 2016**

### Session on Project Presentation and Viva Voce

Viva Voce based on the project report was conducted for the students of the Post Graduate Diploma in Foreign Trade (PGDFT) batch 55. The students made presentations of their projects and were quizzed on them. Professor Arvind Khedkar, Faculty, World Trade Centre Institute conducted the viva voce.

Some of the interesting projects prepared by students were import of solar cells from China; turmeric exports to Malaysia; marble export to USA; paper export to Turkey; Basmati rice export; etc



**The viva voce was held at the World Trade Centre Mumbai on December 10, 2016.**

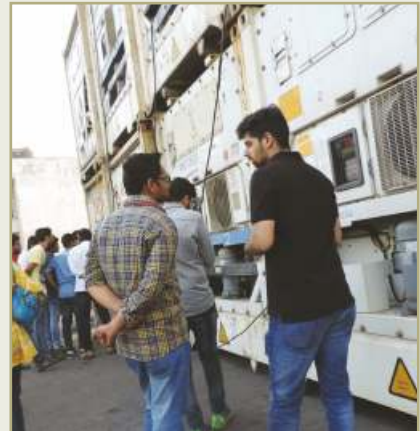
### Field Trips to JNPT and CFS

As part of the practical orientation programme, 35 students of the Post Graduate Diploma in Foreign Trade (PGDFT), Post Graduate Diploma in Shipping & Logistics (PGDS&L) and Certificate Course for Startups in Export Import Business (CSEIB) were taken to the Jawaharlal Nehru Port Trust (JNPT) and a Container Freight Station (Punjab Conwayer)

The students got an opportunity to see the latest technology used in the handling of cargo at JNPT which is a fully mechanized port. The Port handled almost 40% of India's container cargo. They were also shown the five terminals, including the private sector projects.

At the Punjab Conwayer Container Freight Station (PCFS), Mr. Dayashankar, Senior Manager (Operations) showed students around the CFS and explained in detail the various stages once the consignment enters the yard. He also shared information about the cargo stuffing activity, the customs clearance procedure, the warehouse facility and the mechanized system of handling different types of cargo such as bulk, liquid, dangerous cargo, etc.

Students met Mr. James Joseph, General Manager, Punjab Conwayer who explained the functional aspects of CFS and sought clarification with issues related to the Port and CFS.



### Prasanna Academy Students Visit WTC Mumbai

A group of 10 participants led by Mr. P. Kuvalekar, Founder, Prasanna Academy visited World Trade Centre (WTC) Mumbai to get a first-hand experience of the activities of the Centre and its role in international trade promotion. Mr. A. O. Kuruvila, Advisor-Trade and Education, World Trade Centre (WTC) Mumbai made a WTC corporate presentation and addressed the specific trade-related queries raised by them.

**The visit was at the World Trade Centre Mumbai on December 21, 2016.**





# Indian States Can Play a Major Role in Attracting FDI

*Dr. Henry Loewendahl, Group CEO, WAVTEQ Limited and Senior Vice President representing fDi Intelligence, Financial Times Limited has provided an insight into the India's current FDI scenario and how global economic and political changes can affect it. He also suggests ways how FDI attraction can be improved in this interview.*

**According to 'The fDi Report', the year 2015 witnessed record levels of mergers and acquisitions (M&A), specifically the highest crossborder M&A flows since 2007. Do you feel companies are consolidating and rationalizing their operations on the back of tepid economic growth in the USA, Europe, Japan and other countries?**

2015 was a massive year for M&A for three key factors: (1) companies had access to cheap cash for M&A; (2) global tax structures encouraged M&A especially to and from the US, which dominated M&A activity in 2015; and (3) the need for revenue growth with M&A favored over greenfield FDI due to overcapacity in many markets and focus on inorganic growth.

In 2016, M&A was also strong but the final figures are likely to show a decline from the peak of 2015 with global FDI flows expected to decline by 10-15 per cent in 2016, reflecting the fragility of the global economy, declines in commodity prices and investment, and policy measures to curb tax inversion deals.

Consolidation and rationalization has been taking place in industries most impacted by tepid growth, in particular commodity sectors, with the slowdown in demand from China the main cause.

There is much uncertainty as to what the FDI trends will be in 2017, in particular with the Trump and Brexit effects still to be determined. The US economy is expected to continue to recover and achieve strong growth but the positive impact on FDI

“India should be benchmarking its competitiveness against locations such as ASEAN to ensure in the long-term the country puts in place policies for sustained competitiveness.”

maybe more on greenfield FDI into the US than M&A, if the new administration looks to block more foreign acquisitions, especially from China, which has already been happening under the Obama administration. As has been seen, the US can scupper M&A deals not involving a US parent company if one of the foreign companies has operations in the US. So a more protectionist US could have a negative impact on global M&A given the importance of

China as a source of M&A. The impact of Brexit is likely to be a significant decline in FDI into the UK, and an increase in FDI to EU countries best placed to displace the UK, assuming that Brexit negotiations do not impact materially on EU growth rates.

India Inc. is one of the most sought after group for greenfield investments globally with leadership positions in key markets like the UK, Singapore & the Middle East. India

is also in the top 10 investors in North America. The rapid economic growth taking place in India is not only encouraging FDI into India but as the India becomes an economic super-power the scale of the Indian economy will impact global demand and supply and foreign direct investment. India is now starting to have an impact on global commodity prices, and the effect which is likely to become stronger as the Indian economy hits \$3 trillion in the

next few years to become the fifth largest in the world. The upswing in commodity prices will have a direct positive impact on global FDI, if investors believe the upswing to be long-term and by the end of 2017 we may start to see a growth in commodity FDI if prices continue to increase.

**The Report also mentions that India received 3 times more greenfield foreign direct investment (FDI) in 2015 (\$63bn) compared to the previous year. Growth in India's FDI comes while inflows into China, Japan, Singapore, Australia etc. have decelerated remarkably. Do you feel India is attracting FDI because of lack of better destinations or because there is genuine investor confidence in the India growth story?**

When looking at big economies like India, China and US, most FDI is market-seeking and is determined by domestic market growth opportunities. FDI in China has declined due to the sharp decline in long-term growth rates while FDI into India has increased due to the increase in long-term growth rates. FDI into the US is also expected to increase due to the same effect. FDI into Australia and other resource-based countries like Canada, Middle East and resource intensive countries in Latin America and Africa has declined due to the collapse in commodity prices, itself due to a large extent from reduced demand from China.

The boom in FDI into India is due to stronger economic growth in India and the exponential increase in the size of India's economy. However, as we have seen in China, investors will also consider alternative investment locations and export to India (subject to favorable trade agree-

ments). ASEAN is also growing very strong and there is significant growth in FDI taking place in ASEAN due to lower costs (compared to China) and access to large and growing markets. India should be benchmarking its competitiveness against locations such as ASEAN to ensure in the long-term the country puts in place policies for sustained competitiveness.

**The impressive growth in FDI into India comes even as India continues to fare poorly in World Bank's Annual Ease of Doing Business index. India is ranked at a poor 130<sup>th</sup> in the index out of over 180 countries. How relevant is the Ease of Doing Business index in attracting FDI? What should the Indian government do to improve its ranking in this index?**

Ease of Doing is Business (EODB) no doubt is a key indicator of how open an economy is for global investors

“Of course, India needs FDI in manufacturing, energy and across most sectors, however, a great challenge will be to manage the trade-off between FDI and much-needed strategic investments, and job creation with wider sustainable development goals to avoid some of the issues, most obviously pollution, which is crippling China.”

and for their sustained growth. It also provides impetus to the board members on continuing to invest. FDI is taking place in India despite the ease of doing business not because of it.

The opposite can be seen in countries like Singapore and Hong Kong, who attract FDI to serve their far larger neighboring economies due to their better ease of doing business and other pro-business factors.

India, given its geographic position, does not face the competition from a supercharged, pro-business neighbor in the same way China faces (in Hong Kong) or Indonesia faces (in Singapore or to an extent Malaysia). Investors therefore have fewer options to serve the Indian market from other locations; most of the competition for FDI is within India – which State and City will win the investment – rather than with other countries.

While EODB at a national level in India is certainly reducing the potential level of foreign investment by making it more difficult and costly for companies to invest and reinvest, from an investor perspective EODB is a key consideration when deciding where in India to invest. EODB needs to be analyzed at a state level in India. EODB is also likely to have a larger impact on global SME investment into India, who may not invest due to the obstacles or will look to New Forms of Investment or Non-Equity Modes of Investment to establish operations in India instead of JVs or wholly-owned investment or M&A. The level of foreign investment taking the widest definition in FDI is far larger in India that official statistics show, due in part to India's weak EODB.

We believe that in a democracy as vibrant as India, things will take time and most investors believe that there is major momentum in India now on getting things done. Industry led skill development, building infrastructure including efficient industrial power, and major changes to the existing tax code, are three issues which we believe should be taken up on priority together with greatly improving the capacity of state and city level government to attract FDI and to work with existing investors to

build supply chains, skills, and to encourage re-investment and subsidiary upgrading.

**India's FDI is largely concentrated in Maharashtra and Gujarat, as is the case with China, where Shanghai and Jiangsu are the leading destinations for FDI. What are the other common trends in the FDI to India and China?**

When comparing India to China, we can see that states or provinces in both countries have a legacy of a pro-business environment and infrastructure to back it up and as a result have been the most successful in attracting FDI. Also sector specialism is very important, with these states or provinces having industrialization spread across multiple districts and with a specialization in manufacturing sectors, where most of the large FDI projects take place. The biggest difference between India and China is India's global competitiveness in software and business services, which has attracted huge FDI (when measured by jobs created) in India compared to China. When comparing India to China it is therefore very important to focus not only on the dollar value of FDI in each country but also job creation, quality of jobs, wider economic development and sustainable development benefits. Arguably, India has been more successful than China in attracting high value jobs and without the environmental and other costs that are associated with much FDI in manufacturing and heavy industry. Of course, India needs FDI in manufacturing, energy and across most sectors, however, a great challenge will be to manage the trade-off between FDI and much-needed strategic investments, and job creation with wider sustainable development goals to avoid some of the issues, most obviously pollution, which is crippling China.

**In recent years, we are seeing considerable interest among private equity investors, venture capital and other risk capital funds in India's start-up enterprises in e-commerce, taxi aggregation, consumer internet, edutech, fintech etc. Do you think start-ups would be a key driver of FDI into India in future?**

India will remain a major hotspot for startups as long as India maintains its momentum in attracting global companies and ensuring Indian companies continue to innovate. Most or all startup founders typically have worked in an Indian MNC or a Foreign MNC before they hit the road to pursue their entrepreneurial journey. The Venture Capitalist (VC) & Private Equity (PE) community will continue to invest in opportunities emerging from India but this is more of a play on portfolio investments rather than greenfield investments, which are typically more secure in nature.

That said, a lot of startups from India have also disrupted the existing tenets of international expansion, by building products or services which can be sold to a global audience from the get-go, are far more comfortable in expanding globally compared to their old economy peers and have already understood that if they need to be on top of their game, they need a diverse workforce which isn't restricted by a particular nationality.

Some of the more notable startups with a global focus and have expanded rapidly in the last few years include, One97 Communications (PayTm), Zomato, Square Yards Consulting, Uniphore, Vizury, Knowlarity. WAVTEQ has worked with many of these companies to assist them in expanding overseas.

**India leads the ranking in terms of attracting FDI into renewable energy sector, with an investment of \$11.8 billion in 2015. What is the future potential for this sector in attracting FDI and what are the sub-sectors within renewable energy that may attract considerable FDI?**

We believe that the future potential of India's attractiveness as a renewable energy destination lies in how it builds the future framework to harness solar energy. India's solar industry is expected to grow by 250 percent this year, putting the country on track to overtake Germany and enter the top five solar markets globally in the next three years. Given its vast population, high irradiation, growing energy demand and power deficit, limited access to fossil fuels and a large number of unlit villages, India has great potential to be a major solar market. To achieve its capacity targets, the government of India must ease land acquisition requirements, lower costs of financing and enforce long-term policies that can attract consistent investments.

In addition to this, skill development for Renewable Energy (RE) sector, building its own IP, sprucing up transmission infrastructure and higher predictability in power purchase agreements at the state level will play a key role in ensuring the sector stays vibrant for the long term.

As India becomes a more manufacturing-led economy and as per capita incomes and purchasing power increase, FDI in renewable energy is critical to achieve sustainable development and avoid endemic and crippling pollution as has been the case in China.

**Countries across the world have been signing bilateral investment protection agreements, double**

**taxation agreements to attract foreign investment. How much of the total world FDI is driven by these agreements? Are these agreements more influential in attracting global FDI than the structural factors such as competitiveness, infrastructure etc., of an economy?**

These agreements certainly have a positive impact of FDI, but are not the key drivers or determinants of FDI. FDI is fundamentally market-seeking and our models show that 80% of global FDI is determined by market size, especially for large economies. If the Indian economy continues to achieve rapid growth, then FDI will continue to increase into India. If economic growth rates decline in India, then FDI will also decline.

The table below shows the location motives for greenfield FDI worldwide in the first 11 months of 2016. Market-seeking factors, including access to other regional markets, are cited by nearly two-thirds of foreign investors. The next most important factors determining global FDI are skilled workforce availability and regulations (which would include investment treaties, tax agreements etc.) and business climate.

**General observations**

For India to remain the global investment hotspot of the world and create millions of jobs at a rapid pace, the states should be playing a far greater role in attracting investments and maximizing the linkages and economic benefits for the local economy.

Indian states should step up efforts in creating state funded investment promotion agencies (IPAs) and leverage the tools and resources available to identify and target investor globally to their regions.

There is not a single state or city in India that has access to the leading FDI attractions’ databases and tools, and even the national government struggles to acquire the key FDI databases and tools used by IPAs worldwide.

India has amongst the weakest investment promotion capability at the national and subnational level of any major country and most emerging markets in the world. This needs to be urgently addressed and India should look at how other major emerging markets with effective investment promotion agencies at the national and sub national level, such as Brazil and Colombia, as well as best practices IPA in major developed economies, such as US, UK and Canada, attract FDI. In all these countries there is strong collaboration with the private sector to attract FDI, with the national and subnational governments recognizing how the private sector can support their efforts to attract FDI whether that is from utilizing the latest data and tools, through to outsourcing to the private sector investment promotion activities.

To be effective in promoting India for FDI and maximizing the benefits for the country, it will require a change in mindset in how a government agency should be setup and run and how government should work with the private sector.

**(Mr. Kavan Bhandary, Director, WAVTEQ India has also contributed his views)**

**Location motives for greenfield FDI worldwide, January 2016 to November 2016**

Motive for FDI	Projects	% of Projects citing motive
Domestic Market Growth Potential	812	37.8%
Proximity to markets or customers	736	34.2%
Skilled workforce availability	424	19.7%
Regulations or business climate	403	18.7%
Infrastructure and logistics	172	8%
Technology or Innovation	158	7.3%
Industry Cluster / Critical Mass	142	6.6%
Attractiveness / Quality of Life	100	4.6%
Investment promotion agencies or government support	80	3.7%
Universities or researchers	61	2.8%
Other Motive	235	10.9%

Source: fDi Markets from fDi Intelligence, Financial Times Limited

# Pune: Where Businesses Thrive

Pune is the most populous city and second largest (in terms of area) Maharashtra after Mumbai. It was once the seat of power of the Maratha Empire established by Shivaji Maharaj. Pune is popularly known as the cultural capital of Maharashtra. There are two municipal corporations, namely Pune Municipal Corporation (PMC) and Pimpri-Chinchwad Municipal Corporation (PCMC). Pune is known for its manufacturing, especially automobile industries, besides research institutes catering to information technology, education, management and training. This institutes attract students, and professionals from India and overseas. Pune is also one of the fastest growing cities in the Asia-Pacific region. The 'Mercer 2016 Quality of Living rankings' evaluated local living conditions in more than 440 cities around the world. Pune ranked 144 after Hyderabad (139) in this index. The rankings also highlight Pune among evolving business centres and emerging 9 cities around the world. Over the years Pune has become an automotive and IT hub.

