



WORLD TRADE CENTRE™
MUMBAI

Promoted by MVIRDC 
M. Visvesvaraya Industrial Research and Development Centre

World Trade Research and Information Report

JANUARY - MARCH 2016

VOL. 2 ISSUE 3

ON TRADE

THE INTERNATIONAL TRADE RESEARCH JOURNAL OF MVIRDC WTC MUMBAI

For private circulation

STARTUPS



World Trade Centre Mumbai



Committed to excellence in trade and investment facilitation through global linkages.



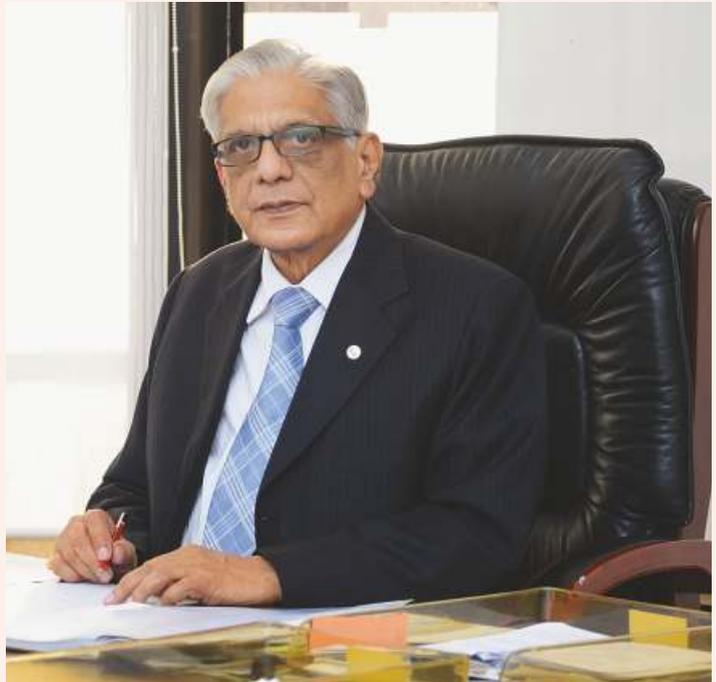
- To foster trade and industrial growth through effective and innovative trade services and by offering world class business facilities.
- To promote and strengthen business and India's international trade through global collaborations and connections.
- To create an enabling platform for trade research, education, training and trade facilitation.

WE PROMOTE
SHOWCASE
RESEARCH
TEACH
FACILITATE **TRADE**

ULTIMATE TRADE RESOURCE

The January-March 2016 edition of ONTRADE, focuses on the emerging trends in India's start-up industry. New-age entrepreneurs or start-up enterprises are experimenting innovative business models in sectors such as e-commerce, healthcare, financial services, e-learning, business analytics. It is very encouraging to see that India's start-up ecosystem is fast maturing with the growth in the number of incubators, accelerators, venture capital and angel investors, crowd-funding platforms and the like.

The Government of India's Start-up India Action Plan, announced in January 2016, is an ambitious policy framework as it not only supports the start-up industry but it has the potential to redefine the way businesses deal with bureaucracy. The Government aims to end Licence Raj and restrict the role of the state in the economy by improving the ease of doing business through progressive measures like allowing self-certification, introducing start-up portal and mobile apps for registration of enterprises. The issue has a rich collection of articles on the policy framework, investment opportunities and other emerging trends in the start-up industry of India.



We hope that the current edition would leave you with rich insights on start-up industry in India.

India's Union Budget 2016-17 has been hailed by experts and industry captains for its focus on supporting the rural economy, while maintaining fiscal discipline. The Post-Budget Section of this issue carries views of experts on the implication of the Union Budget in different sectors.

Meanwhile, the U.S. Department of State (DOS) organized its International Visitor Leadership Program (IVLP) 2016 on 'Regional Economic Connectivity: The North American Free Trade Agreement (NAFTA) Experience'. We have the pleasure to mention that World Trade Centre Mumbai was selected as one of the nominees in this program. The programme comprised of interactive meetings with the U.S. Government departments, trade promotion organizations, customs and borders to discuss the implications of NAFTA agreement on the signatory countries (USA, Canada and Mexico) and how best the findings and learning could be put to use within the context of Asia's free trade agreements. This edition features a report of this program.

The issue also carries an interview from Ms. Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, World Trade Center Miami, where she discusses the role of her organization in promoting trade in Miami.

During the quarter, World Trade Centre Mumbai organized a number of events including, some of the socially relevant events such as Sustainability through Social Entrepreneurship, Water Matters: Water For All, FELICE....celebrating the elegance of womanhood.

Wish you Happy Reading!

Y. R. Warerkar

Y. R. WARERKAR



WORLD TRADE CENTRE™
MUMBAI

Promoted by MVIRDC 
M. Visvesvaraya Industrial Research and Development Centre

AN IDEAL PLACE TO LEARN INTERNATIONAL TRADE

Connect Your Business Globally Across 89 Countries Through 322 WTCs



Announces

Post Graduate Diploma in Foreign Trade

(Monday-Wednesday-Friday : 6.30 pm to 8.30 pm)

Six-month course suitable for professionals, SMEs, top & Middle Management and beginners in Export-Import Business.



Post Graduate Diploma in Logistics & Shipping

(Tuesday-Thursday: 6.30 pm - 8.30 pm)

Three-month course suitable for fresh graduates, employees in logistics & shipping, employees of export-import companies and SME enterprises.



Certificate Course in Small Business Start-Ups

(with special focus on export-import)

(Saturdays: 10.30 am to 5.30 pm)

Three-month course ideal for start-up companies, entrepreneurs and owners of family businesses / proprietary firms.



- FACULTY COMPRISES EXPERTS ON INTERNATIONAL TRADE WITH HANDS ON EXPERIENCE IN EXPORTS AND IMPORTS
- THE COURSES ARE DESIGNED WITH A VIEW TO IMPART PRACTICAL KNOWLEDGE FROM TRADE SPECIALISTS

Admission Open

Contact : WORLD TRADE CENTRE INSTITUTE

Centre 1, 31st Floor, Cuffe Parade, Mumbai 400 005

Tel: 022-66387391-92 | E-mail: wti@wtcmumbai.org | Web: www.wtcmumbai.org

CREDITS

Kamal M. Morarka
Chairman

Vijay G. Kalantri
Capt. Somesh C. Batra
Sharad P. Upasani
Vice Chairmen

Y. R. Warerkar
Executive Director &
Head of Editorial Board

EDITORIAL BOARD

Rupa Naik
Director - Projects

Tripti Chakravorty
Assistant Director - Trade Research

Raja Narayanan Iyer
Assistant Manager - Research

Kranti Sagalgile
Assistant Manager - Research

Nilesh Gosai
Creative Designer

WTC Goa Official

Ambika D. K. Dhakhenkar
Assistant Manager - Trade Promotion &
Research

WTC Bhubaneswar Official

Nimeshika Natarajan
Manager - Trade Research

Printer

Onlooker Press
16, Sasoon Dock, Colaba, Mumbai - 400 005

Editorial Office

M. Visvesvaraya Industrial Research and
Development Centre
(Member: World Trade Centers Association Inc.)
Centre 1, 31st floor, World Trade Centre, Cuffe
Parade, Mumbai 400 005 (India).
Tel : 66387272 Fax: 91-22-22188385
Email: tradepromotion@wtcmumbai.org
Web : www.wtcmumbai.org

Disclaimer: The information contained in this journal
has been reviewed for accuracy and is deemed reliable
but is not necessarily complete and cannot be
guaranteed. The views expressed in the articles
appearing in this Journal are those of the author's and
do not necessarily reflect the views of the Centre.

for private circulation

CONTENTS

January - March 2016
Vol. 2 Issue 3

- 06 **Special Feature**
New Age Startups Turn to Accelerators to Succeed
Taiwan for the Most Discerning Traveller
- 10 **On MSMEs**
▪ E-commerce Startups and MSMEs in India: A Symbiotic Relationship
▪ Changing Paradigms in Small Business Financing
- 14 **Cover Story**
Indian Startups Get New Lease of Life
- 16 **In Conversation with...**
▪ An Island of Opportunity in Canada
▪ WTC Miami - Facilitator of International Commerce
- 20 **Book Review**
China: Behind the Miracle
- 22 **Connecting with Global Markets**
▪ Startups Take the App Way to Global Reach
▪ Poland: Paradise for Investors
- 24 **China Desk**
▪ Challenges of Restructuring Chinese Economy
- 26 **World Trade Centre News**
Trade Promotional Activities Held This Quarter
▪ WTC Mumbai
▪ Happenings
▪ WTC Bhubaneswar
▪ WTC Goa
▪ International Visitor Leadership Program Regional Economic Connectivity: The NAFTA Experience - A Report
- 61 **India Rising**
▪ Startup Ecosystem Addresses Areas in Development Sectors
▪ Hardware Emerges and Software Evolves for Startups
- 64 **Post-Budget 2016-17**
▪ Will BEPS Increase Compliance Costs for MNCs in India?
▪ Are MNCs Ready to Comply with BEPS Norms?
▪ Real Estate and Infrastructure to Get a Fillip
▪ FIEO: Rural Credit, Inclusive Growth and Increased Infrastructure Outlay to Transform India
▪ NASSCOM Perspective: Mixed Bag for Technology and Services Sector
- 74 **In Focus-WTC Bhubaneswar**
▪ Odisha Acquires Startup Culture
- 75 **In Focus-WTC Goa**
▪ A Goan Woman Entrepreneur with a Difference
- 78 **EU Desk**
Implications of EU-India Migration
- 79 **Russia Desk**
Recalibrating Indian Defence Trade with Russia
- 81 **Events from All Over**
▪ India Trade Shows
▪ International Trade Shows

New Age Startups Turn to Accelerators to Succeed

*In an interview, **Mr. Ajay Ramasubramaniam, Director, Zone Startups India**, highlights the role played by his organization in supporting technology start-ups. He also explains the significant difference between an incubator and an accelerator, both of which are interchangeably used and often confused, in any given context. Zone Startups India is the only independent technology accelerator in India outside any academic institution to receive support from Government of India.*



Could you provide us with an overview of your organization and the role it plays in a start-up ecosystem?

Zone Startups India is an international footprint of the Toronto-based Ryerson University and its technology acceleration arm Ryerson Futures Inc. In India, Zone Startups is setup as a joint venture with the Bombay Stock Exchange Institute and has its startup accelerator based at the BSE, over a 6,000 sq. ft. space.



We are the only independent technology accelerator in India to receive support and accreditation from the Department of Science and Technology, Government of India under its National Science & Technology Entrepreneurship Development Board (NSTEDB), Program, which usually supports only incubators within academic institutions. Also, we are a one-of-a-kind joint venture, where a technology business accelerator is co-located within a stock exchange. We work with technology startups in the enterprise and consumer space - software and hardware.

We have been operating in India for the past 2 years. Our accelerator in Mumbai hosts 69 startups across diverse sectors. Eighteen of which have raised funding in the past 12 months.

We provide our startups a world-class infrastructure and peer network, access to mentors, industry connect, investor connect and technology support and marketing / business development support.

Your organization is a collaboration of BSE Institute (a subsidiary of the Bombay Stock Exchange), Ryerson University's Digital Media Zone (incubator), Ryerson Futures Inc. and Simon Fraser University, British Columbia, Canada. What is the role of each organization in this collaboration?

Zone Startups India is a joint venture of Ryerson Futures Inc. and BSE Institute.

“ We provide our startups a world-class infrastructure and peer network, access to mentors, industry connect, investor connect and technology support and marketing / business development support.”

Ryerson Futures Inc. is the technology acceleration and investment arm of Ryerson University, Toronto. Ryerson Futures owns majority 85% equity and the program manages the accelerator. Our flagship incubator in Canada, is the DMZ (formerly known as Digital Media Zone), which is ranked #1 startup incubator in North America, and #3 globally. The program is on the lines of our programs in Canada, with some element of localization. The focus is largely on validation, industry access and investor connect.

BSE lends strong credibility to the program and extends support through its wide network of corporate and the government.

Ryerson University manages 125 innovation centres in Canada - incubators, accelerators, corporate innovation centres and centres of excellence. Ryerson's incubators and innovation centres are across diverse industries such as technology, fashion, urban energy, biomedical, digital media, legal, social ventures, big data, advanced materials - to name a few. Additionally, Ryerson Futures manages corporate innovation programs for several leading North American corporates.

According to a report jointly released by industry body NASSCOM and consulting firm Zinnov, there are 110 incubators / accelerators in India. How different is your accelerator programme from the other incubators or accelerators in India?

Incubators and accelerators are being used as generic terminology but, one needs to be careful with using names interchangeably. Typically, incubators are a part of an academic set-up that work with startups at an idea / concept level

“Most importantly, an accelerator lends legitimacy to a startup. It is a place where there is a working due diligence beyond just a PowerPoint presentation or financial forecasts.”

One of the goals of your accelerator programme is to help Indian companies access the North American market. Could you share with us your success stories in this endeavour and your future plan of action in this area?

That's not true. Our program is completely focussed on working with Indian startups in the Indian market.