## Economy and Industry

Pune has the eighth largest metropolitan economy and the sixth highest per capita income in the country. Pune has a considerable population engaged in the agriculture sector. The emergence of industrial Pune began in the early 1960s, with mechanical engineering industries arriving first. Pune's proximity to Mumbai, good climate, and availability of talent made it a destination for large firms such as Tata Motors (TELCO then), Thermax, ThyssenKrupp (Buckau Wolf then), Kirloskar Group, KSB Pumps, Cummins, Hindustan Antibiotics, and several others. Serum Institute



of India, the world's fifth largest vaccine producer by volume has a manufacturing plant in Pune.

Maharashtra Industrial Development Corporation (MIDC), the leading state corporation has developed two industrial estates in and around Pune on the lines of the United Kingdom. One is located at Parvati and the other is at Bhosari near the existing industrial areas of Pimpri, Chinchwad and Pradhikaran. MIDC provides land, fuel, electricity, water, transport, communication facilities and select raw materials at subsidised rates to priority sectors. It thus enables favourable conditions for efficient and qualitative industrial production especially for small entrepreneurs, labourers and suppliers as there is emphasis given to tiny, small and medium scale industries which are high priority undertakings according to the government's policy. The small and medium scale firms provide vital components and spares as well as other intermediate goods or finished raw materials for the large scale industries.

The large companies produce a variety of goods such as commercial vehicles (light and heavy), locomotives, electronic consumer durables, oil engines, pump sets, pharmaceuticals, chemicals, two

wheeler vehicles, processed food, refrigeration systems (industrial and domestic), industrial filters, family cars, luxury cars, landrovers, pickup trucks and a number of intermediate goods as well.

The Kirloskar Group was the first to bring industry to Pune by setting up Kirloskar Oil Engines Ltd. in 1945 at Kirkee in Pune. Kirloskar Brothers Limited, Kirloskar Oil Engines, Kirloskar Pneumatics Co. Ltd., and other Kirloskar companies are based in Pune.

Automotive companies such as Tata Motors, Mahindra & Mahindra, Mercedes Benz, Force Motors (Firodia-Group), Kinetic Motors, General Motors, Land Rover, Jaguar, Renault, Volkswagen, and Fiat have set up greenfield facilities near Pune, making Pune India's 'Motor City'.

## Informational Technology Parks

The Hinjewadi IT Park (officially called the Rajeev Gandhi IT Park) is a project by MIDC to house the IT sector in Pune. When completed, the Hinjawadi IT Park is expected to encompass an area of about 2,800 acres (11 km<sup>2</sup>). The estimated investment in the project is ₹600 billion (US\$8.9 billion). To facilitate economic growth, the government made liberal incentives in its IT and



ITES Policy, 2003 and leased properties on MIDC land. The IT sector employs more than 70,000 people. Software giant Microsoft intends to set up a ₹7 billion (US\$100 million) project in the Hinjewadi.

After Hinjewadi, the Magarpatta IT Park is the second largest IT Park in Pune. Like Hinjewadi, the Magarpatta IT Park too houses a number of multinational companies. In addition to Hinjewadi and Magarpatta, there are quite a few private IT Parks and incubation centres in Pune.

**Startup Culture**

Pune has also emerged as a new startup hub in India with technology startups like Pubmatic, Firstcry.com, Storypick.com, TripHobo, TastyKhana.com (acquired by Foodpanda), etc. NASSCOM, in association with MIDC, has started a co-working space for city-based startups under its '10,000 startup' initiative at Kharadi MIDC. It will incubate startups such as Kandawale brand from OhMyDealer in its first batch.

The Pune International Exhibition and Convention Centre (PIECC) will provide facilities for meetings, conferences and exhibitions which will indirectly give a boost to trade once it is completed in 2017. The 97-hectare PIECC is to have a seating capacity of 20,000 with a floor area of 13,000 m<sup>2</sup> (139,931 sq ft). It will have seven exhibition centres, a convention centre, a golf course, a five-star hotel, a business complex, shopping malls, and residences. The US\$115 million project is developed by the Pimpri-Chinchwad New Town Development Authority.

Pune is the largest hub in India for German companies. According to the Indo-German Chamber of Commerce, Pune has been the single largest hub for German companies for the last 60 years.

**Lesser known facts about Pune**

- Pune, known as the Oxford of the east, has many schools and colleges, some of which are too old.
- India's first girls high school was started by Mahatma Phule
- Most number of two wheelers
- Surrounded by most number of water resources i.e. dams and rivers
- Pune is the only city in India, where there are seven Universities.
- Pune has 35 engineering colleges, which is highest in the world in any city.
- Pune University has 57 Engineering colleges affiliated to it, which is highest in the world.
- Pune has the highest number of software companies in India
- Pune is the only city in the world to have commercial and defence Airport operating from the same strip.

[www.quora.com]

Over 225 German companies have set up their businesses in Pune.

**Pune - A Smart City in the Making**

The central government launched 14 projects under Pune's Smart City Plan, featuring the second city in the list of 20 under 'Smart Cities Mission'. Pune Smart City Development Corporation Limited (PSCDCL) will be implementing the project and



has approved processes to undertake 15 projects under the programme with eight of them focusing on the local area development for Aundh-Baner-Balewadi and seven looking at pan city. The eight projects under local area development includes pilot project of redesigning streets, footpath retrofitting, making place on roads for social activity, junction redesigning, rainwater harvesting, low

income skill development and health care, LED lighting and solar roof top and e-governance centre to provide single-point place to enable citizens to avail various civic facilities.

At the pan-city level, the company has decided to focus on public transport with installation of GPS and real time tracking of PMPML buses through mobile app, vehicle health monitoring system for PMPML, intelligent road asset management, traffic map using mobile GPS and e-challan.

The PSCDCL has also decided to start the implementation of project of 100 per cent smart commercial metering in the city and grievance redressal and smart customer services through mobile and web-based apps.

The city will continue to be a promising destination for trade and commerce because of the proposed smart city project proximity to financial capital of India and most importantly progressive industrial policy of the state government.

# Women Entrepreneurial Spirit at its Best in China

**Professor Ravni Thakur**  
Department of East Asian Studies  
Delhi University



The role of women in the economic development of their countries has been systematically underestimated world over. Not only do they hold up half the sky, as Mao Zedong once said, they fulfill multiple roles as economic contributors to the family's income, whether within the home-based informal sector in food processing and textiles or as leading figures in the world of finance. They do this despite facing structural social biases and inequalities.

In China too, women have played an important role in the construction of their country, especially after they attained legal equality with men in the aftermath of the Communist-led conquest of China in 1949. They emerged as leading workers and professionals. However, under the Communists, land and all resources were nationalized and the category entrepreneur disappeared from the Chinese lexicon. They were dubbed the capitalist exploiters and designated as bad categories, marginalized and exiled under the permanent revolution unleashed by Mao in his dream to found a utopian socialist republic where every one was supposedly equal.

It is only after market reforms under Deng Xiaoping started in 1978 that China turned its back on socialist

economics and embraced the principles of a market economy. Within this new economic growth strategy, entrepreneurs especially within the SME sector, helped turn China into the manufacturing giant of the world, taking over the toy, textile and many other sectors. This is a tribute to the hardworking Chinese workers and it is here that entrepreneurs were to play a major role in making China into the second largest economy in the world at US\$ 11 trillion. It is also the largest trading partner of most countries in every continent, including USA with which it has an annual trade of more than US\$ 550 billion.

China's first entrepreneurs were to be found in China's Special Economic Zones built along its coastal regions from 1978 onwards. However, its first SME entrepreneurs were the peasants who started small scale manufacturing under the household responsibility system encouraged by the government where peasants could keep profits from the sale of their produce and leverage it into small scale investments. This led to the rise of China's small town and village enterprises, the Township and Village Enterprise (TVE) model that encouraged SME entrepreneurs to manufacture for the rural market and produce through small investments. Urban reform in the late 80's and 90's finally

unleashed the energy of China's entrepreneurs. Here too, women played a key role, contributing labour and their agricultural knowledge about cultivating flowers and tending fish in the nascent agri-business industries, before they were taken over by corporations.

The first entrepreneurs in urban areas, especially in the SME sectors, were laid off workers from privatizing state-owned enterprises. Many of them came together to form collective enterprises to manufacture as subsidiaries to multinational companies and for the general export market. Among this, women entrepreneurs played a significant role.

Like all entrepreneurs, women entrepreneurs too can be divided into those engaged in the informal sector and those engaged in the formal sector. If we define an entrepreneur as someone who organizes and creates opportunity for profitable businesses then female entrepreneurs account for one quarter of the total number of entrepreneurs in China. Although, like in India, women suffer from the patriarchal structures of 'son preference', nevertheless, things have changed radically in China today and women make up about 45% of the total employed population. In the 1950's they contributed

20% to household incomes whereas today they make up almost 50% of contributions.

According to a Forbes listing of the 14 women who earned 10 figure fortunes, half were from China. Several studies on China have shown that highly successful women generally tend to be from urban areas and have in the past worked for large state-owned enterprises, giving them necessary networking and management skills. They also retain close connections with the party. In fact, party policy has always impacted entrepreneurs and fears about changes ensure that this is still not a line that most university students would chose, preferring



instead to work for someone else. Chinese entrepreneurs were only allowed to enter the party in the 1990's and even now there numbers in the party, the source of power and all decision making in China, are small.

One major reason attributed to the rise of women entrepreneurs in China is of course China's one-child policy where women are not unduly burdened by the demands of constant child care. Help from grandparents is another major source of support where children are concerned. A one-child policy ensures one child with two sets of

grandparents. Women in China tend to dominate across the board and can be seen as heading most types of enterprises. According to China Daily, about 55% of new internet businesses are being founded by women.

However, this does not mean that women do not meet specific challenges that are tied to traditional attitudes of women's roles. For example, most studies show that access to finance is much harder for women than men. More women also find it difficult to take their business to the second stage, again because it is difficult for them to cut into male-dominated networks and connections. Most successful women also

seem to have family background or a well connected husband in the party.

Women within the informal sector tend to rely on family labour and eke out a moderate existence, much like women in the Indian informal sector. They dominate in small restaurants, food stalls, tailoring sectors and also in the hospitality industry over all. Areas such as providing home services, child care nannies etc also sees the dominance of women. Food processing and agri-business also attracts women entrepreneurs since these are closely linked to home industries. Like the Indian women's

pickles and papads, Chinese home-based food industry is thriving though it runs into issues of quality control.

The future of women entrepreneurs in China is closely linked to the future of all entrepreneurs in China and in turn dependent on government policy. China has still not been given a market economy status by India and USA for example, because a large part of their manufacturing and industrial sector is still state controlled and not completely market based. Thus Chinese entrepreneurs compete with their larger state-owned enterprises and lose out on access to credit and distribution networks. The Chinese government does provide help when possible, and this has been seen largely in the private sector namely, housing and construction sector, a largely male-dominated sector that today in in trouble with excess built-up areas.

Overall, the success of women entrepreneurs in China can be seen as the success of China's economic reform and the policy support by the government that sees business as playing an important part in the economic growth of China. The government should continue to encourage its women entrepreneurs by ensuring that they are not discriminated against due to traditional patriarchal ideologies that privilege men over women. Indian women entrepreneurs could learn and exchange valuable experience with their Chinese counterparts as both struggle against similar social structures and out dated attitudes towards women in the driving seat of business. However, yet both have shown that women can succeed handsomely at business. ■

# 2016 Members Seminar - A Report

The 2016 Member Seminar, the signature event organized by the World Trade Centers Association (WTCA), New York was held from October 16-18 in New York City. The Seminar drew 120 participants, of which 97 were World Trade Centre delegates who represented 67 World Trade Centers (WTCs) worldwide. This year's Members Seminar focused on strengthening WTCA network through knowledge sharing and business networking.

A team from World Trade Centre (WTC) Mumbai participated in the Seminar comprising Dr. Yadnya Pitale, Joint Director, Research and Knowledge Management, WTC Mumbai and Ms. Binal Gandhi, Assistant Director–Coordination, WTC Mumbai.

**Day 1 (October 16, 2016)** of the three-day Seminar commenced with welcome cocktails, where the member WTCs had the opportunity to reconnect and network with one another. At the cocktails, Mr. Rolf Draak, Interim Chief Executive Officer introduced Mr. Scott Ferguson, Chief Executive Officer, the newly appointee.



From (L-R): Ms. Estelle Leclercq, Regional Development Manager-Europe, Ms. Rina Consentino, President and Chief Executive Officer, WTC Basilicata, Mr. Freerk Faber, Director, WTC Twente, Ms. Lisa D'andrea, WTC Basilicata and Mr. Fausto Tedesco, WTC Basilicata at the welcome cocktails.

**The Day 2 (October 17, 2016)** began with Mr. Ferguson introducing the newly designed 'Member Activation Program' where participants received an overview of the WTCA global network and regional

updates from 2015, the real estate and trade service components of a WTC. He also highlighted WTCA's digital platforms such as WTC Reciprocity Desk and Offline to Online Platform (O2O), trademark protection and branding guidelines, and an update of the new certification program.

Ms. Michelle Song, Member Services Manager, WTCA informed the members about WTC Harbin, China and WTC Seoul, Korea. Mr. Martin Salloum informed about the salient features of a WTC – Brand, Network, Facility and Services.

Mr. Martin Salloum, Regional Development Manager-North America, WTCA explained the start-up phase of a WTC in four steps namely, vision, strategy, structure and resources. Study, analysis, utility, build and initiation are processes which need to be followed after commencement of a new WTC.

Mr. Carlos Ronderos, Regional Director-Latin America, WTCA detailed the real estate component of a WTC and mentioned that WTC is not just a building, but a concept and the WTC brand should be positioned accordingly.

Ms. Estelle LeClercq, Regional Development Manager-Europe, WTCA mentioned that the online WTC network is the main asset of any WTC and the network should be used for marketing events such as Futuralia, Centralia, Indialia etc.

Ms. Lindsay Kassof, Associate Counsel, WTCA spoke at the session on 'Trademark Protection and Branding Guidelines' which was informative and listed various brands with their market values. She also explained registered and unregistered trademarks.

Mr. Scott Wang, Vice President, Asia Pacific, WTCA gave a roundup on regional updates. He highlighted the remarkable increase in the number of WTCs in India from 5 in 2010 to 25 in 2016. He also briefed members on the importance of strengthening the visibility and team building image of WTCA among members and business associates.

Mr. Arun Manansingh, Chief Information Officer, WTCA shared information about the Digital Platform i.e. WTCA website, WTCA Newsletter, Infoshare and Reciprocity Desk.



From (L-R): Mr. Togbe Afede XIV, Executive Chairman, WTC Accra and Ms. Cristina Sbaizero, WTC Trieste

Ms. Natalie Rideau, Certification Manager, WTCA explained the grid of Certification and its three categories namely, basic, silver and blue certification.

**The Day 3 (October 18, 2016) was packed with various sessions.**

#### **Session on Value of a Brand in Real Estate**

The program began with a keynote address by Dr. Tom G. Geurts, FRICS who is an Associate Professor of Real Estate and Finance in the Department of Finance at The George Washington University in Washington D.C. and Honorary Professor of Real Estate at the Technical University of Berlin, Germany. He gave a brief idea on the real estate value of a WTC building and how the WTCA brand can enhance the value of the WTC building and its members. He further said that the value of a brand in real estate is very important and contributes to the success of the real estate business. WTCA should identify what it stands for, how the services rendered can vary according to cities and countries and how trade services along with the real estate value (WTC Buildings) can enhance the brand value of WTCA, New York.

#### **Session on Get out the Vote Rally**

Ms. Charlotte Gallogly, Chair, WTCA Nominations & Compensation Committee, WTCA and President, World Trade Center Miami informed the members about the rules and regulations to be followed for the forthcoming election of Board Members of WTCA, New York to be held March-April 2017. A total of 11 board seats will be filled in the election - with one or more open seats in each region. She also clarified other conditions to be fulfilled by a member WTC to apply for the nomination to the Board.

#### **Session on 48<sup>th</sup> WTCA General Assembly Invitation**

Mr. Chris Meyer, Vice President, Global Business Sales, WTC Las Vegas gave an overview of the upcoming 48<sup>th</sup> WTCA General Assembly to be hosted by WTC Las Vegas, Nevada from April 2-5, 2017. The program would highlight international commerce and investment opportunities that Las Vegas business offers.

The 3-day event, titled 'Connections for Global Opportunities' will emphasize on the following:

- Strengthening the WTCA Network through shared information on leadership, positioning, operations, and revenue generation.
- Identifying the best trade and investment opportunities in the region.
- Building and enhancing relationships among WTC representatives, as well as local business leaders, through dynamic networking forums and events.