Having said that, for the past 3 years, in partnership with the Government of Ontario, Canada, we have been hosting the Next BIG Idea Contest in India, wherein, through an application based model, annually top-5 hi-tech and hi-potential startups from India are taken to Toronto for a 2-week market incubation program. Industry sponsors in the past have included IBM and Amazon Web Services. However, this is more of a pan-India competition and our portfolio startups are not allowed to take part in this competition.

The Next BIG Idea Contest winners get a 2-week all-expenses paid, bespoke program in Toronto, where they are introduced to potential customers, partners, investors which will enable them to access the North American market.

We have seen 558 applications over the past 3 years. We have taken the competition on a road show across 9 cities, in partnership with our regional incubator / accelerator partners in Pune, Ahmedabad, Goa, Bangalore, Chennai, Kochi, Hyderabad and NCR. We have successfully soft-landed 13 Indian startups in Toronto through the Next BIG Idea Contest.

We have seen some great success through the Contest, which has seen our



winners go onto raise some serious venture funding. One of our first winners in 2013 was CitrusPay, which has since raised a Series-C funding of \$32 million. We have had some other success stories in Vidooly (funded by Bessemer Venture Partners), ShieldSquare (funded by IAN, SeedXStartups), Survelytics (funded by Blume Ventures), Konotor (acquired by FreshDesk) to name a few.

This will continue to be an annual feature of ours, as we feel there exist some great startups in India, with a potential to go global and we at Ryerson / Zone Startups India can bring our network into play.

What are the financing options available for start-up companies in India? Particularly, comment on the effectiveness of the institutional trading platform of BSE and NSE.

Institutional trading platforms are good for later stage funding, as it involves dealing with public money. Companies at a growth stage or looking for later stage funding are better suited to those larger institutional rounds.

Startups are more suited to raise funding from angels (HNI's or senior industry executives), angel networks, seed stage investors, venture capital firms and corporate venture arms. Crowd-funding is another emerging trend. Also, startups need to be very aware of raising only the amount of capital needed to operationalize the business, rather than trying to raise a large sum because, it will give them a profile. Increasingly, startups are also looking at raising 'smart capital' or 'strategic capital', where money is accompanied by domain

expertise, industry know-how or a network of potential customers.

Zone Startups India aims to develop Mumbai and India as a global hub for innovation and economic development. Could you shed light on your future strategies to achieve this vision?

Accelerators are a community of startups and entrepreneurs, where there is a lot of informal learning and sharing of experiences within the peer network. Founders that are a part of an accelerator, have to be willing to talk about their experiences, contacts and kind of give back to the community. Overall, accelerators are net job creators that can transform the job market and economic prosperity of communities, cities and nations.

Going forward, we plan to launch specific programs targeting industry verticals, student entrepreneurs and women entrepreneurs. Likewise, we have also announced an international soft-landing program, which will be an innovation and entrepreneurship hub for international technology startups and companies looking to enter the Indian market. We will be providing them with end-to-end services that enable them to succeed in the Indian market. With this we look forward to create more knowledge economy jobs, and attract more foreign direct investment into Mumbai and India.

Taiwan for the Most Discerning Traveller

Arthur Hsieh

Director, TTB Singapore Branch, Taiwan Visitors Association, Singapore Office



Taiwan is catching the Indian travellers' attention and there is a growing interest in this beautiful island thanks to its superb location (a mere 6 hour direct flight from New Delhi). It offers the perfect amalgamation of fabulous food, superb night life and night markets, hot springs, culture, history and stunning natural beauty. Also, Taiwan is one of the unexplored and still-to-be-discovered destinations of South East Asia which makes it a unique offering for the adventurous Indian traveler waiting for new experiences in travel.

The capital Taipei is a modern and hospitable city that preserves its traditional Chinese culture against the background of cutting-edge infrastructure. In Taipei, visitors find it easy to get around, bask in the pleasant climate, and savor all kinds of Chinese and international cuisine including authentic Indian food. Taipei is choc-a-bloc with cafes, restaurants, historical museums such as the National Palace Museum, stunning skyscrapers, especially the Taipei 101, posh mega malls and winding cycling paths – Taipei has something for everyone. Whether you choose to gaze at the city from the top of one of the world's tallest

skyscrapers or explore it by wandering around its buzzing night markets – Taipei will leave you asking for more.

Rated as one of the top attractions in Taiwan, the Sun Moon Lake, situated in Nantou County's Yuchi Township near the center of Taiwan, is the island's

largest lake. It's beautiful, romantic and is an ideal destination for a relaxed holiday or a honeymoon. The eastern part of the lake is round like the sun and the western side is shaped like a crescent moon, hence the name 'Sun Moon Lake'. The waters of the lake are crystal clear with various shades of green and turquoise blue which perfectly reflect the surrounding hills and mountains. The juxtaposition of mountain and water combined with the lake's 760-meter elevation gives the impression of a Chinese landscape painting.

Taiwan's Taroko National Park is a national treasure and a must-visit for any visitor to Taiwan. The area also known for the world's deepest and most beautiful marble canyon and slot canyons where many narrow sections rise to almost a thousand feet high and are only a few hundred feet apart.





E-commerce Startups and MSMEs in India: A Symbiotic Relationship

**Sanjay Aggarwal, Partner - KPMG Enterprise,
Head of Family Business**

When one considers the growing consumer demand and changing consumer profiles in India, India stands out as a distinct market from the rest. Some of the key points to reckon with this market include:

- India is a huge and complex market, comprising over 1.27 billion consumers, which is more than the population of Europe and a few other countries put together.
- The changing consumer lifestyle, preferences and tastes, price value perception across segments and

locations, add to the diversity in terms of its demand. While the first 50 cities and towns have comparatively higher per capita income, several towns aspire to purchase quality products, given the growing income levels. The diversity in culture and traditions further add to the heterogeneity of the market.

- Improvement in rural infrastructure, better connectivity, increase in income, access to quality education and growing development opportunities, are some factors which further strengthen the consumer base.
- India has a huge base of young population whose preferences are different from that of the older generation.
- Growing government investments in infrastructure both digital and physical, defence, technology, introduction of programmes like

financial inclusion development, etc are not only changing the consumer dynamism, but also enabling large scale manufacturing of consumer goods.

- With better infrastructure and growth opportunities, smart cities can be looked at as a new market, supported by consumers with higher income levels.
- Generally, the organised supply side is around 20 to 30 percent of the total segment demand, the large unorganised supply side is expected to soon transit to the organised segment.

The table below is illustrative of growing consumerism. Other sectors such as gems and jewellery, apparel, consumer electronics, etc. are even larger and have a significant potential for growth in demand.

Differences in organised and unorganised supply in domestic food market

Category	Units	Current				Future			
		Year	Size	Org. ¹	Unorg. ²	Year	Size	Org.	Unorg.
Wheat (Flour)	INR crore	2015	62,920	10%	90%	2018	84,686	21%	79%
Rice (Basmati)	INR core	2014	10,521	40%	60%	2020	66,138	NA ³	NA
Spices	INR crore	2014	54,958	17%	83%	2020	140,254	20%	80%
Snacks ⁴	INR crore	2014	12,497	43%	57%	2020	47,674	NA	NA
Pickles	INR crore	2015	1,034	51%	49%	2020	1,717	NA	NA
Dairy	Mn.Ton	2015	27	19%	81%	2020	55	25%	75%
Egg	INR crore	2015	18,315	1%	99%	2020	30,231	2%	98%
Poultry	INR crore	2015	20,290	1%	99%	2020	38,917	1%	99%

Based on KPMG Estimates

¹ Org. – Organized

³ NA – Not available

² Unorg. – Unorganized

⁴ Snacks – Includes sweets and savoury

The complex supply chain design acts as a critical driver to unlock demand and deliver the potential for SME manufacturers and suppliers of goods and services. The last mile distribution costs and the overall supply chain costs, coupled with inefficiencies leads to an end-consumer pricing which does not help address the existing and potential demand for goods and services. The final price is too high from a customer point of view, who does not perceive it as value for money. Hence, the volume does not grow rapidly. Disintermediation is possible but not very easy due to the risks associated with working capital as well as credit issues involved in supply chain.

time consuming activity to build a pan India brick and mortar distribution channel for every product and service, but also requires a large amount of investment and management bandwidth. Further, sustaining the supply chain with constant staff turnover, rising costs and a pressure on the margins also becomes a significant challenge.

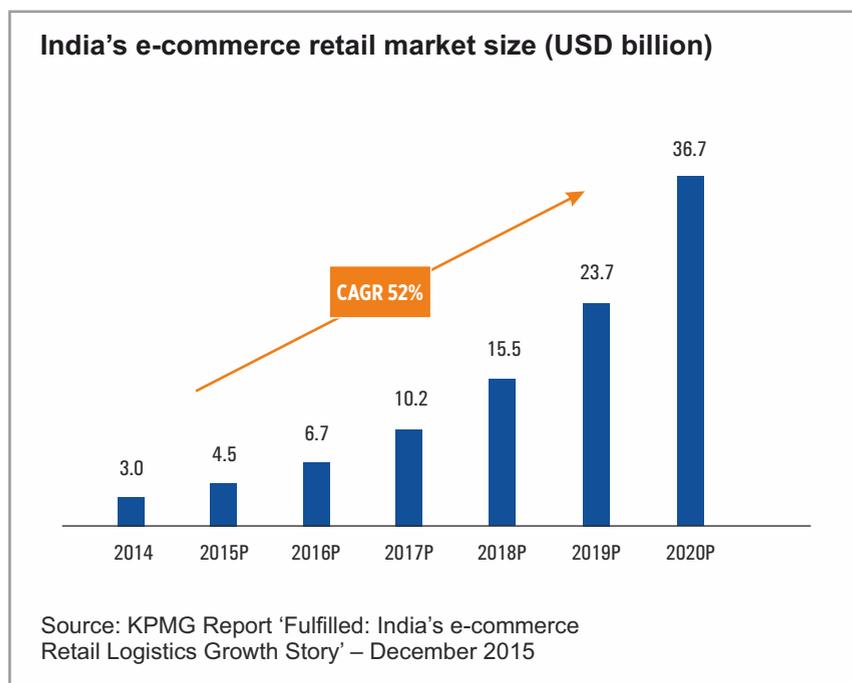
E-commerce companies are working to acquire customers, vendors and build a supply chain design which can improve their reach, customer experience and reduce the intermediate costs by benefitting from economies of scale and the use of technology.

However, questions such as will the ecommerce players be able to survive, raise funds, bear the losses in the building phase and develop the supply chain design in the shortest possible time and sustain it over a long-term? remain to be answered.

Global examples have shown that it takes 20 years of sustained efforts and by incurring losses to develop this, it is possible that it may now take less time and low costs, if managed and executed smartly. For small and medium sized businesses in the Business-to-Business (B2Bs) and Business-to-Consumer (B2C) segments, for local and regional players, or those present in a few states, this serves to be an important channel to develop a wider distribution network for their products not only across markets where they do not have a reach currently but also with customers with whom they do not have any visibility. Higher volumes can be achieved by partnering with the right online channels and digital marketing players, making them national brands.

E-commerce and SMEs therefore have a lot to gain through strong collaboration, to service end customers well and reduce the ultimate cost for their customers. They can further help to create a range of products and enhance the overall customer experience. This by itself shall be a game changer to increase volumes for e-commerce companies and SMEs, multiple times in the short to medium-term.

(The views and opinions expressed herein are those of the author and do not necessarily represent the views of KPMG India.)



Simple examples of white goods such as colour TV, camera, mobile phone, telecom, WiFi, DTH, etc. have product prices reduced by a significant amount, demand potential unlocked by over 10 to 100 times and may be even more, over the last few years.

In a typical scenario, potential customers have access to e-commerce websites as well as quality products and services. This online access, as compared to brick and mortar distribution, provides a distinct opportunity for SME and e-commerce companies. It not only is a

E-commerce shall benefit from being a strong channel aggregating various products and increasing volumes for the SME brands and manufacturers. It is expected to give a choice to the customer across various price value points and help build an efficient logistics and delivery model for a wide range of products compared to smaller product companies who are trying to build their own brick and mortar supply chains.

If e-commerce companies are able to build this supply chain design, it shall ease the delivery flow to end customer.

Changing Paradigms in Small Business Financing

Alok Mittal

Cofounder and Chief Executive Officer, Indifi Technologies Pvt. Ltd.

Small businesses have been recognized as engines of growth across many countries. In an environment where public investments can no longer power growth and job creation and where larger corporates find themselves in the middle of periodic global volatility, small businesses remain stable gears of most economies. For developing economies, they also continue to be the only engines of job creation. India, for example, needs to create over 100 million new jobs over the next decade, due to net additions in working age population and farm jobs migration – this magnitude of challenge is only addressable through a vibrant and growing small business sector.

On the other hand, financing businesses, both equity and debt, have not been conventionally designed to serve small businesses. From the overhead and constraints of branch based banking, to lack of channels for distributing financing products, banks and non-banking lenders in most countries have been able to effectively address only large companies. Most of all, the lack of data regarding small businesses and the heterogeneity of small businesses makes it impossible to devise scalable financing products. Needless to mention, when available, these products often default to loans against collateral, which index to the hard assets of the business and not to their growth capital requirements.

A range of innovations arising out of technology and data disruptions promise to solve these issue and finally start to create scalable financing platforms. Indifi Technologies Pvt. Ltd. (Indifi for short), is attempting to create such a solution for the Indian market. Indifi provides a platform for small business borrowers to connect with institutional lenders. Some salient solution points are described below.

The Business is ‘Fin’ and not ‘Tech’

Indifi has been built on the premise that while technology is a necessary enabler, such platforms must solve for underlying

financial parameters. For example, one of the key problems to solve is ‘how to retain high credit quality at scale?’ Traditionally, in a branch based setup, scale has been compromised in favor of leveraging social linkages and relationships towards credit quality. At Indifi, new solutions are being arrived to address this problem by making underwriting more data-oriented and standardized.

However, as pointed earlier, data regarding small businesses is hard to come by. Hence the company is trying to tap into data that is available in business supply chains and use that to draw signals about the strength of an underlying business. For example, by looking at underlying purchase transactions of a small business and the volatility thereof, Indifi has been able to draw reasonable conclusions about size and strength of the business. This business transaction data can be made available at scale because many such supply chains have natural consolidators in them. Currently, the company has developed products across half a dozen different segments, all built through data partnerships that provide a proprietary view of business transactions and hence enable scalable underwriting models for lenders.

Segment knowledge matters

Small businesses are notorious for their heterogeneity. From different organizations, such as proprietorships to partnerships and corporations and nuances of each different industry segment, this heterogeneity limits the scalability of small business lending. Indifi is providing a solution to this problem by taking a product development approach to financing. Indifi constructs custom solutions for each industry and segment – this involves detailed analysis of the industry, its cash flows, the need for capital, the underlying credit risks and data required to create robust underwriting models. Once this exercise has been done and data partnerships enabled, this ‘product’



is now available in a scalable fashion to multiple lenders. This approach ensures adequate investments in design of the product and amortizes that investment across a large number of lenders and borrowers. The result is a depth of understanding and solution that delivers to both scale and credit quality parameters.

Operating costs are the boring secret

One of the key reasons for small business lending constraints is the cost of doing business. From direct origination, which is the norm for most small business lenders, to feet-on-street underwriting in the absence of secondary data, high operating costs which plague small business financing market. The result is reduced access to funds for small businesses and a large untapped market for lenders.

Indifi is looking to reduce the operating cost of lending to small businesses by over 50% by innovating on the lending processes, as well as judicious use of technology. The key business model innovations include partnerships for origination as well as for underwriting data, as well as the multi-lender model, which increases the fill rate on the platform thereby reducing marketing wastage. At the same time, automation of data analysis and lending workflows lead to substantial savings in operating costs.

Ultimately, these savings in process costs will benefit both lenders as well as borrowers, and expand access to financing for small businesses.

Experience the new
CENTRUM at
World Trade Centre Mumbai



An ideal venue for Conferences & Banquets

Contact: World Trade Centre Mumbai
T: +91 22 6638 7349 | E: centerpoint@wtcmumbai.org

An Island of Opportunity in Canada

*A firm believer in doing what's best for Prince Edward Island (PEI), **Honourable Heath MacDonald, Minister of Economic Development and Tourism, Provincial Government of Prince Edward Island** is focused on promoting strengths and opportunities of his Province. To achieve this, Minister MacDonald and his team are geared up to welcome all aspiring companies to set base in his Province. In an interview, he outlines his modus operandi in effecting trade, encouraging SMEs and enabling growth on PEI.*



The International Monetary Fund expects the Canadian economy to grow 1.7% in 2016 compared to an estimated 1.2% growth in the previous year. How is the economy in Prince Edward Island growing? What are the strengths and opportunities in the Island for foreign investors?

Prince Edward Island (PEI) has historically depended on land and sea as the basis for its primary industries - agriculture, fisheries and tourism. Today, the Government of Prince Edward Island is building on these long-established sectors as well as capturing the potential of new industries. The economy is building on our strengths in these traditional sectors and diversifying into growth industries such as aerospace, advanced manufacturing, bioscience, information technology, financial service and renewable energy. The Royal Bank of Canada is forecasting real GDP to expand by 1.7% in 2015 and 1.6% in 2016. Exports from the Island continue to be strong, topping \$1.2 billion in 2014 and at the end of November 2015 exports were up an additional 15%.

For foreign investors will find five compelling reasons to invest in Prince Edward Island:

- A cost effective and business friendly environment - PEI is one of the lowest cost locations for business in the G7 according to the KPMG Study on business costs. Any business will find a welcoming and friendly environment, highly qualified personnel, communication and business infrastructure.
- A highly skilled and educated labour pool – High quality

post-secondary institutions are constantly connected to business and can work quickly to create education and training programs that will produce skilled and employment ready workers. Businesses benefit from high labour participation and single digit turnover rates.

“The economy is building on our strengths in these traditional sectors and diversifying into growth industries such as aerospace, advanced manufacturing, bioscience, information technology, financial service and renewable energy.”

- Strategic infrastructure – Innovative thinking and technologically advanced infrastructure intertwine to promote the growth of emerging and maturing sectors in Prince Edward Island. From BioCommons Research Parks, to a highly developed Aerospace Centre, Technology Creative Complexes and more. PEI

competes on a global scale and is ready to welcome investors ready for the challenge.

- Access to major markets - PEI is located in the Gulf of St. Lawrence, off the Atlantic Coast of the eastern Canadian mainland. This prime location offers excellent access to North American and European markets through the use of year-round ports, major air cargo routes and high-bulk land transportation. PEI is in the Atlantic Time Zone; four hours behind London, four hours ahead of Los Angeles and one hour ahead of the Eastern United States.
- Quality of life that is second to none - In PEI, people live in an environment that offers big opportunities, affordable housing, light traffic, peaceful communities, great schools, universal public health care, friendly neighbours and just a few-minute drive between home and work. PEI is the smallest of the Canadian provinces but it represents the best of all that Canada can be - it could be home to many!

Prince Edward Island has the second largest per-capita number of small and medium-sized enterprises of any province and territory in Canada. Could you briefly explain the sectors in which these businesses operate and how can foreign companies explore collaboration with these enterprises?

Prince Edward Island's key sectors include agriculture, fisheries, tourism, aerospace, advanced manufacturing, bioscience, information technology, financial service and renewable energy. While these companies are small and medium sized enterprises, they are innovative and focus their efforts to be successful within well-defined parameters – operationally, financially and integrated into global markets that make sense. SMEs tend to be flexible, rapid decision makers, who have built their success on collaboration and partnerships. Most want to take their businesses to a higher level and seek investors who think and act like they do. Companies in PEI have a history of working with partners from many countries. There are opportunities to discuss business needs with top-level officials, in order to work out details that will favour both parties. PEI's door to investment is always open.

What is the role of the agency 'Innovation PEI' in supporting economic development in Prince Edward Island? How can foreign investors make use of this body?

Innovation PEI is focused on accelerating economic development in Prince Edward Island by investing in people, innovation and infrastructure. Key sectors have been identified that have displayed a high potential for economic growth within the Province. These sectors include advanced manufacturing and processing (including value-added food development and production), aerospace and defence, bioscience (including agriculture and fisheries), information and communication technology, financial services and renewable energy. Rapid development of these sectors and others is the focus to drive the Island economy through innovative new products and services. The goal is to build a stronger Prince Edward Island by helping businesses create sustainable employment opportunities. Innovation PEI works with all three levels of government (federal, provincial and municipal) working together to attract foreign investment to the Province. Operating as a seamless partnership, the team promoting the Island will provide 'one-stop-shop' service for your business needs. All efforts go into ensuring that PEI is an ideal location for business to succeed. PEI provides quality information and access to decision makers. Whether one wants to expand ones business, start a business, or invest in an existing business - the Island has the expertise to help business succeed.

Aerospace, bioscience, information technology, renewable energy, financial and business services are some of the emerging sectors in Prince Edward Island. What are the

“Whether one wants to expand ones business, start a business, or invest in an existing business - the Island has the expertise to help business succeed.”

incentives given by your government and the Government of Canada to attract foreign investment in these sectors?

With a team approach, connecting all levels of government to business opportunities, the team will build a tailored-assistance package quickly and professionally. Financial incentives are available to eligible companies and may include tax rebates, labour rebates and/or interest-free unsecured loans. PEI can assist in the areas of business start-up, capital acquisition, human resource

planning, IT infrastructure needs, export training and assistance and more. The team will identify the appropriate incentives to best support a company's success, based on its business plan. A list of Innovation PEI programs can be found at this link: <http://www.innovationpei.com/Programs-Services>

Agriculture and food processing are the leading sectors in Prince Edward Island. How can India and the Island work together in these sectors?

The emergence of these sectors coupled with developing expertise in agriculture and food processing in India, align extremely well with the successes and innovation found in Prince Edward Island. Product advancements, increasing opportunities to move commodities up the value-chain, and creativity in food development are hallmarks of what is driving the agriculture sector in PEI. In India, rising income levels has increased the desire for better products, including recognized branded foods, many of which are ready-to-eat. These traits are very similar to the situation unfolding in Canada. When this is combined with the increasing demand for organic products, or products that promote a healthy lifestyle and wellness, one again sees similarities where Prince Edward Island and India are not so far apart.

The distance between India and PEI positions the latter to be connectors and gateways into very large markets – North America and Asia. Individual experiences in these markets can be shared to create partnerships that can help companies reach out to customers in each other's countries which would otherwise have been a struggle. Cultural differences can be leveraged to explore new and dynamic products that are on demand by global customers. Both countries have been built on entrepreneurial spirits, the constant search for new horizons and the desire to better oneself for future generations. The world today demands global cooperation. Canada and India share a strong relationship, particularly in many large Canadian cities. There is more to Canada than these cities, and Prince Edward Island is the best of Canada.

■



WTC Miami - Facilitator of International Commerce

Ms. Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, World Trade Center Miami (WTCM) during her visit to World Trade Centre Mumbai shared her Center's mission to promote trade and commerce in Miami. Ms. Gallogly and her team have been able to facilitate the local business of Miami through trade shows and in this way contributed to the City's economic development. In an exclusive interview, she candidly expressed the trade and investment opportunities available to Indian entrepreneurs in Miami.

One of the missions of World Trade Center Miami (WTCM) is to promote the role of women in international trade. What are the steps taken by your organization to achieve this and what are the outcomes?

We are committed to advancing the role of women in international trade, helping them establish successful businesses and advance to leadership positions in their organizations and the South Florida community.

In 2004, we launched the WTCM's first International Women's Day by recognizing women who have advanced the promotion of free trade and international business in the Americas. We have continued the Women's Day event for the last 13 years and to date we have recognized 71 women. One of our award-winners is Ms. Romaine M. Seguin, President, UPS Americas Region, who will become the second woman to chair WTCM in 2017.

Miami is a young city and its economic development started only after 1950s. What is the role played by the World Trade Center Miami in promoting economic development of the City?

Since its founding in 1985, WTCM has been very successful in facilitating international commerce in Miami-Dade County. Through trade shows, missions, special events, educational programs and other forms of assistance, WTCM has played a major role in spurring the growth of



the region's economy, generating more than \$3.8 billion in international sales and stimulating the formation of thousands of new jobs.

“We plan to create an Asian Desk/Information Center to provide support to Indian businesses seeking to distribute their products in the western hemisphere, the world's second-largest market.”

Today, our three major trade shows and international conferences bring together thousands of buyers and sellers each year, creating new business relationships that expand their sales opportunities ranging from Asia and Europe to the United States and Latin America. We hold other trade promotion events that annually draw more than 2,000 international companies interested in increasing two-way trade and making connections with buyers and sellers in the Americas marketplace. We also provide up-to-date market information, identify potential customers, and foster international connections through global members of the World Trade Centers Association.

We have learned that your organization is in the process of setting up an Asian Information Center. Can you provide more information on this project and how it would promote American investment in Asian countries, especially in India?

With the completion of the Panama Canal expansion, we believe that more companies from India will be entering the North and South American markets, using Miami as a strategic point of entry. We plan to create an Asian Desk/Information Center to provide support to Indian businesses seeking to distribute their products in the western hemisphere, the world's second-largest market.

In addition, we plan to build on the success of our recent trip to the Air Cargo India 2016 trade show to facilitate outbound missions from South Florida to India, opening the door to increased sales and investment opportunities in dynamic Indian markets, such as Mumbai.

Miami is the ‘Trade and Logistics Hub of the Americas’ as it provides excellent trade, logistics, infrastructure and allied services to companies that use this City as a base of operations or as a transshipment point. How can Indian companies make use of this unique advantage of Miami and expand their presence in Latin America, Canada and USA?

Both Miami International Airport (MIA) and PortMiami have recently completed major infrastructure projects to support global trade flows. MIA is the longtime leader in air cargo and passenger traffic to Latin America, with convenient service to Europe, Asia, Africa and other global destinations. Today, MIA is the number one international freight airport in the US and ninth largest in the world.



With the completion of its ‘deep dredge’ project, PortMiami is the closest U.S.A. port to the expanded Panama Canal able to handle the high-capacity post-Panamax vessels. That puts Miami in a unique position to support Indian companies seeking to serve U.S.A., Canada, Mexico, the Caribbean and dynamic markets of Central and South America.