High-powered WTC leaders, CEOs, property developers, economists, trade experts, and policymakers will fuel dialogue on a range of topics designed to boost global unity and cooperation.

#### **Session on WTC Innovations Exchange and WTC Showcase**

Seven WTCs were chosen to present this year for the WTC Innovations Exchange and WTC Showcase. The World Trade Centers showcased transferable solutions and programs currently being used that can be leveraged and adopted by other WTCs.

Ms. Karen Gerwitz and Mr. Sean Campbell, WTC Denver presented on 'Reimagining Global Business' highlighting the importance of reimagining global business and igniting Denver's international business development ecosystem through real estate. Further, they added that WTC Denver had selected a site and development team for a new global campus where they would continue to offer international trade services and host globally-themed events. Their goal through this new campus is to convene and support Colorado's international community via classes, events, connections and networking opportunities in one globally-focused space.

Mr. Evert Jan Schouwstra, WTC Leeuwarden presented on 'The Benefits of Sharing Knowledge' where he mentioned the benefits of sharing knowledge in the Global Network.

Mr. Ahmet and Mr. Okay, WTC Istanbul presented on 'Istanbul Expo Center'. They claimed that WTC Istanbul has the biggest exhibition center in Turkey along with its impeccable business towers, WOW hotels and convention center. Furthermore, WTC Istanbul plays an important role in Istanbul's businesses by organizing Business-to-Business (B2B) forums and efficient group trade missions.

Mr. Michael Smith, WTC Los Angeles (WTCALA) presented on 'Thought Leadership as Revenue'. He said that WTC Los Angeles provides business assistance to international companies seeking to locate or expand operations in Los Angeles, and also local companies seeking to export products and services to the international markets. WTC Los Angeles supports the development of international trade and business opportunities through business assistance, educational and matchmaking programs.

In support of its mission and goals, the WTCLA provides two major types of business assistance services:

- Foreign Direct Investment (FDI) Attraction Services - Assist international companies seeking to locate or expand their business operations in the Los Angeles region.
- Export Facilitation Services - Assist local companies seeking to export products or services to international markets.

Ms. Yadnya Pitale, WTC Mumbai provide detailed information on how the 'Global Economic Summit' (GES) event has provided a platform for knowledge sharing, B2B meetings and exhibitions. The GES event is the flagship event of WTC Mumbai and is well received world over.



Dr. Yadnya Pitale, Joint Director, Research and Knowledge Management, WTC Mumbai presenting on the WTC Mumbai's flagship event, Global Economic Summit at the Session on WTC Innovations Exchange and WTC Showcase

Mr. John West, WTC Orlando briefly outlined the benefits of 'Dartmouth College Partnership' with WTC Orlando. World Trade Center Orlando is a full-service facility specializing in member trade services and professional training programs.

Ms. Cristina Sbaizero, WTC Trieste presented on 'Commission Sharing Agreement' informing members how the referral model can be used to support international trade and generate revenue for WTCs. Also, WTC Trieste is specialized in providing warehouses and logistic services for importers and exporters all over the globe.

Each session was filled with a two-way Q&A, where members could ask the WTCA leadership, as well as their peers questions and seek clarifications on various issues.

**Session on WTCA update**

Mr. Scott Ferguson's WTCA Update focused on the Association's business plan for 2017 with 4 key points: Knowing our Members, Knowing our Markets, Building on a Sustainable Operation, and Protecting and Growing our Brand. He also gave an update of his activity within the first 120 days since he assumed office.

Besides, there were closing remarks by Mr. Scott Ferguson, along with his WTCA New York team which was followed by Round Table Discussion Groups which was open to all members.

**Round table Discussions**

The 2016 Member Seminar concluded with the Round Table Discussions. The Member-driven session featured WTC representatives from WTC Cyprus, WTC Lille, WTC Noida, WTC Northern California-Sacramento, and WTC Orlando who had the opportunity to participate in discussions on the following topics:

- Trade missions
- Events, trade shows and fairs
- New WTC projects and buildings
- Developing international business communities through digital platforms
- Running your WTC as a business.



# 'India Meets Tuscany - Conference 2016' - A Report



From (L-R): Mr. N. D. Mhatre, Director General, Indian Textiles Accessories and Machineries Manufacturer's Association (ITAMMA), Ms. Dolly H. Awati, Joint Director-Corporate Communication and Trade Promotion, World Trade Centre Mumbai, Mr. Anil Wadhwa, Ambassador of India in Italy, Mr. Lui Salvadori, President of Confindustria Florence, Mr. Lorenzo Perra, Council Member for Budget, Technological Innovation and European Funds at the Municipality of Florence, Mr. Rajiv Sinha, Additional Chief Secretary, MSME & Textile Department, Government of West Bengal.

The 'India Meets Tuscany Conference 2016' event was held from November 8-9, 2016 in Florence, Italy. The two-day event was organized by the Embassy of India in Rome, Italy in partnership with Confindustria Florence, the regional business chamber for Tuscany region. The event was well attended by Italian and Indian companies, regional business chambers and senior officials from the Embassy of India, Rome. The Indian side was represented by Mr. Rajiv Sinha, Additional Chief Secretary, MSME & Textile Department, Government of West Bengal with a delegation; Mr. N. D. Mhatre, Director General, Indian Textiles Accessories and Machineries Manufacturer's Association (ITAMMA), Dr. Prakash, Kondekar, Consultant Naturopath; Ms. Hajra Siddiqui, CEO, Natures Own and Ms. Dolly H. Awati, Joint Director-Corporate Communication and Trade Promotion, WTC Mumbai who also represented All India Association of Industries.

The event provided a platform to inform Italian companies of the opportunities in the Make in India initiative of the government of India especially in sectors such as mechanical engineering (electrical components, precision instruments, industrial machineries), life sciences (pharmaceuticals, bio-technology, medical devices) and fashion industries (leather & textiles).

At the conference, a high-level panel discussion representing Mr. Anil Wadhwa, Ambassador of India in Italy, Mr. Lui Salvadori, President of Confindustria Florence, Mr. Lorenzo Perra, Council Member for Budget, Technological Innovation and European Funds at the Municipality of Florence, Mr. Rajiv Sinha, Additional Chief Secretary, MSME & Textile Department, Government of West Bengal, Mr. Samarajit Purkayastha, Director, Bengal Chamber of Commerce and Industry, Mr. N. D. Mhatre, Director General, Indian Textiles Accessories and Machineries

Manufacturer's Association (ITAMMA), Dr. Prakash, Kondekar, Consultant Naturopath and Ms. Dolly H. Awati, Joint Director-Corporate Communication and Trade Promotion, World Trade Centre (WTC) Mumbai, made presentations.

On the first day (November 8, 2016) **Mr. Anil Wadhwa, Ambassador of India in Italy** presented the opening remarks. While briefing the delegation of the opportunities of the event, Mr. Wadhwa said that the initiative was aimed at providing operational information on business opportunities offered by India, and facilitate the industrial and commercial cooperation between Indian and Tuscan businesses. The objective was to discuss business and investment opportunities for Italian companies in India and also to explore possibilities of joint ventures and technology transfer between industries on both sides. Currently, India is Italy's fifth largest trading partner in the EU and there is large scope to increase bilateral trade relations between both countries. The balance of trade has been in India's favour since 1988. The volume of bilateral trade during 2015 has reached € 7351.83 million. The exports from India reached € 4001.08 million, with a decrease of -3.79% in comparison to 2014. However, during 2015, India's imports from Italy stood at € 3350.75 million, registering an increase of 10.20% compared to 2014. Thus, the balance of trade remains in India's favour (€+650.33 million).



Mr Wadhwa expressed hope in the advancement of trade, investment and educational and cultural ties between India and Italy through this event. He further added that future prospects for investment and trade were encouraging, as India is an emerging economic power in the world and an important economic partner in Asia.



Representing the Florence regional business chamber, **Mr. Lui Salvadori, President of Confindustria Florence** said that the bilateral relationship between India and Italy has grown over the years and has gained importance in the world. This progress is attributed to successive visionary leaders and people in both countries who tremendously contributed towards its growth. Both have demonstrated passion,

innovation and hard work which have deepened the relationship. Like India, Italy is home to a large number of SMEs who have carved a place for themselves in international markets due to their quality and branded products. Confindustria Tuscany within the Enterprise European Network is able to offer the region's SMEs and MSMEs the opportunities to develop partnerships at national and international levels for projects in the areas of innovation, technology transfer besides, a wide range of integrated tools to support these areas. He further added that the objectives of economic cooperation are to improve the position of both the countries in the global economy by diversifying and creating new opportunities in business and trade, which will enhance participation in decision-making at the international level and thus improve the standard of living.

**Mr. Lorenzo Perra, Council Member for Budget, Technological Innovation and European Funds at the Municipality of Florence**



highlighted the areas of collaboration particularly in developing the 'Rail Technology for India'. Indian and European rail stakeholders could benefit from Italy in terms of ideas, components, systems, services, laboratories as a result of the expertise, capacity to innovate and public-private investments in railway laboratories and technology excellence.



**Mr. Rajiv Sinha, Additional Chief Secretary, MSME & Textile Department, Government of West Bengal**

made a presentation on 'Bengal Business Global Summit' held from January 20-21, 2017 in West Bengal. The two-day conference delved in the opportunities available in the state to foreign

investors. Italian companies are invited to explore these opportunities in West Bengal. Mr. Sinha provided an overview of West Bengal's urbanization which is at a staggering rate (31.16%) as per 2011 West Bengal Census. The cities are the engines of growth, contributing around 60% of the state's overall GDP. It is 2<sup>nd</sup> largest state in India in terms of the number of MSME enterprises having 8% growth rate in 2014-15, owing to a total of 3.7 million enterprises with 8.6 million people employed in the MSME sector. The key areas for investment in West Bengal are the automotive industry, railway technologies and engineering goods wherein



the Italian industry would find these areas attractive for investments.



**Ms. Dolly Awati, Joint Director - Corporate Communication and Trade Promotion, World Trade Centre Mumbai** made a presentation on WTC Mumbai's flagship event 6<sup>th</sup> Global Economic Summit 2017 on 'Women's Empowerment: Entrepreneurship, Innovation and Capacity Building' being

jointly organized by World Trade Centre (WTC) Mumbai and All India Association of Industries, which will be held from March 27-29, 2017 at WTC Mumbai. She emphasized the need to engage more women in international trade. She added that the Summit would provide impetus to women across the world to network and identify the available business opportunities. The Summit will also impart skills required by women to conduct business on digital platforms. The Conference-cum-Exhibition would help connect decision and policy makers from India and overseas, apart from networking opportunities with women achievers and their success stories. The Summit is designed to help women entrepreneurs gain knowledge of the potential of world markets and how they can connect to them, thereby adding to world trade. Ms. Awati solicited Italian participation to the Summit. Ms. Awati also sought the participation of the Embassy of India in Italy in supporting the event by seeking participation from the regional business chambers in Italy.

**Round table Sessions**

Thereafter, round table sessions were held where discussion on sectors such as mechanical engineering, fashion and life sciences providing opportunity to Italian entrepreneurs and Indian delegates to briefly



Delegates at the India Meets Tuscany Conference 2016

present their company interests and interact with their counterparts and other participants.

**Mr. N. D. Mhatre, Director General, Indian Textiles Accessories and Machineries Manufacturer's Association (ITAMMA)** spoke at the round



table session emphasizing the major role played by the textile industry in the Indian economy contributing to 14% of industrial production and 4% to GDP. He explained the vision and action plan 2024-25 of the government of India for the textile industry and apparel sector which has set a target to achieve exports of US \$ 300 billion, attracting investments over US \$ 2000 million comprising 20% share of global trade. He further added that in the realm of Indian fashion, designers are constantly innovating and changing trends in fashion designing, thereby creating bigger markets for manufacturers and consumers.



**Dr. Prakash, Kondekar, Consultant Naturopath**

participated in the round table on life sciences. He highlighted the big opportunities in an expanding market such as Italy. The Italian market is also characteristic of an expanding Fast Moving Consumer Goods (FMCG) which is also true for the Indian Industry

as well. He explained this by highlighting that currently the FMCG Industry was worth US\$ 13.1 billion and it is the 4<sup>th</sup> largest in the Indian Economy. These products have very fast turnaround rates in the present economic scenario, therefore FMCG companies have to be very fast in manufacturing and supplying these goods.

In conclusion, India and Italy can look forward to further investments and collaborative efforts through the following ways:

- Direct investment for developing sector-specific or multiproduct industrial parks and clusters and logistic hub or in joint venture with Indian partners or state agencies
- Establishment of manufacturing units in land earmarked for industries, either directly or in joint venture; investment in allied industries

- Collaboration for technology sharing focusing on lean manufacturing and export
- Establishment of contemporary design centers in tie up with specialized institutes
- Fostering export market linkages, marketing heritage and handcrafted products of India under the Make in India initiative.
- Skill development in specialized areas.

The evening was marked by 'Indian Evening' which was organised by the Embassy of India, Rome, Italy. Dr. Dario Nardella, Mayor of Florence and Mr. Anil Wadhwa, Ambassador of India were present at the function. The function was an enthralling classical



Indian performance by the Indian students studying in Florence on the theme 'Shiv – Shakti', followed by a short film on India. Thereafter a dinner reception was arranged providing ample opportunity to the delegation members to connect with the Tuscan Business Chamber.

On day 2 (November 9, 2016), a factory visit to Stefano Ricci (SR) in Florence, Italy was organized for the delegation providing first-hand experience of the working of an Italian factory which also allowed networking opportunities with factory officials. They were presented with an overview of the factory. Since 1972, Stefano Ricci has been well known for luxury menswear and lifestyle goods. It broadly manufactures sartorial handcrafted menswear and exquisite luxury home interiors design. Known for its 100% Made in Italy craftsmanship, the Florentine Maison (as it is known) offers the highest quality in made-to-measure Italian tailoring. It also embodies elegance with the SR HOME Collection and Bespoke Interiors, conveying the idea of living in a perfect equilibrium of pure lines, precious fabrics and timeless design, led by the search for excellence.



The factory entrance of 'Stefano Ricci' in Florence, Italy.



Ms. Dolly Awati, Joint Director-Corporate Communication and Trade Promotion, World Trade Centre (right) in a meeting with Mr. Salvatore Papale, Director Sales, Stefano Ricci (left).

**Mr. Salvatore Papale, Director Sales, Stefano Ricci**

who was instrumental in organising the factory visit informed the delegates of the high-end luxury men's wear Italian brand Stefano Ricci (SR) which opened its first store in India at 'The Taj Mahal Palace Apollo Bunder' Hotel in Mumbai recently. It further has plans for another retail outlet in Delhi. He was provided information and given an introduction on the 6<sup>th</sup> Global Economic Summit 2017 on Women's Empowerment, to which he said that Stefano Ricci was having more than 45% of women employees working in various departments at all levels in the factory outlet. Besides, a large number of women employees were posted at their stores and showrooms around the world.



## Trade Promotional Activities Held This Quarter

### 6<sup>th</sup> Dr. M. Visvesvaraya Memorial Lecture and WTCA Award of Honour Presentation



From (L-R): Mr. Sharad Upasani, Vice Chairman, WTC Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Hon'ble Mr. Vinod Shridhar Tawde, Minister for School Education, Sports and Youth Welfare Higher and Technical Education, Marathi Bhasha, Cultural Affairs, Minorities Development and Wakf, Hon'ble Mr. M. Hamid Ansari, Vice President of India, Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development, Mr. Kamal Morarka, Chairman, WTC Mumbai, Mr. Ghazi Abu Nahl, Chairman, World Trade Centers Association, New York, Capt. Somesh Batra, Vice Chairman, WTC Mumbai and Mr. Y. R. Warekar, Executive Director, WTC Mumbai.

World Trade Centre (WTC) Mumbai organized its 6<sup>th</sup> Dr. M. Visvesvaraya Memorial Lecture and WTCA Award of Honour. The Hon'ble Mr. M. Hamid Ansari, Vice President of India was the Chief Guest and delivered the Memorial Lecture on 'Enhancing Indian Productivity: Role of Global Standards.

The text of the speech delivered by the Hon'ble Mr. M. Hamid Ansari is as follows:

It is an honour to be here to deliver the 6<sup>th</sup> Dr. M. Visvesvaraya Memorial Lecture. I thank the organizers for inviting me here today.