“ With the completion of its ‘deep dredge’ project, PortMiami is the closest U.S.A. port to the expanded Panama Canal able to handle the high-capacity post-Panamax vessels. That puts Miami in a unique position to support Indian companies seeking to serve U.S.A., Canada, Mexico, the Caribbean and the dynamic markets of Central and South America.”

How can WTC Mumbai and WTC Miami collaborate to promote trade and investment in both the regions?

We would like the WTC Mumbai to collaborate with our team as a sales agent for our shows, bringing more Indian companies here to find new customers in the western hemisphere as well as agents and distributors to sell their products. Excellent sales

opportunities are offered by our three international trade shows and conferences:

- Americas Food and Beverage Show - Our 2015 Show included 472 companies from 33 countries, drawing 11,123 attendees from 103 countries. Overall, exhibitors reported \$179.2 million in actual and projected sales.
- Air Cargo/SeaCargo Americas International Congress & Exhibition - These 2015 shows, co-hosted by Miami International Airport and PortMiami, attracted 151 companies who achieved \$60 million in actual and projected sales.

There are 334 WTCs across the world. How can all the WTCs form a mutually beneficial network to promote world trade and at the same time serve the business interests of their local regions?

Having served for 14 years as a member of the board of directors for the World Trade Centers Association (WTCA), the global organization that has licensed 334 World Trade Centers in 92 countries around the world, I believe the key is reciprocity. Each WTC should identify the export markets that provide the best opportunities for small- to midsize enterprise (SME) in their region and partner with WTCs in those export

markets to build reciprocal trade relationships.

The WTC Miami looks forward to collaborating with WTC Mumbai to build partnerships that expand sales opportunities, create new jobs and support the local economies in our countries.



China: Behind the Miracle

Dr. Jagannath Panda

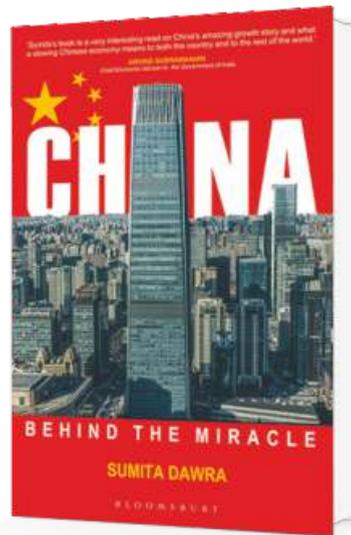
Research Fellow and Centre Head for East Asia,
Institute for Defence Studies and Analyses (IDSA), New Delhi

China's economic success has been a pressing academic and intellectual debate across the world. India, China's neighbour, however lags behind in examining China's rise and its economic miracle. The Indian outlook on China has been reactionary and fragmented. Ms. Sumita Dawra's 'China: Behind the Miracle' is a solicitous treatise that aims to fill this gap.

Having served as head of the Economic Wing of the Indian Mission in Beijing, the author offers a narration of her inside experience, which presages the views and perception of an Indian policymaker on China's economic growth story. Comprehending this and the so-called miracle of the Chinese economy, it is a relevant subject in the Indian context that the nation must understand and deliberate upon, since there are a lot of growth models India is imitating from China. China's success and failure must constitute an important experience in the Indian grassroots context.

The author writes cogently about China's compelling economic growth, 'of a fascinating development model that the world, especially the developing world, should know more about, and take closer notice of' (page 16). However most importantly, what distinguishes the book from other newly released literature on China's economy is the account of China's provincial growth stories and their model experiences, which have been the real backbone of China's growth and economy today.

The book argues that unlike its centralised political culture, China follows a 'decentralised model of governance' (page 42). This exclusive model not only offers autonomy to the provinces when it comes to economic decision-making but also empowers them to utilise the local resources to their fullest advantage. This model remains



the core of China's economic success. It has allowed the provinces to play the role and character of 'local becoming global' by attracting foreign investors and putting them at the lead of many global cities. Nonetheless, there are many elements to this 'decentralised' model that need deliberation.

The book under review offers three specific deliberations to ponder over this context. First, the economic success of provinces amplifies the success of the national economy; but there is no singular model to their success that can be replicated across the country. The capital city Beijing offers a model where the local economy matters most. Beijing has different zones of the city that specialise in different sectors (pages 44-45) and that stay core to its developmental model. Zhongguancun in Beijing is known for its IT sector, whereas Beijing's Financial Street is known for both the domestic and foreign institutions which in themselves donate to the city's economic development and attract outside investments. Beijing as the seat of China's political power and growth driver (page 43) may well lead to China's developmental model on many

counts; but the stories of Shanghai, Guangzhou and Chengdu are 'unique', which one must study and understand on an independent account of their own pattern of growth story. For instance, Shanghai's story is more infrastructure investment-oriented and that offers a unique model of investment-driven development of China that is different from Beijing. In other words, China may have a singular economic structure where 'decentralising provinces' may remain the core of its rise, but each of these models offer a story of success on its own that must be understood and deliberated independently.

Second, urbanisation and industrialisation have been accorded priority in the Chinese political structure, but that has equally empowered the rural poor to become rich and urban. The author argues that the economic liberalisation, started in 1978, necessitated cheap labour from the rural sector moving to the urban sector (page 186). As a record, almost 260 million people have migrated from China's rural areas to urban centres and in the next one decade almost 310 million people are expected to migrate (page 186). By the year 2011, China's urban population had crossed 50 per cent due to the process of urbanisation (page 186).

Third, the course of privatisation in China exists despite a socialist market economy. The success of the Chinese economy is based on the course of privatisation. China's course of privatisation, without being formally inducted into its systemic practice, has shaped and boosted its economy in recent decades. Privatisation coexisting with a socialist political structure is a uniquely Chinese incongruity. The term privatisation has gathered momentum today in the Chinese political structure and remains central to the country's economic development and its transition. Provinces play an important role in spurring privatisation ahead and the central government in China implements it through a modest 'decentralised' process. Sumita Dawra's book may not be directly pointing to this course, but her treatise on examining the case of Hangzhou explains that. She presages how a local company in China is given autonomy to engage in a joint venture

which enables foreign companies to access local markets (page 103) and that makes China an attractive destination for multinational corporations.

The book is an interesting treatise that must compel the developing world to debate and scrutinise China's developmental economic model. One may not agree with this model of economic development, but there is no doubt that the book has raised a stimulating course of developmental

models that must be debated at length in a country like India. The book is written by an Indian policymaker, which must interest both North Block and South Block in the Indian government. To position this book from a personal standpoint, Sumita Dawra's articulation on the Chinese economy is her stint in China as India's economic counsellor. During her period in Beijing (more than three years), India politically agreed to join the China-led Asian Infrastructural Investment Bank (AIIB). She was quite

convinced about India joining the AIIB and made a successful case in convincing the political establishment in India. Notably, India was one of the first countries to offer its political consent to join AIIB and that offered confidence to many countries in the world to join this Chinese-led bank. The policymaker is as forthcoming and futuristic as she seems in her writings. ■

World Trade Centre Bhubaneswar

Promoted by MVIRDC

*Connect
Globally*



*Prosper
Locally*

Connect for Trade

OBJECTIVE

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

STRENGTHS

Digitally networked with 322 WTCs
Access to information of the global markets
75+ business members | Association with Govt. Departments
Chambers | Trade Bodies | Financial Institutions

TRADE SERVICES

Export Counselling | International Market Connections | Education & Training Programmes

World Trade Centre Bhubaneswar
3rd Floor, IDCO Tower, Extension Building,
Janpath, Bhubaneswar - 751022

An initiative by
**WORLD TRADE CENTRE™
MUMBAI**
Promoted by MVIRDC 
M. Virochanya Industrial Research and Development Centre

www.wtcbhubaneswar.org



Startups Take the App Way to Global Reach

Sanjay Barkataki
Co-founder, Dazzle Today

A young population, increasing smartphone penetration and social media have driven huge economic change, empowering Indians to think differently. According to a recent study by Nasscom, India has around 4,400 startups that employ close to 85,000 employees and an estimated \$6.5 billion has been used as funding thus far (till 2015). These startups have put India on the world map by making it third – as ranked by Global Startup 5 Ecosystem 2015. Today, India is one of the fastest growing technology ecosystems in the world and is actively looking at garnering a larger share of the global technology services market.

Interestingly, for most Indian companies, the path to global relevance is building technology products and services for businesses, not individuals. These products and services, typically enterprise software and apps, help companies run diverse aspects of business operations, from event coordination, payroll management to customer engagement. Mostly, all organizations continuously look for innovative ways to minimise investments while adopting latest technology systems to accelerate growth. As businesses grow and try to increase productivity with limited resources, they constantly need to upgrade their technology – so the demand for a product that simplifies process is perennial.

In answer to this need, technology is enabling gainful disruption across sectors. With advances in cloud computing, companies can now run software without buying or maintaining any expensive equipment. The growth of mobile devices in the workplace has created a need for accessing business data and applications beyond the computer. These changes in technology have allowed agile and innovative startups to build and market, cloud and mobile-based software and ultimately grab market share from large vendors.

Inventive Indian entrepreneurs are coming up with solutions to problems faced by organizations in day-to-day operations and are offering apps, products and solutions based on the Software as a Service (SaaS), Platform as a service (PaaS), app, mobile and web



platforms. For example, DazzleToday, a cloud-based app has made planning and participating in trade shows more effective by simplifying processes like capturing leads and driving sales.

Apps such as DazzleToday have a unique opportunity to tap into global markets without even establishing a presence there. Based on the SaaS model the app is extremely well suited to leverage its strength by offering services on cloud and interacting quickly with the initial set of customers. A growing number of exhibitors, both in India and globally, are turning to apps like DazzleToday to help

coordinate logistics and tackle critical tasks like organization, planning and networking. The added advantage is that these services are well understood by exhibition coordinators and administrators and there is a clear need for them.

The last five years have witnessed unparalleled growth in the startup ecosystem in India, especially in the technology and e-commerce space. Over the years, India's confidence in its capacity to deliver high quality technology products and services has grown and since the millennium there has been a conscious attempt to start new ventures, especially in the technology sector. The primary focus has been centred on innovative companies leveraging technology to solve consumer problems.

Startups have received immense support from the government. India currently has over 2 million mobile app developers and according to Google's Admob, this number is expected to grow to 3 million by 2017, at which point India will be the largest base of app developers in the world. With the world's gaze closely fixed on India and the massive possibilities the country offers in terms of trade and business, the role of technology will be crucial, going forward.

■



Poland: Paradise for Investors

Sławomir Majaman,

President, The Polish Information and Foreign Investment Agency (PAIiZ)



Poland is no longer a rising economic star, but a matured European investment magnet. currently, the largest EU country in Central and Easter Europe (CEE) by population, size and economy, Poland has become the key destination for many regional investment portfolios. This regional economic leader is considered to be a 'top table player among the EU member states and has 'EU's brighter success stories'. Besides, Poland is positioned one among the top 5 FDI receivers in Europe according to an UNCTAD report.

Poland's growth and investment attractiveness have been based on brain power, entrepreneurship and hard work and not on its finances, according to media sources. Not surprisingly, entrepreneurship is the Polish second nature. The vibrant business spirit, the constant passion for development and the push to be a leader have attracted many international investors. Besides, global players find a safe haven in Poland, especially now, when the world is experiencing an investment slow down.

Poland aspires to be European frontrunner and to attract the same-thinking business partners: exceptional, most innovative companies. The country

is open to investors who are keen on building a hub of change and development in Europe. Poland has already attracted many high-tech global players from R&D, ICT and business-service sectors by offering creative business environment, a modern R&D infrastructure and most importantly, well skilled, talented professionals, fluent in foreign languages such as young scientists, IT programmers, engineers, economists, designers and the rapid growth numbers of high-tech start-ups with their cutting edge concepts ready to conquer the world.

Growth and development is not restricted to Polish biggest metropolis, it can be found in numerous smaller cities. Many of them have strong academic centres with local technology parks and clusters. Due to which Rzeszów, Lublin, Bydgoszcz, Opole and other smaller regional players are now the rising stars of Polish creativity and entrepreneurship, attracting both foreign and Polish most innovative investments.

Poland is also open to Indian companies. There are many potential sectors, in



which there is potential for collaboration such as automotive sector, IT, BPO, mining sector and food processing.

More than 20 Polish companies from energy and food sector headed by Mr. Mateusz Morawiecki, Deputy Prime Minister and Witold Waszczykowski, Minister of Foreign Affairs, recently took part in 'Make in India Week 2016' held from February 13-18, 2016 and in a business forum in Mumbai. At the end of February 2016, the biggest Polish companies from mining sector participated at the International Mining Exhibition 2016 in Kolkata. This proves that Poland is interested in establishing business relations with India. In the near future further activities are planned to support Polish exporters and to bring Indian companies to Poland.

Challenges of Restructuring Chinese Economy

Ken Davies

President and Founder, Growing Capacity, Inc.



China's leaders are pursuing a policy of economic restructuring that will mean slower, but more sustainable, growth rates in future. During the changeover to a more consumption-cum-services-oriented growth model, the economy is vulnerable to shocks that could affect China's neighbours and trading partners.

Like Japan and the East Asian Newly Industrialised Economies (NIEs) of Hong Kong, Singapore, South Korea and Taiwan, China has enjoyed a burst of high GDP growth on the back of a surge in manufacturing exports resulting from major institutional factors, especially economic policy liberalisation and controlled urbanisation.

This surge has lasted longer in China than in its eastern neighbours, but is now ending as the government intensifies its efforts to restructure the economy away from reliance on export manufacturing and fixed capital investment and towards an economic model based more on domestic consumption and services.

The 2015 6.9% GDP growth rate is the lowest since 1990 (the year after the Beijing massacre), though it is almost certainly higher than in the Asian crisis of the late 1990s, when – although not recorded in the official statistics – the economy was effectively in recession for one or two years.

The 2015 rate is still a very respectable rate of expansion of national output, well above those of all developed economies apart from Ireland, though – unusually – behind that of India and in line with the

government target of 7%.

However, the real GDP growth rate is likely to have been lower than the official figure and the outturn in 2016 will be a further slowdown. However, due to the lingering heritage of the net material product (NMP), statistical methodology that accompanied central planning of the economy from 1953 onwards, China's GDP figures appear to take insufficient account of the private sector and therefore tend to understate growth in boom years and overstate it during a downturn like the present.

Another caveat is that huge investment in manufacturing has caused continuing environmental damage, estimated at anything up to 5% of GDP. Attempts to develop a 'green GDP' measure in China have not yet been successful. If they were, they would show far lower GDP growth.

Stock markets do not provide a reliable or valid indicator of what is happening in the real economy, but they can have an effect on it via the wealth effect, shareholders spending more because they feel richer when share prices rise – or via the transmission of panic when prices fall. While government policy targets in most countries include employment, inflation and growth, not rising stock prices, it would be foolish for any government to ignore market turbulence.

In China, major investment still occurs largely via bank lending to state-owned or state-controlled industries, not so much via stock market IPOs. The stock

market has been used by the government more as a way of keeping the public happy by providing some small return to investors which they cannot get from the low-interest-bearing savings that have financed the country's industrial growth.

The stock market crash that began in June 2015, when the Shanghai SE Composite Index topped the 5,000 mark, compared with its current level of around 2,900, therefore represents a setback for the government. This has tried to maintain rising share prices since the Shenzhen and Shanghai bourses were opened a quarter of a century ago, despite the fact that the fall so far has been less than the 150% rise that occurred between November 2014 and November 2015.

At the same time, China's currency, the renminbi or Chinese yuan (CNY), has fallen against the US dollar as a result of huge capital outflows (and despite a record current-account surplus of USD293 billion in 2015) and speculators outside the country continue to bet on further plunges.

In trying to stem devaluation, the government has conducted massive yuan purchases, running down its foreign-exchange reserves from a peak of just below USD4 trillion in mid 2014 to USD3.2 trillion by end January 2016.

If the authorities continue to maintain the current effective US dollar crawling peg in this way, the reserves will fall below the minimum needed to cover China's international obligations within the next couple of years, so the policy has to be changed.

I expect that the government will resist calls from prominent economists to float the currency and strengthen capital outflow controls until – and not unless – there is a further massive plunge in reserves. With or without a float, devaluation will continue. If and when this happens, the exchange rate will probably fall further but then stabilise. Provided capital controls are effective, the drain on reserves should then moderate or end.

Hitherto, the Chinese economy has weathered major crises like the Asian financial crisis of the late 1990s and the global crisis of 2008-2009, to the amazement of many economists both in and outside China. This is partly due to an interventionist stance by government, which has protected the economy from external shocks by deferring capital account liberalisation and other reforms and by injecting enormous amounts of infrastructure investment every time growth appears to be slowing. Somehow, despite the repeated threat of a debt crisis, China has so far managed to ‘muddle through’.

This may well happen again, or this may be the beginning of a more difficult period in which the economy remains in doldrums for several years.

If the economy does hit a slow patch, the government cannot repeat the CNY4 trillion (USD 590 billion) stimulus programme that helped it emerge relatively unscathed in 2008-2009. The resultant debt mountain has continued to grow, as much in the ‘shadow banking’ system as in the regular banks, rendering China vulnerable to a potential financial crisis.

The government’s competence to deal with internal or external shocks has come into question after the bungled handling of the stock and currency markets since mid-2015. That China’s top leaders share such doubts is evidenced by the sacking in February this year of the head of the China Securities and Exchange Commission (CSRC) that regulates the stock and currency markets.



What does all this mean for China’s neighbours and for the rest of the world?

Providers to China of natural resources like oil and ores have for some time been experiencing falling revenues from the downturn in their export volumes and prices resulting from slowing industrial expansion there.

Steel-producing countries are suffering from the offloading of cut-price steel from China, where domestic demand for it has slowed way behind output.

Hong Kong’s housing prices have risen so far as a result of China’s capital outflow that homes are no longer affordable for most of the local population.

More fundamentally, Asians are worrying that (1) the slowdown in China could turn into a full-blown slump and/or that (2) China’s continuing devaluation could intensify the competitive devaluations already taking place in the region which undermines expansion in competitor countries.

If Chinese output growth were to collapse by several more percentage points, the contagion effect on the rest of the world would be less than if such a slowdown were to occur in, for example, the United States. However, such a collapse could be important for countries that are net exporters to China or whose economies are closely linked to it, like Taiwan, or tourism enclaves like Paris and Hong Kong that have benefited in

recent years from a great expansion in the number of visitors from China.

Such a sharp slowdown would have a limited impact on India. Although, China is India’s largest trading partner, it nevertheless only receives around 4% of India’s exports, so even if Chinese demand for India’s products halved (which is unlikely), it would only reduce overall exports by 2%, less than the projected increase. Investment in India by Chinese corporations remain strong: current commitments in green power, railways and high-tech, for instance, remain high.

China and India are complementary, as well as competitor economies. Unless the devaluation of yuan is much larger than expected, it is unlikely to give China a great export price advantage over India. Wages have risen rapidly in China over the past decade, rendering factories in coastal areas uncompetitive. However, the two countries service different markets.

Just as Japan has been a useful testing ground for economic problems and policies for China, so China retains interest for India as another large, diverse economy facing many similar challenges, despite the obvious differences between the two economies. As China faces new or intensified problems in its continuing emergence from a state-dominated economy, India can learn much from its successes – and its failures.

Trade Promotional Activities Held This Quarter: Mumbai

Luxembourg Officials Visit WTC Mumbai

Mrs. Daniel SAHR, Adviser, International Affairs, Chambre de Commerce Luxembourg and Mr. Charles Schmit, Consul, Embassy of the Grand Duchy of Luxembourg, New Delhi visited the World Trade Centre Mumbai with a view to promote Indo-Luxembourg relations. Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai had fruitful discussions in areas of mutual cooperation and set out a road map to further the existing collaborative efforts.

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



Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai (Right) presenting a memento to Mr. Daniel SAHR, Adviser-International Affairs, Chambre de Commerce Luxembourg (Left). Looking on is Mr. Charles Schmit, Consul, Embassy of the Grand Duchy of Luxembourg, New Delhi (Centre).

Chinese Firms Eye Opportunities in Indian Maritime Sector

“The shipbuilding companies in China are looking out for business opportunities in India as China has a long coastline and growing shipbuilding sector. The shipbuilding sector in China is saturated and it is presently facing slowdown. However, India has a huge market in the shipbuilding sector and Chinese companies have the capability to build ships and meet India’s demand”, said Ms. Le Hongxia, Chairman, Global Trade Union and Chairman, Yangzhou Juneng Export and Import Company during an interactive meeting with the visiting business delegation from China.

Speaking about the Global Trade Union, Ms. Hongxia said the body was set up in Hong Kong in 2010 to provide a platform for Chinese companies to explore commercial ties with their counterparts in India.

The Union co-ordinates with trade unions in other countries to facilitate the entry of Chinese companies in those countries. The Union proposes to expand its activity in India as well to facilitate Chinese companies find ideal partners in India, Ms Hongxia informed. The Chinese government is implementing the ambitious ‘one belt one road’ project to enhance trading relationship between China and other countries, she added.



From (L-R): Mr. Li Guiqing, Chairman, Jiangsu Longchuan Shipbuilding Group, Dr. Yadnya Pitale, Joint Director-Research and WTI, World Trade Centre Mumbai, Ms. Le Hongxia, Chairman Global Trade Union and Chairman, Yangzhou Juneng Export and Import Company and Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries.

Mr. Aditya Rasiwasia, Committee Member, AIAI, in his welcome address, said, “India and China are neighbouring countries and they are natural trade partners. Chinese exports to India constitute 5% of its overall exports and it majorly includes electronic goods and machinery. Both countries have a long coastline and can provide huge impetus to the development of infrastructure, especially to India’s need for road and port infrastructure. While China has built excellent infrastructure facilities, India is still developing them. Therefore, both countries have a natural advantage in collaborating in the infrastructure sector. I hope that the present delegation (which consists of companies in the shipbuilding industry, port & marine equipment, power relevant equipment and export-import

companies) would explore fruitful business opportunities with their counterparts in India.”

The interactive meeting was held at the World Trade Centre Mumbai on January 15, 2016.

Canadian Investors Explore India Opportunity

Mr. Sanjay Makkar, President, Indo-Canada Chamber of Commerce (ICCC) led a high-level business delegation from Canada to the World Trade Centre Mumbai to interact with the trading community and explore collaboration opportunities.

Mr. Makkar, in his speech, remarked that the Indo-Canadian relationship gained renewed momentum after Mr. Narendra Modi, Indian Prime Minister, visited Canada in 2015.

The delegation included members of the Parliament of Canada and a high profile business delegation representing sectors like life sciences, pharmaceuticals, healthcare, clean energy, education, agro & food processing, ICT, tourism and smart cities.

Mr. Makkar shared details of the fruitful business meetings and agreements inked during the 11-day trade mission conducted by the Chamber between January 4-15, 2016. These trade missions aim to enhance cross-border partnership of SMEs that constitute 40-50% of the Canadian economy.

Mr. Jordan Reeves, Consul General of Canada in Mumbai, in his opening remarks, said, “India is emerging as an upcoming economy in the world while Canadian economic growth is gaining momentum. Both countries have great scope for co-operation in high-end technologies, infrastructure, renewable energy, education etc. Canada has huge natural resources in renewable energy, while India is the second most populous country and a fastest growing economy in the world. Considering this, the present level of bilateral trade (\$6 billion) has scope for expansion.”



From (L-R): Mr. Jordan Reeves, Consul General, Consulate General of Canada in Mumbai, Mr. Sanjay Makkar, President, ICCC, Dr. Yadhya Pitale, Joint Director-Research and WTI, WTC Mumbai and Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries.

Canadian investors have invested \$11 billion in India so far, much of which has been in 2015, Mr. Reeves informed.

Mr. Aditya Rasiwasia, Committee Member, All India Association of Industries, in his welcome address, informed that around 1.3 million Indians (3% of Canadian population) live in Canada. There is great scope for co-operation between India and Canada in the field of renewable energy at a time when the Indian government is implementing the Smart Cities project.

He said there are research institutes, start-up companies, universities in Canada that have developed innovative technology solutions for businesses, which Indian companies seek to adopt.

Among all nations, India sent the largest number of students for higher studies to Canada in 2015. Presently, around 50,000 Indian students study in Canada.

The meeting was held at the World Trade Centre Mumbai on January 15, 2016.

Canada is a major exporter of uranium, providing scope for collaboration between Canada and India.

Canada can share its expertise in smart city technologies, waste-water management, urban planning and traffic management.

Canada supplies around 40% of lentils consumed in India. In the processed food sector, Canadian companies need to explore investment opportunities in India.

India Infrastructure Story Attracts Turkish Firms

Mr. Rizanur Meral, President, TUSKON (Confederation of Businessmen and Industrialists of Turkiye) led a business delegation of officials from Turkish Indian Chambers of Commerce & Industry (TICCI) to explore trade and investment opportunities in India, with top officials of World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI).

Besides Mr. Meral, other officials who attended the meeting included Mr. Ersin Karaoglan, President, TICCI, Mr. Mehmet Ali Seker, Vice President, TICCI, Mr. Bulent Acikgoz, Vice President, TICCI, Mr. Ozgur Ozdemir, Director, TICCI Mumbai, Mr. Kantemir Amitov, Board Member, Business-association 'JIA' (of Kyrgyzstan), Mr. Abdul Wajidh, Co-ordinator, TICCI Mumbai, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Ms. Rupa Naik, Executive Director, AIAI.

Mr. Meral said, "Turkish companies are keenly interested to partner with their Indian counterparts in the infrastructure sector namely, road, power, ports and other related sectors."

Mr. Meral added that the macroeconomic fundamental in Turkey is not so strong due to factors like double digit inflation, high interest rates. Also, there is slowdown in the economic growth of European countries and other prominent markets in the world. Under this condition, the strong growth in the Indian economy, along with low inflation, offers tremendous potential for foreign companies to invest in this country. Turkish companies find it attractive to invest in infrastructure, renewable energy, textiles, agro food and other sectors in India.