Dr. M. Visvesvaraya was an engineering genius. The Block System and the automatic doors which he invented to stop wasteful overflow of water from dams and the water supply and drainage system which he planned for the city of Aden, won high praise from engineers all over the world. The Krishnarajasagara Dam and the various industrial units set up in Mysore under his supervision are a testament not only to his engineering acumen but also to his foresight and the desire to see India become a modern, industrialized economy. He believed in hard work and perfection and had he been here today, his advice would be to innovate, excel and create things that were world class.

It is apt that this Lecture is being hosted in the World

Trade Centre in Mumbai, India's economic powerhouse and the august audience includes many of our captains of industry. World trade has been a driver of human growth since time immemorial and has always adapted itself to changing requirements.

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The major challenges presently facing our economy include an increasing trade deficit, and the need to generate employment for millions of youth joining the workforce.

We are recognized for our services sector that contributes more than 60% to India's GDP. It, however, does not account for as many jobs- contributing only 15% of employment. Growth in manufacturing can be a possible long term solution to meet the twin challenges of an increasing trade deficit and the need to generate employment for millions of youth joining our workforce. In other words; manufacturing sector growth can be the 'tipping point' for increasing the GDP growth in India.

Indian manufacturing, however, needs to improve in terms of productivity and efficiency to compete in a globalized market. According to the Asian Productivity Organization's (APO) Productivity Database 2014, average Total Factor Productivity (TFP) growth in India rose from 2.0% in 2000-05 to 4.7% during 2005-10, but fell to 0.9% in the following two years. During 2010-12, TFP

contributed 11% to GDP growth in India. By comparison, its share in China's GDP growth was 26%.

There is no dearth of human resources and technical competence in our country. The Government has rolled out policies and regulations, including the flagship 'Make in India', to encourage manufacturing in India. Of course, there are no silver bullets and one policy measure cannot change the dynamics of the sector and make India the most desirable place to manufacture for any particular sector.

In order to enhance the productivity and quality of Indian manufacturing to make it more competitive in international arena, observers have emphasized the need for early adoption of global standards in conjunction with other measures.

### III

In his book 'The Lexus and the Olive Tree', economist Thomas Friedman states that globalization is "the one big thing people should focus on. Globalization is not the only thing influencing events in the world today, but to the extent there is a North Star and a worldwide shaping force, it is this system."

Technology has been a principal driver of globalization. Advances in information technology, in particular, have 'dramatically transformed and given all sorts of individual economic actors-consumers, investors, businesses-valuable new tools for identifying and pursuing economic opportunities, including faster and more informed analyses of economic trends around the world, easy transfers of assets, and collaboration with far-flung partners'. 'If 'Economic globalization is a process, the result of human innovation and technological progress... and the movement of knowledge and technology across international borders, then international technical standards are at the very core of this process'.<sup>2</sup>

Global Standards are becoming an increasingly important factor in our way of life, ensuring the safety and quality of products and services, facilitating international trade and improving the environment in which we live in. They govern the design, operation, manufacture, and use of nearly everything that mankind produces. There are standards to protect the environment and human health and safety, accounting and to mediate in commercial transactions. Other standards ensure that different products are compatible when linked together. There are even standards of

acceptable behaviour within a society. Most standards generally go unnoticed as they are mostly quiet, unseen forces, such as specifications, regulations, and protocols that ensure that things work properly, interactively, and responsibly<sup>3</sup>.

The existence of standardized and harmonized commercial laws provides certainty and predictability for international business. Countries desiring to participate in international business need to be prepared to adopt standards, conventions and model laws that the major trading nations have already implemented as part of their law. The adoption of such uniform laws creates an enabling environment to facilitate international trade and investment.

The global technology standard has become the source of a core competitive edge for industrial development. Whoever controls the power of standard making and has its technology as the leading standard, commands the initiative of the market. Joe Bhatia, President of the American National Standards Institute, estimated in 2011 that standards directly affected at least 80% of the international merchandise trade, worth about \$ 13 trillion<sup>4</sup>.

Reasons for adopting global standards are compelling. These include:

1. Standards can be strategic tools for companies to ensure that business operations are efficient, increase productivity and access new markets.
2. Standards help businesses cut costs-through improved systems and processes; increase customer satisfaction-through improved safety, quality and processes; and allow access to new markets-by ensuring the compatibility of products and services.
3. Standards can help reduce the impact of production and consumption on the environment.
4. Conformity to standards helps reassure consumers that products, systems and organizations are safe, reliable and good for the environment, which impacts demand.
5. Numerous studies<sup>5</sup> have shown that standards boost business and economies. In the UK, for example, standards account for an \$8.2bn annual growth in GDP while in Canada, the adoption of global standards has injected over \$91bn into the economy since 1981.
6. Global Standards draw on international expertise and experience and are therefore a vital resource for governments when developing public policy. National governments can use these standards to support public policy.

<sup>1</sup> Donald Purcell, Gary Kushnier, "Globalization and Standardization" March/April 2016 issue of Standards Engineering, The Journal of SES – The Society for Standards Professionals, 2016

<sup>2</sup> International Monetary Fund, 2000, "Globalization: Threat or Opportunity?"

<sup>3</sup> Global Standards – Building Blocks for the Future, Report to US Congress, Office of Technology Assessment, March 1992

<sup>4</sup> Written testimony by ANSI presented before the US House of Representatives Committee on Science, Space and Technology, February 29, 2012

<sup>5</sup> <http://www.iso.org/iso/home/standards/benefitsstandards.htm>

7. Integrating of Standards into national regulation ensures that requirements for imports and exports are the same the world over, therefore facilitating the movement of goods, services and technologies from country to country.

8. These Standards play an important role in the diffusion of knowledge. They not only support globalization, they also support the technological progress in developing and emerging markets. They can help businesses all around the world to reach a level playing field and get their share of economic success.

#### IV

Yet the adoption of these Global Standards is not without concerns. If standards control access to markets, and directly affect world trade, at least two key issues need to be considered:

- Among the most important issues are global competition and who controls the global standardization process. An examination of the so-called global standard institutions (GSIs) reveals that they are not truly 'global' but are specific to a few developed countries.
- Since standards are typically developed by various groups or committees in the private and public sectors, it is difficult to discern who was sitting at the table during development of a particular standard, and whose interest did the participants represent.

The global standardization process, therefore, needs to become much more transparent so that interested parties can better understand the potential competitive effects of particular standards.

#### V

The development of complex technology standards requires a multi-disciplinary set of skills and experience. Today's world is heavily dominated by engineering, science, and technology issues; and without an enabling eco-system it is not possible to participate in a standardization process. Effective participation in standardization projects requires a multi-disciplinary view that includes business, commerce, trade, and public policy issues such as health, safety, environment, energy, sustainability, ethics, and an assessment of potential legal risks, in addition to engineering, scientific and technology skills. In short, participation in global standardization projects requires considerable preparation.

Given that these technology standards are the essential building blocks by which a nation can develop and maintain a competitive national economy, the challenge is to develop the capacity to not only meet the

requirements of international standards but to create and set standards that become global in their influence.

We need to be more active in the global standards setting forums and adopt these standards. Adoption of global standards will improve our productivity and enable Indian companies to access the global export market. As the software industry has shown, growth of an industry often first comes from the export market, this can be replicated in manufacturing as well. The export market is also, generally, more profitable and growth in exports will reduce the trade deficit.

Even where we employ country specific standards, we must ensure that these equal or better the existing international ones; otherwise we would only be discouraging innovation, and offering to our domestic market, products and technologies that are inferior.

The basic question is whether individuals, companies, and governments are prepared to participate in the complex, multi-disciplinary world of global standardization. Competition in this field can be brutal if adequate preparation is lacking. Our industry needs to prepare better and in the process expand its global reach.

Jai Hind.

During the event, Hon'ble Mr. Ansari presented the WTCA Award of Honour on Mrs. Rajashree Birla, Chairperson, Aditya Birla Centre for Community Initiatives and Rural Development.

Mrs. Birla, while delivering her award acceptance speech, said, "I believe that we truly practice compassionate capitalism. Service to society is at the very heart of our value system. We are fully committed to inclusive growth and we are in sync with Prime Minister Mr. Modi's vision of India. In order to bridge the skill gap in India, we have planned six vocational Educational Centres in Raipur, Udaipur, Nagpur, Vadodara, Kanpur and Bhopal. Only if all of us work together – corporate, individuals, academia and the government, we will be able to resolve the problems of poverty".

Mr. Ghazi Abu Nahl, Chairman, World Trade Centers Association, said, "World Trade Centre Mumbai is a pioneer (in India) in linking Indian business community with the network of 330 World Trade Centers across the world. World Trade Centers Association is committed to create more jobs, enhance investment and improve the competitiveness of the Indian economy."

Mr. Kamal M. Morarka, Chairman, World Trade Centre Mumbai said, "World Trade Centre Mumbai is commit-

ted to the vision of Dr. M. Visvesvaraya to promote India's international trade and support innovation in industry. World Trade Centre Mumbai must grow trade with exchange of information and this would enhance competitiveness."

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, said, "We express our gratitude to Hon'ble Mr. M. Hamid Ansari, Vice President of India for delivering the memorial address. We also thank Mr. Nahl for honouring us by attending this event. We hope the

Indian industry adopts the global standards for products and services thereby improving its competitiveness in the international market."

**The 6<sup>th</sup> Dr. M. Visvesvaraya Memorial Lecture and WTCA Award of Honour presentation was held at the World Trade Centre Mumbai on December 27, 2016.**

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## India and Brazil Rediscover Economic Ties

As part of the 8<sup>th</sup> BRICS Summit held in Goa, a Brazilian delegation to Mumbai visited the World Trade Centre Mumbai to explore new vistas for trade, commerce and investment with the local business and trading communities. An International Business Round Table was held in their honour which included business-to-business meetings, organized by World Trade Centre (WTC) Mumbai, All India Association of Industries, ApexBrasil and Ministry of Foreign Affairs Brazil.

Ms. Rosimar da Silva Suzano, Consul General, Consulate General of Brazil in Mumbai who facilitated the event said, "Market opportunities exist in the areas of food and drinks (coffee, tea, fruits, cocoa, and confectionary products), home and building (woods), machinery and equipment (vehicles and auto parts), mineral products and chemicals in Brazil. Brazil has recently launched a new infrastructure program, 'Crescer' (meaning 'grow') which will focus on concession, privatisation and public-private partnerships. Brazil and India should rather look for complementarities and synergies between their respective markets and mind-sets in order to increase and upgrade their business potential".

Introducing the Maharashtra Industrial Development Corporation (MIDC), Mr. Gajanan Patil, General Manager-Marketing said, "MIDC is the largest industrial development corporation in India having 264 industrial parks and approximately 73,000 hectares of land. Maharashtra attracts 29 percent (1/3rd) of the FDI that flow into India and accounts for a total of 14 percent of India's GDP".

With fiscal and non-fiscal incentives provided by MIDC and with progressive initiatives aimed at improving business environment, mega and ultra mega projects are being set up with the support of MAITRI, a single-window clearing system.



From (L-R): Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Ms. Rosimar da Silva Suzano, Consul General, Consulate General of Brazil in Mumbai and Ms. Lara Gurgel, Trade Promotion Division, Apex-Brasil.

Ms. Lara Gurgel, representing Apex-Brasil, the trade promotion agency in Brazil, said that Apex-Brasil supported 80 sectors of the Brazil economy, agriculture being one of the main sectors. The main objective of the trade investment agency is to provide exchange of information between countries through the support of the local facilitators such as the consulate and local trade promotion bodies.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and President, All India Association of Industries said, "India and Brazil share a special

relationship and tremendous opportunities lie between them especially in natural resources, besides traditional areas such as agriculture, food processing, oil & gas, mining, textile, spinning etc. With the successful conclusion of the 8<sup>th</sup> BRICS Summit in Goa, member countries should work towards the success of BRICS. Rather than taking the whole spectrum of sectors we should focus on five major areas of collaboration. One such sector is technology which

India requires and can be fulfilled through collaborative efforts with Brazil. We are a consumer market and Brazil must explore various business and trade opportunities with India, Mr. Kalantri stressed.

**The international business round table was held at the World Trade Centre Mumbai on October 18, 2016.**

## India and Mexico Explore Commercial Ties

Mr. Rodrigo Blanco, Director of ProMexico, a leading Trade and Investment Promotion Agency in Mexico, addressed an interactive meeting at the World Trade Centre Mumbai. Mr. Blanco said, "Mexico is the fourth largest trading partner for India from Latin America with a bilateral trade volume of \$6.1 billion per annum. India is the biggest exporter of automobiles and auto components and India's export to Mexico is over USD 3.7 billion. There is tremendous scope for Mexico to become the leading trade partner of India in Latin America as both countries have huge potential for collaboration in automobiles, auto components, pharmaceuticals, information technology, infrastructure, renewable energy, and downstream sectors of petroleum products", stated Blanco.

Mexico offers ample opportunities for investments as the rules and regulations in this country are more

favourable for investors, Mr. Blanco added by informing that investment from India to Mexico is over USD 3 billion and from Mexico to India is USD 800 million. There are various sectors that are unexplored and there are tremendous opportunities for investment in Mexico; Mexico can be used as a hub for exports to other Latin American countries from here.

Mr. Esteban Puente Bustindui, Commercial Director of World Trade Centre San Luis Potosi, Mexico while, speaking on the occasion, said that India is the largest exporter of automobile and auto-components, electrical goods and also textile, pharmaceutical and other products to Mexico and there is great opportunity for investment by Indian companies there. Already, Indian companies such as J.K. Tyres, TCS, Motherson Group, Rane Group have a presence in Mexico and more Indian companies are expected to invest.



From (L-R): Mr. Rodrigo Blanco, Director, ProMexico, Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and Mr. Esteban Puente Bustindui, Commercial Director, World Trade Centre, San Luis Potosi, Mexico.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai said, "India and Mexico enjoy excellent trade relationship and there is tremendous opportunity for commercial collaboration in various unexplored sectors between both countries. Especially industries that consume more power can enjoy energy at cheaper rates and other benefits by setting up plants in Mexico. There is huge potential for trade and investment in various sectors between both countries, but proximity and transfer of freight between them are the hindrances; but setting up a manufacturing plant in Mexico for export to other Latin American countries and even to USA can be explored".

**The interactive meeting was held at the World Trade Centre Mumbai on November 4, 2016.**

## Chinese Home Decor Firms Eye Indian Opportunities

Ms. Zhang XiaoHong, Deputy Mayor of Nan'an Municipal Government, along with a delegation comprising top officials from China Council for the Promotion of International Trade, Nan'an Sub-council (CCPIT), The Foreign Affairs Office of Nan'an Municipal Government, and companies from the home furnishing and building materials industry of Nan'an to India visited the World Trade Centre Mumbai to explore business opportunities, especially against the backdrop of India's Smart Cities Project, on November 16, 2016. A meeting was held in her honour.

Ms. XiaoHong said, "Nan'an, in the Fujian province is interested to invest in India in the home furnishing and building materials sector. Nan'an has advanced industrial clusters that produce various types of ceramic products, plumbing, kitchenware and bathware products, furniture, electronic security products, door, window, and other building products. Nan'an is the only county-level city in China to have chambers of commerce across all provinces in the country".

Mr. Zhang further remarked that exports and imports from Nan'an have been growing significantly with the assistance of World Trade Centres across the world. She raised hope that World Trade Centre Mumbai would facilitate trade and investment ties between Nan'an and Mumbai.

Mr. Vijay Kalantri, Vice Chairman of World Trade Centre Mumbai said, "China is the largest trade partner of India with a bilateral trade volume of around USD 70 billion currently. There is further scope for expansion in the trade volume between both the countries across various sectors such as automobile, heavy machinery, construction materials and so on. Chinese



Exchange of a signed Memorandum of Understanding between Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (right) and Ms. Zhang XiaoHong, Deputy Mayor of Nan'an Municipal Government (left). Seen in the background are members of the delegation.

manufacturers must consider setting up manufacturing facilities in India as the Indian government is improving the ease of doing business for foreign and domestic investors. Also, the Indian government's ambitious programmes such as Make in India, Smart Cities, Digital India provide ample business opportunity for Chinese businessmen. Today, India is the fastest growing economy in the world with the annual growth in GDP of 7.5%".