While India is a huge market with attractive growth opportunities, there is lack of readily available information on the investment avenues and incentives offered by different

state governments in the country. The central and state governments must make available this information in order to facilitate foreign companies and investors, Mr. Meral suggested.

Mr. Meral invited Indian companies to partner with TUSKON's missions of Focus Africa and Focus Eurasia (Kazakhstan, Kyrgyzstan, Belarus, Armenia, Russia), to build trade and investment relationship with these countries.

In his speech, Mr. Karaoglan said, "Turkish firms are not only interested to export their goods to India but also establish manufacturing facilities in the country which is in line with the Indian government's Make in India campaign."

Mr. Kalantri, in his welcome remarks, said, "India and Turkey are natural trade partners as they have long standing cultural and economic ties. India has the potential to offer attractive returns to foreign investors due to strong economic growth (over 7% GDP growth) and favourable policy environment. Both countries must collaborate in the areas of infrastructure, renewable energy, textiles etc. Especially, the Indian government's Smart Cities project offers huge business opportunity for Turkish companies."

During the meeting, WTC Mumbai signed a memorandum of understanding (MoUs) with TUSKON and TICCI.

The interactive meeting was held at the World Trade Centre Mumbai on January 23, 2016.

■



From (L to R): Mr. Ozgur Ozdemir, Director - TICCI (Turkish Indian Chambers of Commerce & Industry) Mumbai, Mr. Bulent Acikgoz, Vice President, TICCI, Mr. Kantemir Amitov, Board Member, Business-association JIA (of Kyrgyzstan), Mr. Rizanur Meral, President, TUSKON (Confederation of Businessmen and Industrialists of Turkiye), Mr. Mehmet Ali Seker, Vice President-TICCI, Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, Mr. Ersin Karaoglan, President-TICCI and Ms. Rupa Naik, Director-Projects, WTC Mumbai.

Ambassador to Promote Indo-Portuguese Ties

H.E. Mr. Joao da Camara, Ambassador of Portugal to India visited World Trade Centre (WTC) Mumbai, along with Mr. Rui Baceira, Consul General of Portugal in Goa, Mr. Joao Rodrigues – Economic Counselor, Embassy of New Delhi to discuss ways to improve bilateral relations between India and Portugal.

Mr. Kamal Morarka, Chairman, WTC Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai welcomed the Ambassador of Portugal to Mumbai. Mrs. Rawuel da Camara, wife of the Ambassador, was also present during his visit.

During his meeting with the officials of the WTC Mumbai, Mr. Camara said India and Portugal must enhance their partnership in sectors like information and communication technologies, olive oil, cork, tourism. Currently, the trade between India and Portugal is hardly 800 million dollars, which has a potential to double in the next two years, if the opportunities are properly explored, Mr. Camara added.

Mr. Camara further said that the next edition of the Web Summit would be held in Lisbon in November, 2016. In this Summit, more than 50,000 delegates from across the globe, specifically, over 500 companies from India are expected to participate. Mr. Camara requested WTC Mumbai to lead a delegation to this Summit. While recollecting his successful experience in Brazil, Mr. Camara assured that he would take similar efforts to promote the investment of Portugal companies in India

Mr. Morarka, while welcoming the Ambassador said, “the



From (L-R): Mr. Kamal Morarka, Chairman, World Trade Centre (WTC) Mumbai, H.E. Mr. João da Camara, Ambassador of Portugal in India and his wife Mrs. Raquel da Camara and Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai.

slogan of WTC Mumbai is To Grow Trade which aligns with the Indian economy growing at 7.2%. In order to support this growth, the Indian Government is taking various initiatives like Make In India and improving the ease of doing business. The Indian Government welcomes foreign investment in sectors such as infrastructure, defense. Mr. Morarka added that WTC Mumbai will be happy to facilitate trade cooperation between India and Portugal.

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

■

Canadian Island to Partner India in Key Sectors

Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada, led a high level delegation of government and business leaders to World Trade Centre (WTC) Mumbai to explore trade and investment opportunities in India, particularly in Maharashtra. An interactive meeting was jointly organized by WTC Mumbai and All India Association of Industries (AIAI) with the visiting delegation. Speaking on this occasion, Mr. MacLauchlan said his delegation sensed great opportunities in doing business with India in sectors such as agriculture, food processing, renewable energy, energy efficiency, defense, higher education, bioscience, aquaculture, health care and pharmaceutical.

Before visiting WTC Mumbai, Mr. MacLauchlan and his delegation met Hon'ble Prime Minister of India, Mr. Narendra Modi twice and covered 7,200 km starting from Punjab to Maharashtra on a whirlwind tour of India and held meetings with administrative leaders of the States in India, to explore partnership in the above-mentioned sectors by way of trade and investments. Prince Edward Island is officially known as Canada's Food Island owing to its leadership in the agriculture and food processing sector and it is one of the biggest exporters of processed food. It also has a center of excellence in bioscience and a vast pool of skilled work force in the manufacturing sector.

Honourable J. Heath MacDonald, Minister of Economic Development & Tourism, Government of Prince Edward Island encouraged to start Indian film shoots for Bollywood movies in his province owing to its panoramic views especially the beaches.



Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada (Right), being felicitated by Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (Left).

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, stressed the doubling of the present \$6 billion trade between India and Canada in next three years especially in the sectors of oil & gas, petrochemicals, agriculture and information technology through Make in India and other related strategic investment areas.

WTC Mumbai signed MoUs with BC-India Business Network (IBN) and BC- IBN. The event witnessed around 200 B2B meetings.

Mr. Paul Ledwell, Deputy Minister of Policies & Priorities, Government of Prince Edward Island, Dr. Alaa Abd-El-Aziz, President and Vice Chancellor, University of Prince Edward Island and a high level business delegation from Canada accompanied the Premier.

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

E-tailers to Support Growth of Small, Medium Firms

World Trade Centre Mumbai and All India Association of Industries (AIAI) organized an interactive panel discussion on Branding: Embracing the E-tailing Era to deliberate on the opportunities and challenges in the Indian e-tailing industry which witnessed phenomenal growth in recent years.

Mr. Moize Hussain Ali, Deputy Director General & State Informatics Officer, National Informatics Centre, Government of India, delivered keynote address at this event. Mr. Ali remarked that e-tailing sector promises to revolutionise the business model of small and medium enterprises in every district and village in India. The sector is growing at an annual rate of over 35% and its size is expected to reach \$30 billion in three years from the present level of \$15 billion. Availability of smart digital devices, internet penetration, skilled manpower are growth drivers in this sector.

Mr. Abhimanyu Radhakrishnan from Networked India moderated the panel session.

Mr. Amit Thapliyal, Head, Marketing & Digital Initiatives, Vinculum Group pointed out that there is a huge growth opportunity for third party logistics providers in the B2C segment of e-commerce. The marketplace model has tremendously enhanced the consumer reach of small and medium enterprises.

Another speaker Mr. Soumya Banerjee, Senior Vice President

- Product Management Digital, Infibeam.com, emphasized the need for e-commerce companies to distinguish themselves from their competitors by communicating the unique selling proposition and brand image of their products and services through proper online channels. Companies must select the right product and target the right category of consumers to compete successfully in the online space.



Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai (extreme left) felicitating Guest of Honour Mr. Moize Hussain Ali, Deputy Director General & State Informatics Officer, National Informatics Centre, Government of India. Looking on is Ms. Rupa Naik, Director - Projects, World Trade Centre Mumbai.

Mr. Chirag Arya, Co-Founder, iChef.in, suggested that e-tailing companies must identify unmet consumer needs and exploit them by creating an innovative and cost-effective business model.

Mr. Apurva Mankad, Founder & CEO, WebXpress, pointed out the growth opportunities provided by tier 2, tier 3 and tier 4 towns in India for e-commerce companies. There is huge entrepreneurship opportunity in the logistics industry which is valued around \$120 billion in India presently. In the next 10 years, the industry would offer job opportunity to around 5 lakh delivery boys or biker boys. Going forward, e-commerce companies must partner with logistic companies to create a

robust supply chain in the industry, Mr. Mankad explained.

Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai remarked that India has made a great start in the e-tailing or electronic retailing sector. The e-tailing companies support micro small and medium enterprises by eliminating middlemen, enhancing customer reach and promoting brand image.

The panel discussion was held at the World Trade Centre Mumbai on February 11, 2016.

Indo-Bangladesh Trade has Huge Growth Potential

World Trade Centre Mumbai organized an interactive meeting with H.E. Mr. Syed Muazzem Ali, High Commissioner, High Commission for the People's Republic of Bangladesh, New Delhi, India. The meeting was attended by Ms. Samina Naz, Deputy High Commissioner & Head of Mission, Deputy High Commission for the People's Republic of Bangladesh, Mumbai, India, Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India besides officials of World Trade Centre Mumbai.

H.E. Mr. Ali informed that the value of trade between India and Bangladesh is US \$ 7 billion currently, and it has the potential to grow further in the areas of textiles, pharmaceuticals and shipping industries.

Mr. Mathur informed that Export-Import Bank of India offers line of credit upto US \$ 3 billion for promoting exports from India to Bangladesh and this could be a great driver for trade and investment between both countries.

The interactive meeting was held at the World Trade Centre Mumbai on February 12, 2016.



From (L-R): Ms. Samina Naz, Deputy High Commissioner & Head of Mission, Deputy High Commission for the People's Republic of Bangladesh, Mumbai, Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Mr. Yaduvendra Mathur, Chairman and Managing Director, Export-Import Bank of India, H.E. Mr. Syed Muazzem Ali, High Commissioner, High Commission for the People's Republic of Bangladesh, New Delhi, Mr. Sharad Upasani, Vice Chairman, World Trade Centre Mumbai and Mr. Y. R. Warekar, Executive Director, World Trade Centre Mumbai.

Poland to Strengthen Commercial Ties with India

Mr. Stawomir Majman, President, Polish Investment Agency, Poland, led a business delegation to explore trade and investment opportunity in India, especially in Maharashtra. An interactive meeting titled Doing Business with Poland was jointly organised by World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI).

The members of the delegation included Mr. Marek Kioczeko, Vice President, Director General, Polish Chamber of Commerce, Mr. Michal Portalewski, Board Advisor, Airon Green Energy Turbines, Ms. Magdalena Panasiuk-Krasinska representing the Polish firm SuperDrob. The delegation also comprised business leaders from food processing, furniture, poultry, chemicals, tractors and mining equipments sector in Poland.

Mr. Majman, said Poland is a strong economy in the European Union and it is getting stronger with every passing year. Polish business leaders are looking for partners in India, which hold the future of the global economy. There is huge scope for collaboration between both the countries in the areas of mining, food processing, steel, shipbuilding, information technology and ITES.

Mr. Majman invited Indian companies to invest in Poland by observing that his country is the future of Europe and it offers a safe and attractive investment climate for Indian companies.



Mr. Slawomir Majman, President, Polish Investment Agency (Right) being felicitated by Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (Left).

Indian investment in Poland rose seven times in the last five years. However, there is more opportunity for Indian companies to explore in the Polish economy.

Mr. Kioczko provided an overview of the economy of Poland. Polish economy grows at 3.6% annually and the country has an inflation rate of -0.5% (as of December 2015).

Mr. Portalewski informed that his organization offers cutting edge technologies in wind turbines, water turbines and solar energy sectors. His organization is keenly looking for appropriate business partners in India which offers huge investment potential for foreign wind energy companies. He informed that India is the third largest market for wind energy technologies.

Ms. Panasiuk-Krasinska made a presentation on the poultry sector in Poland. She said the poultry sector in Poland is dynamic, highly efficient and also open for development. Poultry export from Poland is growing at a rate of 10-12% annually and it is the 3rd largest exporter in the European Union after France and Holland.

Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai said, India and Poland enjoy strong economic and political relationship. The present level of bilateral trade between India and Poland is US\$1.6 billion and there is considerable scope to enhance the same.

The interactive meeting was held at the World Trade Centre Mumbai on February 13, 2016.

■

WTC Mumbai Supports Film Star's Book Launch Event

World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI) jointly organised the launch of ANYTHING BUT KHAMOSH, the biography of the legendary Bollywood actor and Indian politician Mr. Shatrughan Sinha. The book was authored by Ms. Bharathi S Pradhan, who is the editor of The Film Street Journal and a Sunday columnist with The Telegraph. The book launch event was held in association with Mumbai's leading publishing house Om Books International.

Mr. Kamal Morarka, Chairman, WTC Mumbai, remarked that publishing programs support book publishers and writers whose contribution to the literary world is invaluable. By supporting this event, the Centre aims to fulfill its mandate of serving the culturally and linguistically diverse population of Mumbai, Mr. Morarka pointed out.

Further sharing his thoughts on the book release, he mentioned

that readers of this book would get considerable insights on the legendary actor and his contribution to Bollywood. The book would also serve as a window for international film fraternity to know more about Bollywood industry and inspire them to explore mutually beneficial collaboration with the latter. Mr. Morarka informed that WTC Mumbai has time and again associated with many such events and that he is grateful to Dr. Amitabh Bachchan for gracing the occasion.

Mr. Vijay Kalantri, President, All India Association of Industries, remarked that AIAI programs have always encouraged the development, publication and promotion of new works of literary significance in the city. Through its programs and services, the AIAI supports Film Industry, artists, organizations and communities across India, and welcomes all forms of artistic expression and practice. Mr. Kalantri also acknowledged the valuable contribution made by Mr. Sinha to the arts industry during his stint as head of BJP

Culture and Arts department. Mr. Sinha is not only a veteran actor but a great politician. His book would inspire budding film actors and students of film institutes, Mr. Kalantri concluded.

The book launch was held at Hotel Taj Lands End, Mumbai on February 19, 2016.



From (L to R) Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Mr. Kamal Morarka, Chairman, World Trade Centre Mumbai, Ms. Bharathi S. Pradhan, Editor, Film Street Journal, Mr. Shatrughan Sinha, Politician and Actor, Mr. Subhash Ghai, Producer-Director, Mrs. Poonam Sinha, wife of Mr. Sinha and Mr. Amitabh Bachchan, Actor.

WTC Miami to Enhance Global Reach of Indian Firms

Ms. Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, WTC Miami met the members of the management council of World Trade Centre (WTC) Mumbai to discuss the scope of partnership between both organizations.

During the meeting, Ms. Gallogly said WTC Miami is interested in partnering with the WTC Mumbai to enhance the

business activities of both the regions in their respective countries. Both organizations can collaborate effectively by promoting trade shows, which is an effective means for exploring trade and investment opportunities in different regions. WTC Miami has around 4,000 members and many of them are interested in associating with Indian companies. Therefore, Ms. Gallogly invited Indian industries to participate in the trade shows like air cargo show, food and beverages show which are organized by WTC Miami. She assured that WTC Miami would work towards improving the brand visibility of Indian businesses, particularly, the members of WTC Mumbai in western countries.

Participants also discussed ways to strengthen co-operation among 330 WTCs across the world. There is a need to organize a discussion forum among all the WTCs and chalk out a blueprint for mutual collaboration in the areas of trade and investment, Ms. Gallogly opined. Among all the WTCs, only around 100 centers are active and hence there is a need to guide the non-active centers in their trade promotion activities. WTC Mumbai is actively involved in exchanging trade delegations, organizing trade shows, conferences, interactive business meetings and other trade facilitation activities. World Trade Centre Mumbai can assist other WTCs across the world in replicating its successful model of trade promotion, Ms. Gallogly added.

Mr. Sharad Upasani, Vice Chairman, WTC Mumbai also agreed that all WTCs must actively promote trade and investment in their regions. All WTCs must take conscious effort to promote their brand image through various ways and one among them is actively participating in global events such



From (L to R): Mr. Sharad Upasani, Vice Chairman, World Trade Centre Mumbai, Ms. Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, WTC Miami and Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai.

as World Economic Forum, meetings and conferences of World Trade Organisation.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai welcomed business community in Miami to seek potential partners in India, which has emerged as the fastest growing economy in the world. Emphasising the need for co-ordination among all WTCs, Mr. Kalantri supported the idea of organizing a joint discussion forum among all WTCs under the leadership of Mr.

Ghazi Abu Nahl, Chairman, World Trade Centers Association to discuss co-ordinated action plan. WTC Mumbai offers full co-operation to World Trade Centers Association in this endeavour, Mr. Kalantri added.

The meeting was held at the World Trade Centre Mumbai on February 19, 2016.

Nepal Prime Minister Invites Indian Investment

World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI) jointly organized an interactive meeting with H.E. Mr. Khadga Prasad Sharma Oli, Right Honourable Prime Minister of the Federal Democratic Republic of Nepal.

H.E. Mr. Oli pointed out that there were tremendous business opportunities for Indian businessmen to explore possibilities of doing business in Nepal. Nepal presents a conducive atmosphere for doing business in the areas of manufacturing, hydropower, IT and tourism.

The event was attended by many prominent personalities in the Bollywood film industry including Ms. Manisha Koirala, Ms. Tabu, Mr. Govinda, Mr. Gulshan Grover, Mr. Firoz Nadiadwala, Mr. Ketan Desai, Ms. Deepa Mehta, Mr. Manmohan Shetty, Mr. Subhash Ghai. Mr. Pahlaj Nihalani, Chairman of Central Board of Film Certification (CBFC) was also present during the occasion.

Besides Bollywood personalities, many industrialists from India and Nepal, senior officials of Nepalese government,



From (L-R): Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (left) greets Mr. Khadga Prasad Sharma Oli, Right Honourable Prime Minister of the Federal Democratic Republic of Nepal. Looking on is Mr. Govinda, Actor, Bollywood.

Ambassador of India in Nepal H.E. Mr. Ranjit Rae and Ambassador of Nepal in India H. E. Mr. Deep Kumar Upadhyay were also present.

H. E. Mr. Oli suggested the Bollywood industry to explore the possibilities of film shooting in Nepal, which has abundance of scenic beauty, glaciers and plenty of open space and is more suited for tourism and location shootings.

Mr. Vijay Kalantri Vice Chairman, WTC Mumbai said “We Indians are interested in taking advantage of the business opportunities Nepal has to offer and we would like to participate in programmes organized by Nepal given an opportunity”. He also said, “We cannot forget Nepal and India share long standing cultural and

friendly ties and would not like to miss any business opportunities and participate in rehabilitation programmes of Nepal after the earthquake”.

The interactive meeting was held at Hotel Grand Hyatt Mumbai on February 24, 2016.

India Budget FY17 to Boost Rural Infrastructure

World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI) jointly organized an interactive panel discussion on Implications of the Union Budget 2016-17 with special emphasis on direct and indirect taxes.

Mr. Ravinder Saroop, IRS, Commissioner of Central Excise & Service Tax, Large Taxpayer Unit Mumbai, while delivering

the keynote address, remarked that the Union Budget 2016-17 was a welcome balancing act of adhering to the fiscal prudence and at the same time addressing the infrastructure needs of rural areas. The finance minister has taken various tax measures keeping in mind the interest of small tax payers, promotion of Make in India, simplification and rationalization of tax structure and other progressive goals, Mr. Saroop mentioned.



From (L to R): Mr. M. S. Mani, Senior Director - Indirect Tax, Deloitte Touche Tohmatsu India Pvt. Ltd, Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai, Mr. Ravinder Saroop, IRS, Commissioner of Central Excise & Service Tax, Large Taxpayer Unit Mumbai, Capt. Somesh Batra, Vice Chairman, World Trade Centre Mumbai, Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai and Mr. Dadi B Engineer, Senior Partner, Crawford Bayley & Co.

Mr. Firoze B. Andhyarujina, Senior Advocate, High Court Mumbai welcomed some of the progressive steps such as hike in the turnover limit for small and medium enterprises under the presumptive taxation scheme and extension of this scheme even to professionals. However, Mr. Andhyarujina was critical on the imposition of additional tax of 10% on recipients of

dividend of more than Rs 10 lakh.

Mr. Dadi B Engineer, Senior Partner, Crawford Bayley & Co applauded the government for sticking to the fiscal deficit target of 3.5% and thereby maintaining fiscal prudence.

Mr. M. S. Mani, Senior Director-Indirect Tax, Deloitte Touche Tohmatsu India Pvt. Ltd remarked that the budget has tried to rationalize and simplify the compliance procedure for tax payers. He pointed out that 95% of the tax provisions in the budget are aimed at rationalization of procedures.

Capt. Somesh Batra, Vice Chairman, WTC Mumbai remarked, “Through this budget, the government has tried to achieve the triple goals of supporting the rural economy, improving the ease of doing business and creating a non-adversarial tax regime.”

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai pointed out that this is the first time the union budget is addressing rural growth concerns after a gap of 13 years. He raised hope that the budgetary measures towards boosting rural infrastructure would bear fruits in the next one year.

The interactive panel discussion was held at the World Trade Centre Mumbai on March 3, 2016.



WTC Mumbai Signs MoU with Chamber from Grand Duchy of Luxembourg

World Trade Center (WTC) Mumbai signed Memorandum of Understanding (MoU) with the Chamber of Commerce of the Grand Duchy of Luxembourg and Indian Business Chamber of Luxembourg during the visit of H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg along with a 35-member high level delegation from Luxembourg.

The MoU was signed by Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and Mr. Robert Dennewald, Vice President-Chamber of Commerce and Mr. Y. R. Warkerkar, Executive Director WTC Mumbai and Mr. Sudhir Kumar Kohli, Founder President jointly with Mr. Pedro Castilho, President, Indian Business Chamber of Luxembourg in presence of H.E. Mr. Sam Schreiner, Ambassador of Luxembourg in India and Mr. Ashok Kadakia, Honorary Consul General of Luxembourg in Mumbai.

Mr. Sumit Mullick, Chief of Protocol & Additional Chief Secretary, Government of Maharashtra was also present on this occasion.

The meeting was held at the World Trade Centre Mumbai on March 3, 2016.



Exchange of signed MoU between Mr. Sharad Upasani, Vice Chairman, WTC Mumbai (right) and Mr. Robert Dennewald, Vice President, Chamber of Commerce of the Grand Duchy of Luxembourg (centre). Looking on is Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (left).

Luxembourg Eyes Trade Opportunity in India

H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg paid an exploratory visit to India with a 35-member high level delegation from Luxembourg.

Senior officials of the World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI) held an interactive meeting with H.E. Mr. Schneider and his delegation members.

During the meeting, H.E. Mr. Schneider informed that his delegation visited India to explore the trends and opportunities for investments in this country against the backdrop of the progressive policy measures taken by the Indian government. The delegation members are looking for partnership with India in the sectors like steel, logistics, automotive, information technology, communication and financial services.

Mr. Schneider mentioned that the bilateral trade between Indian & Luxembourg is hardly US\$ 51 million currently, and he expects it to double in the next 3 years, as Luxembourg is growing at 5.2% and has a control on inflation and attracts second largest investments in Europe.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai, speaking on this occasion, pointed out that this is the most opportune time for foreign companies to invest in India as the domestic economy is growing at a strong pace, the government is improving the ease of doing business in the country and welcoming foreign investment in the manufacturing sector through Make in India programme. Mr. Kalantri suggested companies from Luxembourg to invest in India by taking advantage of the stabilized commercial real estate prices in the country and the governments Make in India projects.

An MoU was signed by WTC Mumbai with the Chamber of Commerce of the Grand Duchy of Luxembourg and Indian Business Chamber of Luxembourg, on this occasion, in the presence of H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg which aim to further bilateral trade between the two regions.



H.E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of Economy, Grand Duchy of Luxembourg (Centre) being felicitated by Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (To the Right of Deputy Prime Minister). Also seen in the photo from (L-R): Mr. Ashok M. Kadakia, Hon. Consul, Honorary Consulate of Luxembourg in Mumbai (Extreme left), H.E. Mr. Sam Schreiner, Ambassador, Embassy of Grand Duchy of Luxembourg in India (Left of Deputy Prime Minister), Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai (Extreme right).

The meeting was attended by Mr. Sumit Mullick, Chief of Protocol & Additional Chief Secretary, Government of Maharashtra, H.E. Mr. Sam Schreiner, Ambassador of Luxembourg in India and Mr. Ashok Kadakia, Honorary Consul General of Luxembourg in Mumbai, Ms. Rupa Naik, Director-Projects, WTC Mumbai, Capt. Somesh Batra, Vice Chairman, WTC Mumbai and Mr. Sharad Upasani, Vice Chairman, WTC Mumbai and members of the delegation, industrialists, government officials and others.

The interactive meeting was held at World Trade Centre Mumbai on March 4, 2016.

■

Celebrating Women's Entrepreneurship in Fine Arts

The World Trade Centre (WTC) Mumbai celebrated International Women's Day recognising women's contribution to fine arts and its impact on employment. The Honourable Pankaja Munde, Minister of Rural Development, Women and Child Welfare, Government of Maharashtra was invited to address the women. She said, "Women have risen and come to the mainstream, contributing to society. Fifty per cent of India's population comprises women and if India is to be a superpower, their involvement and engagement in society must be promoted. We must empower our less privileged sisters in the society", she added.

The event was organised by WTC Mumbai, All India Association of Industries (AIAI) and the Indo-French Chamber of Commerce (IFCCI) on the theme, 'FELICE....celebrating the elegance of womanhood'.

In support of Save the Girl Child, the WTC Mumbai presented a poem titled 'Haak' (in Marathi implying 'call for action') to the Minister which was composed and recited by Ms. Gauri Prabhu.

Ms. Laura Prasad, Secretary General, IFCCI said that it is



From (L-R): Ms. Rupa Naik and Minister Pankaja Munde addressing the International Women's Day celebration at WTC Mumbai.

important for all women across cultures and in this case from France and India to connect, get empowered for the betterment of lives personally and professionally.

Ms. Rupa Naik, Director-Projects, WTC Mumbai said, International Women's Day symbolises celebration of various shades, expressions and moods of women's creativity and their contribution to enrich, empower and enliven women's lives worldwide. The event reflected on progress by women, to call for change and to exemplify talent, transforming their lives and in turn enrich the lives of millions.

A spellbound musical performance '3E' signifying to

empower, to enable and to enrich by Ms. Sunita Bhuyan, violinist, Ms. Merlin Dsouza, pianist and Ms. Swarupa, percussionist, enthralled the audience with their performance.