During the event, World Trade Centre Mumbai and The People's Government of Nan'An City, Fujian Province signed a memorandum of understanding for exchange of trade information, delegation and promotion of investment between both countries.

**The meeting was held at the World Trade Centre Mumbai on November 16, 2016.**

## WTC Atlanta Official Visits WTC Mumbai

Mr. Sam Tandon, International Trade Services VP, World Trade Center Atlanta was on a visit to the World Trade Centre Mumbai. He met key functionaries of WTC Mumbai and had in-depth discussions on further strengthening relations with them and to also seek new international trade promotion opportunities.

**The visit was held on November 18, 2016.**



Mr. Y. R. Warkerkar, Executive Director, World Trade Centre Mumbai (left) felicitating Mr. Sam Tandon, International Trade Services VP, World Trade Center Atlanta (right) with a memento.



## Mauritius to Enhance Economic Ties with India

A luncheon meeting was held in honour of Mauritius Prime Minister Sir Anerood Jugnauth, which was organized by All India Association of Industries (AIAI) in association with Indo-Mauritius Chamber of Commerce and World Trade Centre, Mumbai on November 20, 2016. Mr. Jugnauth said, "The relations between India and Mauritius have always been very strong and I see no reason that it will be otherwise. It will be very strong and we are doing everything to make it stronger".

Foreign investment from Mauritius comprises around 33 per cent of overall foreign investment into India since 2000 and in FY 2016, it was 21 per cent. The foreign funds owned over 28 per cent in the Sensex and Nifty stocks.



Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (right) shaking hands with Sir Anerood Jugnauth, Mauritius Prime Minister (left).

In May 2016, both the countries signed a protocol to amend the above mentioned convention. According to the protocol, India would be taxing capital gains arising from sale or transfer of shares acquired on or after April 1, 2017. The protocol protects investments in shares acquired before April 1, 2017 and existing investments made before April 1, 2017 have been grandfathered

and will not be subject to capital gains taxation, Mr. Jugnauth informed. In spite of the tax treaty, Mauritius is hopeful of remaining the largest source of foreign Investments into India, Mr. Jugnauth stressed.

Mr. Jugnauth further said, "We are still negotiating to have a new treaty in place. The old treaty was obviously beneficial to us and since it is not there, we are losing the benefit that we were making."

Mr. Jugnauth further informed that his government was offering various incentives to promote the film industry, as the country has all the infrastructure and it is one of the best locations for producing films.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai and President, All India Association of Industries (AIAI) in his address, mentioned various fiscal incentives including tax holidays given by the Mauritius government to attract global corporation, promote film industry, support SME Sector, and encourage export of pharmaceutical products to African markets.

Mr. Kalantri informed that Mauritius also envisages to develop its gold sector in which India already has enough capabilities in terms of designs and workmanship. This will encompass a wide spectrum of high value-added activities, ranging from refinery of gold, producing gold bars, setting up top end jewelry processing units, vault facilities and trading of gold and bullions on the new commodity exchange. The exchange is also supposed to facilitate trade in diamond and other precious metals.

In the automotive sector, Indian Delegates have already visited Mauritius and expressed interest in setting up several manufacturing projects in the country, one of which is the production of bicycles and motorcycles. This project aims mainly at exports to the African market and has the potential for creating a significant number of jobs, Mr. Kalantri added.

**The luncheon meeting was held at Hotel Taj Lands End in Mumbai on November 20, 2016.**

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## EU Delegation Keen to Partner with Indian Firms

Mr. Vijay Goel, Founder, Indo European Business Forum (IEBF) led a high-level delegation comprising 27 delegates representing businesses from UK, Lithuania, Italy and Greece to India with the intention to promote trade. He addressed the members of All India Association of Industries (AIAI), Bombay Stock Exchange (BSE) and World Trade Centre. Mr. Goel said, "The Indo European Business Forum is a free meeting place for business leaders and professionals to connect, network and share knowledge relating to doing business in India and the EU. IEBF has taken a big step forward in the direction of achieving its mission by opening an India chapter. The India chapter would further synergize with efforts of the UK office in order to take its activities to even greater heights.

He added that the aim and objective of this mission is to provide a platform to share knowledge, experience and opinions related to doing business in India and EU. It would also enable sharing of information related to resources available on print media especially of doing business in India and EU.

Mr. Ashish Chauhan, Managing Director & Chief Executive Officer, Bombay Stock Exchange said that, "Bombay Stock Exchange Ltd. (BSE) is Asia's first and fastest stock exchange in the world with the speed of 6 micro seconds and on the India's leading exchange groups. Over the past 140 years, BSE has facilitated growth of the Indian corporate sector by providing it an efficient capital raising platform. Popularly known as BSE, the bourse was established as 'The Native Share & Stock Brokers' Association' in 1875".

He further added that, more than 5500 companies are listed on BSE making it world's No.1 exchange in terms of listed companies. The companies listed on BSE command a total market capitalization of USD 1.64 trillion as of September 2015. BSE has won several awards and recognition that acknowledge the work done and progress made. Its recent milestones include the launching of BRICSMART indices derivatives, BSE-



Mr. Ashish Chauhan, Managing Director & Chief Executive Officer, BSE (centre) offering a memento to Mr. Vijay Goel, Founder, IEBF (left). Looking on is Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai.

SME Exchange platform, S&P BSE GREENEX to promote investments in Green India.

It is traded internationally on EUREX as well as leading exchanges of BRCS nations (Brazil, Russia, China and South Africa), Mr. Chauhan added.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai said that, "We should look at some focus sectors to promote trade between UK and European countries for better results. One should not just focus on Europe and UK as major investors to India, but we need to concentrate on technology transfers, promote joint ventures and increase import-export among UK and European countries".

**The networking reception was held at the BSE International Convention Hall, Mumbai on November 21, 2016.**

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## Indian Consumers Explore Taiwanese Products

Mr. Michael Lin, Director, Taipei World Trade Center (TWTC) Liaison Office in Mumbai, a sister concern of TAITRA, spoke at an interactive session jointly organized with the World Trade Centre Mumbai on Taiwan Product Centre and Machinery Alliance. He said, "Bilateral trade between India and Taiwan stands at USD 4.78 billion as of 2015-16 and there is

tremendous potential to enhance this trade volume in the coming years given the Taiwanese government's 'New Southbound Policy'. This policy aims to strengthen Taiwan's economic co-operation with southeast Asian countries such as India. In a step towards improving the trade and investment relationship with India, Taiwan External Trade Development Council (TAITRA), a

leading non-profit trade promotion organization in Taiwan, has launched Taiwan Product Center (TPC). TPC promotes consumer and industrial products of Taiwan in India”.

During the event, officials from TPC introduced products of 10 different Taiwanese companies and explained their key features. Taiwanese companies such as Rekrow Industrial Inc, Rich Sphere Precision Industry Co Ltd, KMC Chain Industrial Co. Ltd., Densmart Dental Co. Ltd, MERITS Healthcare Products Co. Ltd., Kaltis International Co. Ltd, Magtech Magnetic Products Corp, Shihlin Electric & Engineering Corp showcased their products. The exhibited products ranged from switchgear systems used in



Mr. Sanjay Khatwani, Project Manager, Taiwan Product Center (right) explaining key features of Taiwanese products to a visitor.

industries, electric scooters, ultra low temperature freezer for preserving blood, bathroom accessories and kitchenware, wheelchairs used by disabled people, bicycle and motorcycle chains, magnets etc.

The event was attended by officials of Taiwan Product Center, World Trade Centre Mumbai, dealers of industrial goods, industrial consumers, healthcare professionals and business consultancy organizations.

**The interactive session was held at World Trade Centre Mumbai on November 25, 2016.**



## Tremendous Opportunities in Iceland Await India

An interactive meeting was held in honour of H.E. Mr. Thorir Ibsen, Ambassador of Iceland to India which was jointly organized by World Trade Centre Mumbai and All India Association of Industries. He stated that business relations with India have been growing over the years, however the volume of trade in goods is only

US\$ 29 million. Both countries have the highest economic growth in their respective regions, 4.2% in Iceland and 7.3% in India.

He stressed on the ample business opportunities in the emerging business sectors and export industries which include renewable energy, food processing technologies, biotechnology, environmental technologies, lifestyle products, IT/Gaming/Apps, health-related technologies, tourism and film production. The natural economy including fisheries contributes to nearly 1/3rd of the country’s revenue, Mr. Ibsen informed.

His Excellency informed that Iceland is very scenic and an excellent location for filming. A number of high profile Hollywood and Bollywood movies have been shot in Iceland like the Bond movies, Star Trek, Star Wars, Oblivion and the famous song sequence Geruaa from Dilwale.

Iceland is rich in renewable energy contributing to nearly 90% of hydro and thermal power. Besides, geothermal water is in abundance and is used for many purposes such as heating, spas, melting of snow and in nutrient supplements.

H. E Mr. Ibsen also informed that Iceland is an open market economy with an EU legislative framework inclusive of Schengen but is not part of the EU political



From (L-R) Mr. Gul Kripalani, Consul General (Vice Dean - Hon Consuls), Consulate General of the Republic of Iceland, Mumbai, Ms. Rupa Naik, World Trade Centre Mumbai and H.E. Mr. Thorir Ibsen, Ambassador of Iceland to India.

region. The country has good infrastructure and a rich young and well-educated population.

Iceland offers a favourable business environment with low corporate tax of 20 per cent and availability of land and industrial sites at competitive rates and long-term contracts. Further, he informed that the country has a favourable global business location and bridges two of the world's strongest markets, namely, USA and EU. Iceland offers access to EU single market with population of 500 million and has free trade agreements with 38 countries, with negotiations underway with 8 more countries, including India. His Excellency emphasized that Iceland is strategically well located for the future sea route over the North-Pole and

through the North-East Passage linking Europe and Asia with the shortest shipping route

Ms Rupa Naik, Director-Projects, World Trade Centre Mumbai said that there are immense opportunities for co-operation between Iceland and India. Though both countries share a very cordial and long relationship there are still many areas that remain unexplored and we can further co-operate in sectors such as food, IT, entertainment, garments and hi tech sectors such as biotechnology, food processing and renewable energy.

**The interactive meeting was held at the All India Association of Industries on November 25, 2016.**

## Workshop to Sensitize Export Potential of Khawa Cluster

World Trade Centre Mumbai organized a workshop on Export Promotion at the Khawa Cluster Bhoom in District Osmanabad at the request of Directorate of Industries (Cluster), Government of Maharashtra. The Bhoom Taluka is a major milk producer in the Marathwada region. Milk produced in the Bhoom Taluka was previously sold in markets through the Sahakari Sansthas. Due to transportation issues, coupled by the poor price for milk, the farmers decided not to sell the milk, but to make it into 'Khawa' (Milk Solids) which would supplement their income. It is now a major source of income for the farmers.

Khawa Cluster Bhoom is a cluster established under the Government of Maharashtra's Micro Small Enterprises – Cluster Development Programme (MSE-CDP). It is managed by a Special Purpose Vehicle (SPV) namely, Nirmal Milk Products Association, Bhoom.

Presently, the cluster has the capacity of processing 5 lakh liters per day of milk. Once the cluster's common facilities centre (CFC) start operating, the chilling plant will operate at -16 degree centigrade which can keep the Khawa's original flavor unchanged for around 9 months.

Under this background, the workshop highlighted the various areas of improvement and enhancement of the product, besides product promotion and business strategies. In this context, Mr. Virendra Gupte, faculty at World Trade Centre Mumbai and Advisor-Tata International highlighted the importance of a cluster and how it can add value to the products, in this case, 'Khawa' which is manufactured in small quantities across the region and how it can be marketed. Mr. Gupte asserted that it is important to plan an organization set up including its vision, which would



Mr. Vinod Jogdand, Chairman, Khawa Cluster addressing the participants of the workshop. Seated from (L-R): Mr. Rambhau Jogdand - Director, Khawa Cluster, Mr. A. O. Kuruvila, Advisor-World Trade Centre Mumbai and Mr. Vrendra Gupte, Faculty at World Trade Centre Mumbai and Mr. Javalikar, Directorate of Industries (Cluster), Osmanabad.

include strategies in tapping both domestic and international markets. The plan would also include identifying existing suppliers and their products, assessing the potential of Khawa products, type of products being offered by competitors, impact of the product on health etc. Further, decision to export the product as raw material or make a value addition to the product would depend on the incentives being offered. Pooling of raw material would increase the bargain power, creating a model like Amul milk federation, Mr. Gupte added.

Mr. Gupte further pointed out that the additional protein content which Khawa has, can be its USP which will help to create a brand image. Since Khawa cluster is to operate on Solar Power, this is a plus point for marketing, giving rise and availing incentives from the government under environment protection. He also

mentioned about a better understanding of the government schemes such as product and market development, while entering into exports. It is also important to know the barriers for importing milk and milk products in the overseas markets, he concluded.

Mr. A. O. Kuruville, Advisor, World Trade Centre Mumbai shared information on the overseas markets for milk and milk products. He also mentioned that World Trade Centre (WTC) Mumbai not only provides a platform for SMEs to identify the market but also creates a global image for them by connecting to 320 WTCs in 89 countries across the world. He also mentioned about training programmes initiated by WTC Mumbai, besides, the trade promotion activities.

Mr. Vinod Jogdand, a renowned serial entrepreneur from Bhoom and Chairman, Khawa Cluster Bhoom provided a brief introduction on the cluster and explained the purpose of the workshop. Around 30 entrepreneurs who are expected to be a part of the cluster, participated at the workshop. Mr. Rambhau Jogdand, Director, Khawa Cluster co-ordinated the event.

**The workshop was held in District Osmanabad, Maharashtra on December 13, 2016.**

## Ecuador - India's Gateway to Latin America

An interactive meeting on 'Doing Business with Ecuador – The Gateway to Latin America' was held in honour of Mr. Mentor Villagomez, Ambassador, Embassy of Ecuador in India at the World Trade Centre (WTC) Mumbai. He said, "Ecuador is a promising destination for Indian investors and can be a gateway to Latin America. The present level of bilateral trade between India and Ecuador is insignificant at USD 716.97 million. However, I am sure we would find opportunity to strengthen bilateral trade and investment between both countries. Government of Ecuador is diversifying its economy from commodities to information technology, minerals and metals, shipyard, petrochemicals etc. I welcome Indian investors to invest in these sectors and I assure them a stable regulatory regime, fiscal incentives, easy availability of credit and a stable political atmosphere". The meeting was organized jointly by WTC Mumbai, All India Association of Industries (AIIAI) and the Ministry of Foreign Trade, Government of the Republic of Ecuador.

Recently, Ecuador signed a free trade agreement with European Union and hence prospective Indian companies can benefit from it. In the last seven years, Ecuador has invested heavily in education, healthcare and infrastructure as part of its broader diversification strategy. Ecuador is transforming into a knowledge-based economy with considerable investment in education, Mr. Villagomez added. Ecuador has a competitive edge in the export of flowers, panama hat, wood, aquaculture (especially shrimp and tuna), coffee, coco beans, palm hearts and processed foods, he pointed out.

Mr. Hector Cueva Jacome, Consul General, Consulate General of Ecuador in Mumbai said Ecuador stands to benefit from transfer of knowledge and technical know-



H. E. Mr. Mentor Villagomez, Ambassador, Embassy of Ecuador in India (centre) shaking hands with Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (right). Present on the occasion is Mr. Hector Cueva Jacome, Consul General, Consulate General of Ecuador in Mumbai (left).

how from India. India has advanced technologies in agriculture, information and communication technology among others.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai remarked, "WTC Mumbai would set up a special cell to promote bilateral trade and investment among Ecuador, Peru, Columbia and India. The Indian government's Make in India campaign, along with other initiatives offer tremendous opportunity for collaboration between both countries. Latin America has emerged as India's focus country for doing business. I suggest all the Ambassadors of the Latin American countries to have a joint conclave to discuss trade and investment co-operation with India".

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai while proposing the vote of thanks said, "Ecuador is the first country to implement legislation on 'Right to Nature'. Quito, the capital of Ecuador is a planned city with heritage value. There is lot of opportunity for collaboration in film, music and other entertainment sector. We are committed to support the

initiatives of your embassy to promote bilateral trade and investment".

**The interactive meeting was held at the World Trade Centre Mumbai on December 19, 2016.**

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## E-waste Management Rules in India Streamlined

A workshop on 'E-Waste Management – Challenges, Prospects and Strategies' was organized by PHD Chamber of Commerce and Industry in association with All India Association of Industries (AIAI), and supported by the Ministry of Environment, Forest and Climate Change, Government of India and World Trade Centre (WTC) Mumbai. Mr. Nandkumar Namdev Gurav, Regional Officer, Technical, MPCB said, "Maharashtra is the first state to introduce inventorisation of e-waste in 2005. Maharashtra

for effective channelization of e-waste to the registered dismantlers or recyclers.

Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram pointed out that India has emerged as the world's 5<sup>th</sup> largest electronic waste producer and it discards roughly 18.5 lakh tonne of e-waste every year wherein telecom equipment alone accounts for 12%. The industry must focus on environmentally sustainable and harmonized approach for recycling. Currently, 90% of e-waste is managed by the unorganized sector comprising unskilled kabaadiwallas (junk dealers). There is a pressing need to integrate this unorganized sector with the organized sector through skill development, he added.



From (L-R): Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram and Mr. B. K. Soni, Chairman & Managing Director, Eco Recycling Ltd.

Pollution Control Board (MPCB) has introduced the enforcement policy for the E-Waste Management Rules 2016, which does not allow prosecution of defaulters. A field officer can only issue a show cause notice till it is heard by an official at a higher level of PCB. Unlike the earlier rule of 2011, the revised Rules 2016 provides simplified procedure for authorization of e-waste recyclers, extending responsibility of waste management to refurbishers as well".

The key feature of the Rules is the introduction of the provision of the Extended Producer Responsibility (EPR)

Mr. B. K. Soni, Chairman & Managing Director, Eco Recycling Ltd. opined that the government must focus on the three Ts namely, training, transport and technology. The first T refers to imparting of skills on informal kabadiwalas about eco-friendly methods of e-waste management. The second T refers to investment in reverse logistics to transport e-waste from generation points to collection centres. The third T refers to use of cutting-edge technology to recover assets from e-waste.

Making suggestions to the government, Mr. Raman Sharma, Director, Exigo Recycling Pvt. Ltd. said the government must introduce National Pricing Strategy for people disposing electronic waste, simplify compliance and administrative procedures. The government must also make it compulsory for manufacturers to introduce deposit refund scheme to incentivize consumers to return their old hardware. Also, the municipal authorities must cancel tender process for awarding waste management contracts and instead choose from a panel of 3-4 recyclers, he suggested.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai said, "The government must provide amnesty scheme for micro, small and medium enterprises (MSMEs) not

complying with the e-waste rules. Considering that 60% of the waste is generated in around 10 cities in India, the e-waste management drive must largely focus on metros. There are over 500,000 rag-pickers in Mumbai and the government must train them on efficient e-waste management practices. The industry and government must work together to create an effective legal framework to address e-waste menace by integrating formal and informal sector through training

and skill development. The government must offer incentives such as tax rebate for industries to comply with e-waste rules and appoint a celebrity ambassador to promote best practices in this area”.

**The workshop was held at the World Trade Centre Mumbai on December 20, 2016.**

## Waste Management - An Emerging Sector in India

A workshop on Hazardous Waste Management Challenges, Prospects and Strategies was organized by PHD Chamber of Commerce and Industry in association with All India Association of Industries (AIAI), and supported by the Ministry of Environment, Forest and Climate Change, Government of India and World Trade Centre (WTC) Mumbai.

Mr. Nandkumar Namdev Gurav, Regional Officer, Technical, MPCB, while addressing the workshop said, “The primary responsibility of the generator of hazardous waste is to prevent such waste generation. If one cannot prevent the generation, the generator must at least minimize hazardous waste. If minimization is also not possible, one must try to reuse and recycle the waste. Disposal of waste should be the last option when minimization, reuse and recycle are not possible. Maharashtra Pollution Control Board (MPCB) is willing to work with industry for effective implementation of The Hazardous and Other Wastes Rules 2016”. The event was sponsored by India’s leading waste management firm Geocycle India.

Dr. N. J. Singh, Whole Time Director (EHS), DCM Shriram said that the new rules of 2016 aims to make India self-sufficient in hazardous waste management. The industry must take appropriate precautions in dumping and processing of hazardous waste.

Mr. Ulhas V. Parlikar, Deputy Head, Geocycle India informed the audience about co-processing which has emerged as a sustainable and viable business model for cement manufacturers in managing hazardous waste. Mr. Parlikar remarked that the rules of 2016 have shifted focus from the principle of disposal to that of sustainable management and utilization of hazardous waste. Generators of hazardous waste must respect the waste by recycling it, instead of disposing it, he opined. He said India is moving towards a circular economy (which recycles waste) from a linear economy (which discards waste).



From (L-R): Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Mr. Nandkumar Namdev Gurav, Regional Officer, Technical, MPCB and Dr. N.J. Singh, Whole Time Director (EHS), DCM Shriram.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai said, “Government must tackle the menace of hazardous waste through minimal legislation, effective implementation and frequent interaction with industry unlike the multiple waste management legislations which kill the spirit of entrepreneurs. There is huge business opportunity in this sector as there are around 13.5 million industrial units who handle hazardous waste in the country. The amount spent by the industry on management of hazardous waste must be considered under the mandatory CSR spending. Industry can spend this amount through pollution control boards. The local bodies must work in co-ordination with industry bodies for sustainable hazardous waste management.”

The session was followed by a field visit to the hazardous waste management plant of Mumbai Waste Management Ltd at MIDC, Taloja, Navi Mumbai.

**The workshop was held at the World Trade Centre Mumbai on December 21, 2016.**

## Trade Promotional Activities Held This Quarter

### Session on Domestic & International Arbitration

'International commercial arbitration is the need of the hour' emphasised a panel that participated at an interactive session on 'Domestic & International Arbitration' which was organized by World Trade Centre Bhubaneswar. The panellists included Mr. Sujeet Kumar, Managing Partner, LEX Mantra, Advocate Mr. Bibhu Prasad Tripathy, Hon'ble Member, Odisha Bar Council, Advocate Mr. Ashok G.V., Partner, TMT Law Practice, Mr. Aswini Patro, Assistant Professor, KIIT School of Law and Ms. Sheela Rai, Professor, National Law University Odisha, Cuttack.

While outlining the vast scope of arbitration as a dispute resolution mechanism, the panel, highlighted its practice in India as compared to the other parts of the globe. Mr. Sujeet Kumar, through his presentation explained the concept of arbitration and the factors that influence it. He discussed how arbitration is a step towards ease of doing business in any country. Sighting the recent amendments to the Arbitration Act 1996, he asserted that an arbitration clause in all commercial contracts could simplify the legal hurdles of a firm to a great extent. Mr. Kumar stressed on the laxities in terms of absence of sufficient arbitration bars, institutional centres and above all, the culture required to foster arbitration as a preferred mode for dispute resolution.

Mr. Ashok G.V., Partner, TMT Law Practice provided his perspective through a presentation on the requirements to increase the scope of institutional arbitration and how to address issues of delayed action. He further deliberated on the root cause of ineffective contract management which increases issues of execution. He also recommended that it is arbitration through institutional arbitration centres which would help in reducing the arbitration costs and also deal with the disqualification clauses as far as appointment of arbitrators is concerned.

Ms. Sheela Rai, Professor National Law University Odisha, Cuttack said that arbitration cannot deal with the errors while formation of a contract. Further, Ms. Rai explained the reasons for inadequate development of arbitration through a few prominent case studies.

Mr. Bibhu Prasad Tripathy, Senior Advocate and Hon'ble Member Odisha Bar Council, while replying to the question by the moderator Mr. Sujeet Kumar as to why the arbitration centre in Odisha High Court is not successful and the prospects of arbitration in Odisha, pointed out that there was a lack of legal education in



From (L-R): Mr. Budhadev Bhanjo, Manager-Trade Promotion, WTC Bhubaneswar, Mr. Aswini Patro, Assistant Professor, KIIT School of Law, Bhubaneswar, Mr. Ashok G. V., TMT Law, Practitioner, Bangalore, Ms. Nimeshikha Natarajan, Manager-Trade Research, WTC Bhubaneswar, Ms. Sheela Rai, Senior Professor, National Law University, Cuttack and Mr. Sujeet Kumar, Managing Partner, LEX Mantra, Bhubaneswar.

the country with respect to global developments. He insisted that the lawyers should be well equipped and well read on arbitration and related issues. He also discussed few prominent case studies.

Mr. Aswini Patro, Assistant Professor, KIIT School of Law while advocating arbitration said that courts were gaining awareness on it. He further added that currently, legislation is drafted in a way that gives rise to ambiguity.

He also asserted the need for commercial courts.

Ms. Nimeshikha Natarajan, Manager-Trade Research, World Trade Centre Bhubaneswar, said that Odisha has tremendous potential for large industries as well as medium and small enterprises. With Government of India's recent initiatives such as relaxing norms on foreign direct investment, promoting Make in India would lead to greater integration of the Indian economy with the global value chain Ms. Natarajan said. World Trade Centre Bhubaneswar for the past two years has actively been extending its services to the entrepreneurial community of Odisha through education and assistance in reaching global markets, she added.

**The interactive session was held at the World Trade Centre Bhubaneswar on October 22, 2016.**



## Symposium on Agriculture Prospects of Odisha

World Trade Centre Bhubaneswar organised a symposium on Agriculture Prospects of Odisha. The symposium conducted by a highly esteemed panel of speakers from NABARD, FCI, Utkal University and Gram Bhumi Vikas Parishad, aimed at discussing the way forward for aspiring entrepreneurs and highlighted the prospects of agri-business in the state.

Mr. P. R. Jha, Assistant General Manager, highlighted the role of NABARD in facilitating various agri-based initiatives. He deliberated on schemes and policies of NABARD for entrepreneurs and also interacted with participants on the process of enrolling their proposals with NABARD. He also explained the activities and operational aspects of the organization.

Mr. Hemant Kumar Jain, General Manager, Food Corporation of India (FCI) Odisha Region, highlighted the procurement and storage functions of FCI in dealing

being associated with the Farmer Producer Organization (FPO), he advocated for more FPOs to be formed, so as to enable the sector to become further organized and thus have an increased role to be played in the framing of the policy. He also expressed his concern over the farmer being unable to fully access the benefits of the policy, due to lack of proper implementation at the grass-roots level.

Mr. Manoj Bal, Faculty, Agri Business Management Centre, Utkal University, presented the latest technology advancements in farming and other aspects of agriculture. Highlighting some of the latest and best practices, he shared few examples to emphasise the implementation of proper and appropriate technology in order for the sector to grow.

Ms. Nimeshika Natarajan, Manager-Trade Research, World Trade Centre Bhubaneswar, stressed on various



From (L-R): Mr. Sukumar Dash, Secretary, Gram Vikash, Bhubaneswar, Mr. P. R. Jha, Assistant General Manager, NABARD, Bhubaneswar, Mr. Hemant Kumar Jain, General Manager, Food Corporation of India, Bhubaneswar, Ms. Nimeshikha Natarajan, Manager-Trade Research, WTC Bhubaneswar and Mr. Manoj Bal, Faculty, Centre For Agri-Management, Department of Business Administration, Utkal University, Bhubaneswar.

with food grains. While highlighting the role of FCI as the controller of the market price of food grains, he showcased the corporation as one of the biggest logistics chain. He also explained how FCI is ensuring the supply of food grains in all parts of the country which is in line with the demand and consumption trends. He explained the comparative analysis of the quantum of food grains required for demand and supply across all states. He interacted with the audience on relevant questions pertaining to the procurement and warehousing strategies of the Corporation.

Even though Odisha is an agriculture rich state with an agriculture policy in place, the lack of other support mechanisms like cold storage, effective supply chain management, access to market linkages etc. act as major hurdles to the progress of the sector said Mr. Sukumar Dash, Secretary, Gram Bhoomi Vikas Parishad. While sharing his personal experience on

endeavours taken up by World Trade Centre Bhubaneswar in educating the entrepreneurs of Odisha and enabling them to access global markets. Agriculture is predominantly one of the significant sectors of the state of Odisha. During the last three years, the sector has witnessed a very fluctuating growth trend. However, given the potential of the sector combined with the competitive advantage of its soil and climate, it is apparent that given the necessary boost, this sector could contribute at a much higher rate to the state's GDP she added.

**The Symposium was held at the World Trade Centre Bhubaneswar on November 30, 2016.**

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## Eternity - An Interactive Session on Empowering Women

Women's contribution in trade and business is of prime importance for achieving inclusive growth in an economy. In this context World Trade Centre Bhubaneswar organised a Eternity – An Interactive Session on Empowering Women, in association with Learnitude Technologies Pvt. Ltd. Ms. Priyanka Panda, Director, Learnitude Technologies Pvt. Ltd. said, "Woman is Shakti, Shakti represents strength. Such strength we could visibly see in a woman like Mother Teresa. Today's imperative session would be a brainstorming one on the subject as to how our society could empower women who already inherit the strength bestowed by nature on them to give birth to a new life. This session deliberated on how education and entrepreneurship could act as vital tools for making women realize their strengths", she asserted.

Speaking on the role of education, Mrs. Sudha Mishra, Director, Little Steps (a pre- and play school) stated that "Education is not only about literacy. A woman does not get empowered if she learns how to write her name but it is ideally about learning the value of life. An education system if set in the right manner would help easing lot of hurdles and societal barriers in a woman's progress". She emphasised that education can take the form of building of specific and relevant skill sets, learning through practical experience, an opportunity to appreciate the joy of thinking out of the box and a realization created on their inherent strengths of multitasking etc. She further advocated that it is education that would help a woman explore her hidden potential and give her the confidence to take up a means of livelihood based on her choice and calibre.

Subsequently, a presentation was made by Ms. Pushpasree Debi, Program Manager, Action Aid. The organisation she represents works at grass-roots level for conservation of girl child and assists rural women. Ms. Debi highlighted that Action Aid plays a major role in helping women in taking up a livelihood of their choice by creating remunerative opportunities for them in activities such as agriculture, taxi and auto rickshaw

driving, handling disaster management relief activities as part of the rescue team etc. The deliberations further enthused the participants as she showcased how the organization is sensitizing women to fight for their rights against all societal odds whether in sexual harassment or domestic violence.

Sk. Mohd. Niyaz, Founder, Development Institute for Scientific Research, Health & Agriculture (DISHA) from Bhadrak, Odisha, made an audio-visual presentation which stressed on the importance and role of digital literacy. The audio-visual showcased inspiring case studies of girls and women from across the nations who have currently established themselves with the help of digitization.

Taking forward the discussion on Digital Empowerment, Mrs. Panda presented examples of women holding esteemed positions in the Fortune 500 companies. She also emphasised on how digital education and distant job opportunities is playing a pivotal role in helping women become self-dependent and thereby enabling a work-life balance.

Mr. Shibaji Charan Nayak, Program Head, Wild Odisha shared her experiences on some of her initiatives such as creation of gender balance, emergence of the girl child and engagement of women in bird conservation activities in Mangalajodi village in Odisha.

Ms. Masako Ono, an Odissi dancer from Japan gave a classical performance on the subject and thereafter presented her views on women's empowerment. She also mentioned about her journey from Japan to India having followed her instinct to learn Odissi dance and since then has risen to be one of the most celebrated classical dancers of the state.

Ms. Anita Sabat, Director, Sabat Exports Pvt. Ltd. shared her experience in setting up an enterprise which deals with handlooms and handicrafts of the state. She also expressed her concern over the ailing handicraft sector which is on the verge of extinction because of poor skill development activities and lack of promotion of such art and craft by the state. She also highlighted the demand for such products across the globe which is an observation made by her enterprise.

Ms. Nimeshika Natarajan, Manager-Research, World Trade Centre Bhubaneswar spoke on the present strategy of the state to empower and engage women in trade and business. Ms. Natarajan stated that the



potential sectors of the state such as tourism, agriculture, fishery, textiles and handlooms, handicrafts etc. throw open a vast gamut of opportunities for the women to explore. She expressed the intent for developing a balanced and healthy society driven towards holistic development irrespective of gender. "The 6<sup>th</sup> Global Economic Summit 2017 on Women Empowerment: Entrepreneurship, Innovation & Capacity Building to be held in March 27-29, 2017 at World Trade Centre Mumbai would provide a platform for vital and focused discussions on various issues and discuss achievements of women in diverse fields" she added.

Ms. Zanet Mukhya, Founder, Tare Zameen Par, (a play school) and Ms. Sharada Bharaty, a social worker, both presented socio-economic perspectives on the topic.

**The session was held at the World Trade Centre Bhubaneswar on December 17, 2016.**

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# World Trade Centre

## Bhubaneswar

Promoted by MVIRDC

### OBJECTIVE

Facilitates Trade & Investment Promotion of Odisha | Assist local businesses to foray in to global markets

### TRADE SERVICES

Trade related Programmes | Export Counselling | International Market Connections  
Education & Training Programmes | Opportunity to participate in International Trade Shows

## World Trade Centre Bhubaneswar facilitates businesses to access global markets



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Promoted by MVIRDC



M. Visvesvaraya Industrial Research and Development Centre

## Trade Promotional Activities Held This Quarter

### MDP on Developing an Export Plan

World Trade Centre Goa, organized a Management Development Programme (MDP) on 'Developing an Export Plan - with a focus on BRICS'. Mr. Virendra Gupte, previously Head -Trade Services, Tata International Limited and Senior Faculty of World Trade Centre Institute (WTI) Mumbai, conducted the programme. He dealt with India's position in international trade and among BRICS countries.

Mr. Gupte highlighted the importance of international trade, and the need for a systematic and in-depth analysis such as SWOT/PEST for each country; understanding the challenges posed by each geographical location under different parameters; development of a vision, mission and values which require leadership focus, commitment and foresight; principles for conducting business in a fair and ethical manner to build sound reputation and brand image over a period of time and to create sustainable value system for stakeholders. It is very important to have ethical conduct, trust and consistency in quality and delivery, creating recognition for ones business entity, he added.

Mr. Mangurish Pai Raikar, Advisor, World Trade Centre Goa, emphasized on the opportunities available to businesses, even in the face of an economic slowdown



Mr. Virendra Gupte, Consultant and Senior Faculty WTI Mumbai, addressing the participants

worldwide. It is the innovation and business enthusiasm that will help to attain the desired place in the global market, he opined.

Mr. A. O. Kuruvilla, Advisor-Trade and Education, World Trade Centre Mumbai, presented the importance of a world trade centre and the role it plays in promotion of international trade.

**The programme was held at the World Trade Centre Goa on October 13, 2016.**

## Interactive Meet with Chinese Delegation

A four-member Chinese business delegation led by Mr. Paul Cho Kwai Shun, Chairman, Sino India Trade & Culture Promotion Council, interacted with the World Trade Centre Goa team on their visit to the state to attend the 8<sup>th</sup> BRICS Summit 2016. The others on the delegation included Mr. Baizhan Chen and Mr Anjing Chen, both of whom are Vice Presidents of Shenzhen 3TTF Technology Co., Ltd. who were present to understand and make the necessary preparatory

work to sign a joint venture with Goa, in setting up a 3D printing hub.

Mr. Shun, who also heads the overseas Chinese Community in India explained in detail the opportunities available to Chinese investors in India in core sectors such as tourism, pharmaceuticals, solar energy and infrastructure.

Mr. Shun also mentioned that BYD Auto Co., Ltd. a Chinese automobile manufacturer based in Xi'an, Shaanxi Province, was also keen on setting up its office in the state to service electric buses with Tata Motors.

Further he said that the visiting Chinese delegates would get a first-hand experience of the tourism sector in Goa which could generate opportunities of collaboration.

Mr. M. P. Raikar, Advisor, World Trade Centre, Goa apprised the delegation on the investment potential as well as the business opportunities available for the Chinese companies in Goa.

Mr. A. O. Kuruvila, Advisor -Trade & Education, World Trade Centre Mumbai, provided an introduction on the World Trade Centre (WTC) Goa and the activities it has been undertaking since its inception and also invited the delegates to use the platform of WTC Goa to reach out to global markets.



Members of World Trade Centre Goa, interacting with the Chinese Delegation

**The interactive meeting was held at the World Trade Centre Goa on October 13, 2016**

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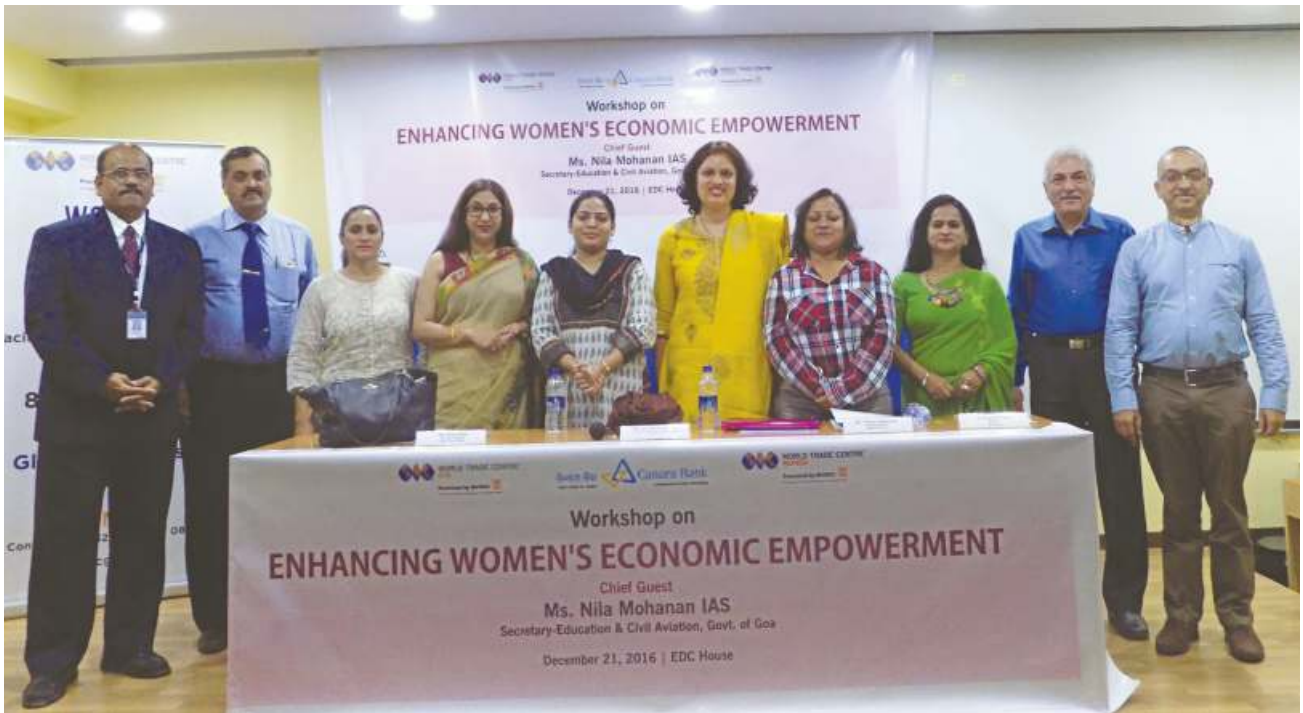
## Workshop on Enhancing Women's Economic Empowerment

Ms. Nila Mohanan IAS, Secretary, Education and Civil Aviation delivered the keynote address at the Workshop on 'Enhancing Women's Economic Empowerment' which was held at the World Trade Centre (WTC) Goa and World Trade Centre Mumbai. Ms. Mohanan said, "Women represent over 50% of the population in India. Their foray in the economic activities of the state can enhance growth and strengthen trade and industry of the region. This is the most powerful resource which is underutilized and women have to come in the forefront and take up challenging careers, harness their skills and strengthen their participation and involvement, in the economic, social, cultural and educational fields".

Ms. Mohanan, further expressed that exchange of new ideas through Networking opportunities would bring in linkages for new ideas to flourish and help women to form collective groups among themselves and harness the true potential of the entrepreneurship spirit that is inherent in all women. She said that issues like safety, hygiene, child care, flexi working hours would make more women feel that they can be part of this economic revolution that we are talking about in our country. She

thanked WTC Goa for taking this initiative and assured her support in any initiative that they would take in the field of women's economic or social empowerment.

Ms. Rupa Naik, Director-Projects, WTC Mumbai, said that the objective of the Workshop was to sensitize, create awareness and build a unique platform to promote and enhance women's economic empowerment. Specific programmes on entrepreneurship development for women will be taken up by WTC Goa, to create entrepreneurs and facilitate the existing women entrepreneurs to move to the next level. She also introduced the 6<sup>th</sup> Global Economic Summit 2017 (GES 2017) on Women's Empowerment: Entrepreneurship, Innovation and Capacity Building that World Trade Centre would be organizing from March 27- 29, 2017, in Mumbai. She said that this Summit would see a participation of women entrepreneurs, academicians, policy makers, social entrepreneurs and bankers from India and across the world. The highlights of the Summit would be Conference, Exhibition, B2B Meetings, release of a Summit Handbook on Women Empowerment, Awards ceremony to facilitate women who have done extraordinary



From (L-R): Mr. Cyril Desouza, Assistant Director-Trade Promotion, WTC Goa, Mr. N. Ramesh, Divisional Manager, Canara Bank, Ms. Sheryl Afonso, Partner, Norbert Fitness Studios, Ms. Rupa Naik, Director-Projects, WTC Mumbai, Ms. Nila Mohanan, IAS, Secretary, Education and Civil Aviation, Government of Goa, Ms. Pallavi Salgaocar, Managing Director, Desserts N More, Ms. Rohini Gonsalves, Proprietor, Sevaraat, Ms. Rahila Khan, Lecturer in Garment Technology Government Polytechnic, Mr. M. P. Raiker, Advisor, WTC Goa and Mr. Manish Gosalia, Regional Coordinator, i Create India.

work in their chosen field and visits to Women-owned and managed enterprises. She solicited participation to GES 2017 and benefit from the Summit.

Mr. M. P. Raiker, Advisor, World Trade Centre Goa in his address shared information on the government's initiatives of Startup India and Stand up India. He informed about the exemptions granted to IT companies for the next five years. Mr. Raiker also stated that each of the 1,25,000 bank branches have a target to grant a loan to at least one MSME thus opening up a huge opportunity for entrepreneurs seeking finance. He encouraged all participants to take advantage of the global connectivity that WTC Goa, is offering to help women come together and harness their economic potential.

Mr. N. Ramesh, Divisional Manager, Canara Bank, highlighted the schemes that his bank offers, which can be tailor-made especially for the women entrepreneurs. He further informed participants of the different requirements and preparatory work that has to be undertaken before a loan is sanctioned.

Mr. Manish Gosalia, Regional Coordinator, i Create India,

Ms. Sheryl Afonso, Partner, Norbert Fitness Studios and Ms. Rohini Gonsalves spoke on economic empowerment of women through entrepreneurship and skill development.

Ms. Pallavi Salgaocar, Managing Director, Desserts N More spoke on the topic of 'Access to Market, Technology and Product Information' while Mr. B. S. Pai Angle, General Manager Finance, EDC Ltd highlighted the various financial schemes that EDC Ltd offers.

**The workshop was organized by World Trade Centre Goa on December 21, 2016.**

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## **Trade Promotional Activities Held This Quarter**

### **Interactive Meeting between Commissioner of Industries and Exporters**

In its efforts to facilitate exporters' interactions with the government, World Trade Centre (WTC) Jaipur hosted its maiden roundtable meet with Mr. Ajitabh Sharma, Commissioner-Industries & Exports, Government of Rajasthan along with Mr. R. P. Meena, Joint Director, DGFT Jaipur.

Mr. Ajitabh Sharma shared his vision of creating a single-window services platform for Industries with a focus on exporters. He also informed that the Export Policy of Rajasthan is being prepared and it would soon be ready for announcement. He also invited WTC Jaipur to provide their recommendations for the Export Policy of Rajasthan and for their consultation meeting on the subject which would be chaired by the Hon'ble Minister of Industries, Government of Rajasthan. Mr. Sharma addressed a number of queries raised by Industrialists and exporters who attended the event.

Mr. A. O. Kuruvila, Advisor-World Trade Centre Mumbai shared WTC Jaipur's vision to have a trade platform on its website which will provide information on SMEs in Rajasthan in various industry clusters and other relevant trade-related

information. He also emphasized the importance of an export policy for the State.

**The interactive meeting was held at the World Trade Centre Jaipur on October 25, 2016.**



From (L-R): Mr. R. P. Meena, Joint Director of Foreign Trade, Government of India, Mr. Ajitabh Sharma, Commissioner-Industries & Exports, Government of Rajasthan, Mr. P. R. Sharma, Deputy Director, Department of Industries, Government of Rajasthan, Mr. A. O. Kuruvila, Advisor-World Trade Centre Mumbai, Mr. Ashish Modi, Assistant Director-Trade Promotions, World Trade Centre Jaipur and Mr. Navneet Agarwal, Assistant Director-Trade Promotion, World Trade Centre Jaipur.

## **Workshop on Enhancing Women's Economic Empowerment**

A workshop on 'Enhancing Women's Economic Empowerment' was organized in Jaipur with a view to foster gender equality, poverty eradication and improve women's economic opportunities to achieve inclusive growth of an economy. Ms. Shipra Bhutani, Director, Quantum Career Academy, a speaker at the event said, "Developing skills of women and commercializing them will lead to true economic empowerment of women. Considering the upcoming trades required in the market, skill development needs to be implemented with greater impetus especially among women, creating an individual identity for them and to trigger a change in the way women's role in socio-economic sphere is perceived by society".

Ms. Archana Surana, Founder and Director, Arch Academy of Design, Jaipur spoke of the role of a mentor in building the leaders of tomorrow. She said, "Strong forums for skill development must be created and 'invest in women' should be the new mantra of under developed and developing societies. However, mentors play a very important role in skilling India. Willingness to share skills, knowledge and expertise will reduce the gender gap which is currently very big".

Highlighting the concept of 'securing self through saving and managing funds', among home makers and budding women entrepreneurs, Ms. Nivedita Sarada, Partner, Vedanta Law Chambers further urged all the women present in the workshop to set out a goal in

building personal and business finance. She further explained the impact of demonetization in the current scenario and shared the available investment opportunities, largely benefiting women.

Legal expert and advocate, Ms. Shalini Sheoran, from Shalini Sheoran & Associates said, "Apart from setting the financial goals, exercising right of choice, influencing decision making and knowing the appropriate legal and constitutional rights available for women in India will lead to overall development required to succeed. Distributing your energy and

resources wisely will lead to holistic empowerment of women", opined Ms. Sheoran.

The entire session was complimented with a beautiful and encouraging poem by the renowned author Ms. Sushma K.K., who stressed on the fact that women need to unite for striving a social change leading to creation of an ideal society.

Ms. Dolly Awati, Joint Director-Corporate Communication and Trade Promotion, World Trade Centre Mumbai in her addressed emphasized the need to engage more and more women in the business of international trade and commerce. She further added that the 6<sup>th</sup> Global Economic Summit on Women Empowerment: Entrepreneurship, Innovation and Capacity Building organized by the World Trade Centre Mumbai will provide impetus to women across the world to network and identify the available business opportunities. The Summit will also impart skills required to engage in all digital platforms. Further, it will connect decision and policy makers from India and overseas apart from interaction with achievers and learnings from their success stories.



At the dais: Ms. Archana Surana, Founder and Director, Arch Academy of Design, Jaipur, addressing the audience. Seated from (L-R): Mr. Navneet Agarwal, Assistant Director-Trade Promotion, World Trade Centre Jaipur, Ms. Sushma K. K., Author, Ms. Dolly Awati, Joint Director-Corporate Communication and Trade Promotion, World Trade Centre Mumbai and Mr. Ashish Modi, Assistant Director-Trade Promotions, World Trade Centre Jaipur.

**The workshop was held at the World Trade Centre Jaipur on December 6, 2016.**

## WTC Jaipur Hosts Business Delegation from Oman

To strengthen trade and cultural ties with the Sultanate of Oman, World Trade Centre Jaipur hosted its first business delegation from Oman under the leadership of H. H. Mr. Azzan Fahad Al- Said and Dr. Anchan C. K., Founder and Managing Director, World Wide Business House.

Business-to-business sessions were organized in sectors such as education, textiles, real estate, travel & tourism and law which provided an opportunity to the delegation to understand the sectors and gauge at the opportunities in the state of Rajasthan for investments. The delegation also visited garment manufacturing units in Sitapura Industrial Area to have a closer look at the expertise developed by homegrown exporters of Jaipur. Dr. Anchan also said that there were



From (L-R): Mr. Navneet Agarwal, Assistant Director-Trade Promotion, World Trade Centre Jaipur, H. H. Mr. Azzan Fahad Al-Said, Sultanate of Oman, Dr. Anchan C. K., Founder and Managing Director, World Wide Business House and Mr. Ashish Modi, Assistant Director-Trade Promotion, World Trade Centre Jaipur.



prospects where manufacturers from the state could look at investing in Oman which is now throwing open a host of facilities to boost trade. He also said that along with the presence of major corporations in the oil sector, Oman is now ready to host entrepreneurs in the sectors of education, textiles and many others.

During the interaction, World Trade Centre Jaipur also expressed interest to organize a business delegation to

the Sultanate of Oman that will represent multiple sectors from the state of Rajasthan.

**The business delegation was hosted at the World Trade Centre Jaipur on December 12, 2016.**

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## WTC Jaipur Hosts Exporter Meet at Udaipur, Rajasthan

World Trade Centre Jaipur received an overwhelming response for its second edition of the 'Open House Meet with Exporters'. Mr. R. P. Meena, Joint Director of Foreign Trade, Government of India, delivered the keynote address providing an overview of the export scenario in the state of Rajasthan. He said, "Exports from Rajasthan are on the rise and new commodities have been added to the state's export basket. Despite the challenges, exporters have stepped up and explored new markets overseas which have further strengthened their bottom-line. There is need to be cost conscious and time bound to stay competitive and enjoy a reputation of being preferred business partners overseas. Online access is now available to all export and import related obligations. There is further need to educate the exporter-importer community to fully realize the potential benefits of online information, various schemes and opportunities available to them through the DGFT portal", he opined.

Mr. Satish Raina from the office of Joint DGFT, Jaipur office also stressed on the need for innovation and better technology to boost exports due to rising competitiveness. He also stressed that B-school curriculum should encourage students to learn the concepts of foreign trade to prepare them at grass-roots level.

Mr. Navneet Agarwal, Assistant Director-Trade Promotion, World Trade Centre (WTC) Jaipur, briefed the participants about the 6<sup>th</sup> Global Economic Summit 2017 to be held in World Trade Centre Mumbai from March 27-29, 2017. He said that WTC Jaipur could assist



From (L-R ): Mr. R. P. Meena, JT DGFT, Mr. V. P. Rathi, President UCCI, Mr. Satish Raina, Joint DGFT Office and Mr. Navneet Agarwal, Assistant Director-Trade Promotion, World Trade Centre Jaipur.

the export and import communities in Rajasthan through its global linkages. Mr. Agarwal explained the benefits of World Trade Centre Jaipur membership to exporters and importers and how they can benefit from World Trade Point Federation. He also invited participants to join overseas visits by being part of delegations, that are organized from time to time.

**The meet was held in Udaipur, Rajasthan on December 16, 2016 at Udaipur, Rajasthan**

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## Thailand Convention & Exhibition Bureau Partners with WTC Jaipur

World Trade Centre Jaipur had a meeting with Ms. Jaruwan Suwannasat (Rose), Director, Exhibition & Events Department, Thailand Convention & Exhibition Bureau (TCEB) on the occasion of 'New Routes Launch by Thai Smile Airways' to launch the first direct flight from Jaipur to Bangkok. TCEB was present to promote trade fairs and exhibitions organised in Thailand in various sectors. Mr Ashish Modi, Assistant Director-Trade Promotion & Business Development, World Trade Centre (WTC) Jaipur discussed importance of participating in Thai exhibitions and the benefits the delegate members could receive. Ms Suwannasat has also shown keen interest to organise promotional events in Jaipur in association with WTC Jaipur.



Ms Jaruwan Suwannasat (Rose), Director, Exhibition & Events Department, TCEB (middle) being presented WTC Mumbai folder by Mr. Ashish Modi, Assistant Director-Trade Promotion and Business Development, World Trade Centre Jaipur (right). Also present is Ms. Siriwan Kamonwichian (Yee), Senior Manager, Exhibition & Events Department, TCEB (left).

**The meeting was held at the World Trade Centre Jaipur on December 18, 2016.**

## Meeting with Airport Director, Jaipur International Airport

World Trade Centre Jaipur organized a meeting with Mr. J. S. Balhara, the new Airport Director, Jaipur International Airport. Mr. Balhara spoke about the upcoming new terminal at Jaipur International Airport and increase in the international flights. Currently, there are 7 international direct flights which are operating from Jaipur including the recently launched direct flight to Thailand. Mr. Ashish Modi, Assistant Director-Trade Promotion & Business Development, World Trade Centre (WTC) Jaipur apprised him about the activities of WTC Jaipur. Mr Balhara extended his full support to WTC Jaipur and also elicited interest in attending future workshops and business conferences. WTC Jaipur and Jaipur International Airport further discussed opportunities to work together.



Mr Ashish Modi, Assistant Director-Trade Promotion and Business Development, World Trade Centre Jaipur (left) presenting the recently launched research study titled 'Export Potential of Rajasthan' to Mr. J. S. Balhara, Airport Director, Jaipur International Airport (right).

**The meeting was held at the World Trade Centre Jaipur on December 21, 2016.**

### ▪ Forthcoming Study of World Trade Centre Mumbai

World Trade Centre Mumbai will shortly bring out a Research Study on '**Engineering of the BRICS Engagement**'. The Study analyses the progress achieved, so far, by the five BRICS countries in setting up institutional mechanism for co-operation in various areas of mutual interest. The Study has also identified scope for future co-operation among the BRICS countries.

# A Look into BRICS after Goa Summit

**H. H. S. Viswanathan**  
Fellow, Observer Research Foundation



The Goa Summit of BRICS came exactly 15 years after the acronym of BRIC was coined by Jim O'Neill of Goldman Sachs in 2001 as a list of excellent investment destinations. Later, in 2011 South Africa joined the group to make it BRICS. At Goa, it was the 8<sup>th</sup> meeting at the Summit level. In fifteen years of existence of BRICS concept, the group has come a long way from being just good investment opportunities. The agenda of the group has expanded considerably to cover new areas of critical importance to global economy, stability and growth. To ignore this group with 30% of the global population and 20% of the global GDP, would be ignoring an important turn in modern history.

From the very beginning, BRICS had focused on three main themes. The first was intra-BRICS cooperation in a whole range of sectors of vital significance to all like health, education, urbanization, inclusive growth, sustainable development, food and energy security and peace and security. Considerable progress has been achieved incrementally in these areas even though they do not hit the headlines in newspapers. The five countries have found sufficient convergences in addressing these issues. At Goa, India has proposed two important initiatives: A BRICS Agricultural Research Institute and a BRICS Railway Research Institute.

The second major objective was the reform of Global Financial Institutions (GFIs), particularly the Bretton Woods Institutions (BWIs) namely the International Monetary Fund (IMF) and the World Bank (WB). So far, there has been only limited success in this endeavor. The Goa Declaration has reiterated BRICS' resolve to ensure early finalization of the new quota formula. In the meantime, BRICS has ventured into creating its own global institutions. The establishment and



operationalization of the New Development Bank (NDB) and the Contingency Reserve Arrangement (CRA) in a record time of three years has been a great achievement for the group. It is also a wake-up call to outdated global institutions which resist reforms.

The third objective of BRICS was to address global governance issues. The current global order, norms and rules were set after the Second

World War. However, the world has changed drastically after the globalization process and the rise of emerging economies. Today, we need a more equitable, just and fair global order that gives voice to emerging and developing countries. Of course, it is in nobody's interest to have a total overthrow of the existing order. At the same time, there are voices even within the status-quo powers against many unsustainable aspects in the current global order.

The most critical area in global governance is the United Nations (UN), particularly the reform of the United Nations Security Council (UNSC). The overwhelming view in the United Nations General Assembly (UNGA) in September 2015 was for an expansion of the Council both in Permanent and Non-Permanent categories. This, at present, seems to be a challenge for BRICS. There is no clear consensus on this issue among the five members. Russia and China are permanent members and they have not, as yet, categorically endorsed the permanent membership of Brazil, India and South Africa. So far, they have only 'supported the aspiration of these countries to play a greater role in the UN'. A unified position on this question can go a long way in the UNSC reforms. Another area is terrorism. The Goa Declaration shows that there is no accepted

definition of this term among the five. It is time that BRICS works towards a comprehensive UN Convention on global terrorism.

There are also other aspects of Global Governance which are skewed in favor of the OECD countries. Take for example the global taxation policies. The practice of Base Erosion and Profit Shifting (BEPS) which adversely affects the tax revenues of the developing countries which are today being addressed only by the OECD members. Sustained pressure by BRICS and other developing and emerging economies is needed to have an equitable outcome where they will have a voice.

BRICS can also contribute in a big way to have new standards and benchmarks for both products and processes. An important decision taken at the Goa Summit was to create a BRICS Credit Rating Agency based on market-oriented principles. This was long overdue. The existing three major Rating Agencies (with a monopoly of over 90% of the global business) such as, Standard and Poor's, Moody's and Fitch have not been totally objective in rating developing economies and hence the need has arisen for competition and a level playing field in this process.

The question of 'broadening vs deepening' of BRICS has been debated among the members many times. Is it better to further intensify BRICS cooperation or to expand the group to bring in more members? Both have their pros and cons. However, the group has, at least for now, decided not to expand. This does not mean that BRICS will act as an exclusive club. Starting with the Durban Summit, BRICS has evolved as a very effective outreach program. Many African, Latin American

# BRICS

## Focuses on three main themes:

- The first was intra-BRICS cooperation in a whole range of sectors of vital significance to all like health, education, urbanization, inclusive growth, sustainable development, food and energy security and peace and security.
- The second major objective was the reform of Global Financial Institutions (GFIs), particularly the Bretton Woods Institutions (BWIs) namely the International Monetary Fund (IMF) and the World Bank (WB).
- The third objective of BRICS was to address global governance issues.

and Central Asian leaders were invited respectively to the Durban, Fortaleza and Ufa Summits. At Goa, India invited the leaders of the Bay of Bengal Initiative for Multi Sectoral Technical and Economic Cooperation (BIMSTEC). These outreaches have helped in new initiatives under South-South Cooperation for mutual benefit.

BRICS as a group is also not averse to dialogues with others to seek solutions for pressing global problems. BRICS may be non-west, but it should not be seen as anti-west. Even New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) were conceived not as rivals to western institutions, but as additional facilities to fund infrastructure projects in developing countries. Constant opposition by the west to creative ideas of BRICS could, unfortunately, push the group in that direction. This has to be avoided.

One major challenge for BRICS is to achieve greater cohesion and become more influential to make sure that the strategic competition among them—particularly those of India, China and Russia—does not

spill over into the BRICS agenda. It is no secret that there are areas of divergence and contradiction in India-China relations. These have to be carefully kept out while seeking convergences. To a large extent, they have succeeded so far in this effort.

As BRICS moves towards the next Summit in China, economic issues also attain importance. Three of the five economies—Brazil, Russia and South Africa—have been faced with severe slowdowns in their growth. Intra-BRICS trade has also not lived up to its original promise. A BRICS FTA does not seem feasible given the huge trade surpluses that China has with the other members. Nonetheless, innovative ways have to be identified to expand trade and investment among the five countries. BRICS is unique in many respects and cannot be judged by past templates. While judging the success of BRICS, one should remember that it is not a finished product, but a work in progress.

**(Views expressed are personal)**





## 6<sup>th</sup> GLOBAL ECONOMIC SUMMIT 2017

on

## WOMEN'S EMPOWERMENT

### An Introduction

**T**he 6<sup>th</sup> Global Economic Summit 2017, on **Women's Empowerment: Entrepreneurship, Innovation & Capacity Building**, will provide a platform to analyze and discuss policies and initiatives implemented by different countries including India on women's empowerment.

The forum seeks to build global collaborations for women entrepreneurs, academicians, professionals and policy makers through power packed six-sessions. The Summit is designed to create a better understanding of various issues related to women's empowerment, besides exploring strategies to help build women-led businesses in a borderless world.

The Summit will help women explore opportunities in all segments, access finance and develop new skills. It will enable networking, knowledge sharing and business development opportunities, by connecting women interested in reaching out to global markets.

The Summit will also deliberate how women around the world can improve their quality of living by focusing on practical strategies, experiences and viewpoints aimed at economic inclusion. These discussions will focus on women's contribution to the mainstream economy, as well as showcase initiatives taken by academicians, social entrepreneurs, policy makers, artists and business women in their ascent to the top echelons of leadership. It will also provide an insight into how diverse businesses around the world are implementing Women's Empowerment Principles (WEPs) and the measures-in-place to achieve UN's Sustainable Development Goals.

Policy makers, diplomats, NGO heads, academicians and women entrepreneurs from more than 20 nations will participate in the Summit.

**Highlights of the Summit are conference, exhibition, release of handbook, honouring women achievers, field visits and pre-organized Business-to-Business (B2B) meetings.**

The Summit will also felicitate outstanding women achievers.



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6<sup>th</sup> GLOBAL ECONOMIC SUMMIT 2017

on

WOMEN'S EMPOWERMENT



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**Dr. Mukhisa Kituyi**  
Secretary-General UNCTAD  
United Nations Conference on  
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**Special Address**

**Mr. Yonov Frederick Agah**  
Deputy Director-General  
World Trade Organization



**Theme Address**

**Ms. Dorothy Ng'ambi Tembo**  
Deputy Executive Director  
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**Special Address**

**Ms. Michaela Marksová**  
Hon'ble Minister  
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**Special Address**

**Dr. Ruby Dhalla**  
Canadian Politician



**Special Address**

**Ms. Nora K. Terrado**  
Under Secretary  
Department of Trade and  
Industry, Philippines



# WTC Mumbai to Launch **SheTrades** at GES 2017

**International Trade Centre (ITC), Geneva, the joint agency of the World Trade Organization and the United Nations, has designated World Trade Centre Mumbai as a 'verifier' of 'SheTrades', a mobile and web-based app seeking to connect one million women entrepreneurs to market by 2020.** The Centre will formally launch the SheTrades app in India at the inaugural session of the 6<sup>th</sup> Global Economic Summit 2017 (GES 2017) on Women's Empowerment: Entrepreneurship, Innovation & Capacity Building on **March 27, 2017**.

The ITC initiative enables women entrepreneurs to share information about their companies, makes them visible, expand networks, connects and internationalizes them. Further, it also helps corporations include more women entrepreneurs in their supply chains, as part of their diversity and inclusion commitments. It provides women entrepreneurs across the world a unique platform to connect to markets.

The app, based on internationally recognized business protocols, also provides users the opportunity to create new businesses, in real time, in a user-driven, dynamic and user-friendly space. Through a series of customized filters, companies can also identify women entrepreneurs who can meet their sourcing requirements. As a SheTrades member, companies have full access to women entrepreneur profiles and company information.

## **The verification process**

The app works with partners to verify registered women entrepreneurs. A growing number of credible organisations such as SDI International, KAGIDER, PROMPERU, CAWEE and IWCA have already confirmed their place on the platform to verify women entrepreneurs who are members of their networks. This functionality provides a form of reference for women entrepreneurs registered on the app, enhancing their credibility to potential business partners.

Thousands of women entrepreneurs have already joined the rapidly growing network on the app.

**Come join **SheTrades** at the 6<sup>th</sup> Global Economic Summit 2017!**



6<sup>th</sup>  
**GLOBAL ECONOMIC SUMMIT**  
on  
**WOMEN'S EMPOWERMENT**  
Entrepreneurship, Innovation & Capacity Building

**27 28 29** March 2017

Venue: World Trade Centre Mumbai

Leaders, Officials, NGOs, Entrepreneurs, Bankers, Academicians from India and over 25 countries will convene to deliberate on thought provoking discussions, inspiring case studies and sharing experiences on the evolving role of women in society



..... **Summit Highlights** .....

**Conference** | **Exhibition** | **B2B Meetings**  
**Honouring Women Achievers** | **Handbook** | **Field Trips**

**Showcase of Products and Services**

Women entrepreneurs and innovators in the sectors of health and wellness, arts and crafts, textiles and apparels, banking and insurance services, livelihood intervention programmes, educational institutions, social entrepreneurs and NGOs.

.....  
**MVIRDC World Trade Centre Mumbai**

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