The event had knowledge sessions on finance, yoga and an extravaganza featuring dance sequences and music performances by renowned artists. 'Shakti Cult' a Bharatnatyam classical dance by Ms. Revathi Srinivasraghavan, Founder and Director, Nrityaranjani Fine Arts Academy and her disciples, depicted the goddess blessings and imparting of tolerant qualities along with the compassion of motherhood. Ms. Debi Basu's students presented 'Ardhanariswar' an Odissi performance celebrating the one-ness of the masculine and the feminine – of creation and destruction, of beauty of the natural world or prakriti and the objectivity and abstraction of Purusha (meaning the cosmic man or self)

A remedy to attain true happiness was revealed by Ms. Reena Doshi, a noted yoga instructor through her lecture on the holistic approach to wellness by means of yoga and teachings from Indian scriptures.

For empowering and guiding women towards financial security, Ms. Masarrat Fakhri, Allegiance Advisors Pvt Ltd, an expert on financial planning and investments presented the means to achieve it in her talk on investments.

The event was held at the World Trade Centre Mumbai on March 8, 2016.

Film Division and Doordarshan Keen to Collaborate with World Trade Centre Mumbai

A meeting was held with Mr. Mukesh Sharma, Director General, Films Division and Additional Director General-Programme, Doordarshan to discuss future collaborative activities between World Trade Centre Mumbai and Film Division and Doordarshan.

The meeting was held at the World Trade Centre Mumbai on March 15, 2016.



Mr. Mukesh Sharma, Director General, Films Division and Additional Director General-Programme, Doordarshan (Left) being felicitated by Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai (Right). Also seen in the picture is Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai.

Kotra Evinces Interest to Promote Bilateral Trade

Mr. Dong Won, Lee, Director General, Korea Trade-Investment Promotion Agency, Mumbai visited the World Trade Centre Mumbai with the objective to promote Korea's trade with India through collaborative activities.

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



Mr. Dong Won, Lee, Director General, Korea Trade-Investment Promotion Agency, Mumbai (left) being felicitated by Mr. Y. R. Warkerkar, Executive Director, World Trade Centre Mumbai (Centre). Also seen in the picture is Mr. Vijay Kalantri, Vice Chairman - World Trade Centre Mumbai (Right).

Social Entrepreneurship Gains Traction in India

A one-day interactive panel discussion on 'Sustainability through Social Entrepreneurship' was jointly organised by World Trade Centre (WTC) Mumbai and All India Association of Industries (AIAI). Mr. James Rajanayagam, Project Consultant, Centre for Social Innovation & Entrepreneurship, IIT Madras said, that there is tremendous opportunity to make profitable business venture in social sectors. Various investors like venture capitalists, private equity fund raisers and development organizations like World Bank, philanthropic bodies like Bill and Melinda Gates Foundation are eager to fund viable business ideas in social sectors.

Ms. Mrinalini Kher, Honorary Secretary & Trustee, Kherwadi Social Welfare Association opined that social entrepreneurship is a lucrative profession where people can earn a decent living while also contributing considerably to the welfare of the society and environment.

Ms. Mamta Borgoyary, Chief Executive Officer of FXB India Suraksha said that the biggest challenge for social enterprises is accessing long-term capital. Social outcomes like skilling rural women, generating employment opportunities for them takes several years and hence investors cannot expect returns



From (L-R): Mrs. Nirmala Kandalgaoonkar, Chairperson, Vivam Solid Waste Management Pvt. Ltd., Mr. Priyank Tiwari, Associate Director, Sankalp Forum, Intellectap, Mr. Jayant Nataraju, Co-founder & Director, Sampurn(e)arth Environment Solutions, Ms. Aarti Wig, India Country Director, Yunus Social Business, Mr. Firoze B. Andhyarujina Sr. Advocate, Supreme Court, Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai, Ms. Khyati Naravane, Assistant Director-Trade Promotion, World Trade Centre Mumbai, Dr. Madhav Sathe, Jt. Hon. Secretary, The Bombay Mothers & Children Welfare Society, Ms. Chhaya Sehgal, Founder and CEO, The Winning Edge, Mr. Prerit Rana, Co-Founder & CEO, Agrasar, Ms. Mamta Borgoyary, Chief Executive Officer, FXB India Suraksha, Ms. Mrinalini Kher, Hon. Secretary & Trustee, Kherwadi Social Welfare Association, Mr. Sudhir Deshpande, COO, Ecod and Mr. James Rajanayagam, Project Consultant, Centre for Social Innovation & Entrepreneurship, IIT Madras.

in a short period of time. This provides developmental assistance to marginalized children, families and communities in rural and urban India.

She said that social enterprise is a long gestation business and hence it needs investors who can commit capital without expecting quick returns. Launching business ventures in social sectors is akin to sowing the seeds for a better society in future.

Mrs. Nirmala Kandalgaonkar, Chairperson, Vivam Solid Waste Management Pvt Ltd. pointed out how she provided livelihood to hundreds of uneducated rural women by setting up solid waste collection and processing facilities in several villages of Maharashtra.

Dr. Madhav Sathe, Jt. Hon. Secretary, The Bombay Mothers & Children Welfare Society explained how social businesses can become profitable by adopting innovative financing model and cost-effective business strategy. Also, he suggested that the central and state government must invest on capacity building for the officials at gram panchayat so that they can effectively collaborate with social entrepreneurs in devising viable business models.

Ms. Aarti Wig, India Country Director, Yunus Social Business opined that social entrepreneurship is all about finding a middle path between profitability and sustainability of the planet.

Ms. Rupa Naik, Director-Projects, World Trade Centre said that social entrepreneurs have a direct impact on society for a specific cause which benefits large sections of society. They have a mission which is very noble but a vision which is large.”

Ms. Chhaya Sehgal, Founder and Chief Executive Officer, The Winning Edge moderated the panel discussion.

On the occasion a Handbook ‘Sustainability through Social Entrepreneurship’ was released.

The interactive panel discussion was held at the World Trade Centre Mumbai on March 17, 2016.



Promoting Ties with Taipei World Trade Centre

Mr. Michael Lin, Director, Taipei World Trade Centre visited World Trade Centre Mumbai to discuss the promotion of the 26th Taipei International Food Show scheduled from June 22-25, 2016 in Taiwan with Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai.

The meeting was held at the World Trade Centre Mumbai on March 21, 2016.



Mr. Michael Lin, Director, Taipei World Trade Centre (second from left) with Mr. Vijay Kalantri, Vice Chairman, World Trade Centre Mumbai (first from left). Other seen in the picture (L-R) Ms. Sonali Hule, Trade Promotion Specialist, Taipei World Trade Centre, Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai and Ms. Khyati Naravane, Assistant Director-Trade Promotion, World Trade Centre Mumbai.

Experts Raise Alarm Over Water Crisis

A panel discussion on ‘Water Matters: Water for All’ was organised by World Trade Centre (WTC) Mumbai and Maharashtra Water Resources Regulatory Authority (MWRRA) to mark World Water Day. Dr. Mihir Shah, Former Member of the Planning Commission, Government of India presented the keynote address. He said, “We need a paradigm shift in water management. The first part involves efficient management of command areas of water, which can be learnt from the models of Gujarat, Andhra Pradesh and Madhya Pradesh. Also, the last mile connectivity would ensure that the farmer receives the water stored in dams.” Dr Shah opined that the government’s role in water management is only that of a facilitator, by making data on water resources available to farmers and others, to take informed decisions on use of groundwater.

Mr. Nikhilesh Jha, IAS, Additional Secretary & Mission Director, National Water Mission, Government of India opined that the state governments must empower water users associations, encourage participatory water management and community-led command area development. Though India receives on an average more rainfall every year as compared to Israel, yet the latter meets its water demand, through recycling of waste water and desalination of sea water. Mr. Jha raised concerns about the quality of freshwater in the country given that only 19% of the sewage water is treated before it is released into sea and other water bodies.

Mr. Manish Kumar, Sr. Institutional Development Specialist, Water and Sanitation Programme, The World Bank called for community action rather than government intervention saying, “There is a need for social response to water and sanitation issues”.

Mr. Ravi B. Budhiraja I.A.S. (Retd.), Chairman, MWRRA highlighted the poor urban water management by mentioning that the biggest threat for water security is the discharge of untreated sewage water in rivers and other water bodies. At a time when the population in urban areas is rising rapidly, there is a dying need to evolve effective solutions for urban water management and regulation. Maharashtra is the leader in setting up a regulatory organization in the water sector.



Dr. Mihir Shah, Former Member of the Planning Commission, Government of India being felicitated by Mr. Vijay Kalantri Vice Chairman, WTC Mumbai.

Mrs. Malini Shankar, I.A.S., Additional Chief Secretary-Environment, Government of Maharashtra said “Amidst the uproar over the claim on water resources, we have forgotten the issue of ‘water quality’. Quality of drinking water can be ensured only through 100% treatment of sewage water before it mixes with fresh water,” Ms. Shankar explained.

Mr. Vijay Kalantri, Vice Chairman, WTC Mumbai remarked “Individuals and government must practice what they preach and the accountability for water conservation lies at all levels. Also, government must set up an effective accountability mechanism to ensure that schemes are implemented in a time-bound manner. “Exploring business opportunities in water management not only addresses water crisis, but also generates employment opportunities and overall growth of the economy.”

The interactive meeting was held at the World Trade Centre Mumbai on March 23, 2016.

World Trade Centre Institute (WTCI)

Post Graduate Diploma in Foreign Trade Enters 54th Batch

WTC Institute started its 54th Batch of its Post Graduate Diploma in Foreign Trade on January 18, 2016. The participants who attended the programme comprised professionals working in top management cadre, sales managers seeking specialization in export import and students opting for a career in exports. The next batch of the course is to commence on June 15, 2016.



The course was held at the World Trade Centre Mumbai on January 18, 2016

WTC Institute Students Get Field Trip Industry Experience

As part of the course curriculum, a practical orientation session was conducted by the Institute, where 43 students were chosen from the Post Graduation Diploma in Foreign Trade (PGDFT), Post Graduate Diploma in Logistics & Shipping (PGDL&S) and Certificate Course in Export-Import Business (CCEIB) for a field trip to the following three sites:

- **Punjab Conware Container Freight Station at Dronagiri**

The students were provided firsthand experience of what happens to a consignment once it enters the yard, stuffing and de-stuffing of cargo, examinations by custom officials, document verification, warehousing facilities and mechanized system of handling the cargo.



Students of WTCI observing the container handling operations at Punjab Conware CFS

- **Jawaharlal Nehru Port Trust (JNPT) at Uran**

The students were shown five terminals including three private



View of Jawaharlal Nehru Port Container Terminal

sector developed by the Port, loading and unloading of containers from ships and were impart information on upcoming projects of the Port.

- **Promas Engineer Pvt. Ltd., Manufacturing Unit at Rabale**

The manufacturing unit of Promas Engineer Pvt Ltd was chosen for the students as it is one of the most efficient and reliable machinery manufacturing companies of India, creating innovative solutions in various industries like



Students at Promas

pharmaceutical, chemical, cosmetic, food products and bulk drug. They visited three manufacturing units and were oriented in the workings of the industry, processes for product development which otherwise is known only in theory.

The visit benefited the students as it served as good learning experience and to understand the various logistics and shipping activities undertaken at a port, container freight station (CFS) and manufacturing unit.

The field trip was held at various sites on February 1, 2016.

WTC Institute Launches Course for Small Business Start-ups

WTC Institute launched its Certificate Course in Small Business Start-Ups designed for aspiring entrepreneurs. The Course addressed issues such as challenges of launching a startup and provided them information on how they could make their businesses reach out to international markets.

The students who registered for the Course are from diverse fields possessing a strong entrepreneurial spirit.

The course was held at the World Trade Centre Mumbai on March 5, 2016.

GRD College, Coimbatore Visit WTC Mumbai

80 Management Students from GRD College, Coimbatore visited WTC Mumbai to understand international business procedures and services and facilities offered by WTC Mumbai.

Mr. A. O. Kuruvila, Advisor, Trade & Education made the presentation on the activities of WTC Mumbai and also explained its role in the promotion of international trade.

The visit was held at the World Trade Centre Mumbai on February 10, 2016.



■ GRD students along with WTC officials

Seminar on International Trade & Export Promotion



View of participants

WTC Institute in association with Maharashtra Centre for Entrepreneurship Development (MCED) organized a seminar for entrepreneurs in Nanded District, Maharashtra. Mr. Eknath Birari an expert in International Trade & Finance and Faculty at WTC Institute conducted a session covering aspects of international trade, market environment, product selection, licensing requirements and trade finance options. He also made an elaborate presentation on export promotion of agri products.

The seminar was held in Nanded District on March 18, 2016.

■

Hope College from Michigan Visit WTC Mumbai

WTC Mumbai organized an interactive meeting for Baker's Scholars business delegation at Hope College in Michigan, USA for a group of 14 students which was part of a short-term global immersion course. The group consisted of highly focused professionals who have done significant research. The delegation was led by Ms. Vicki Ten Haken, Professor of Management, Hope College. Their visit to Mumbai was aimed to better understand the top industries, how to do business in the region and learn from successful organizations.

Mr. Arun Sehgal, Chairman, Chempro Group of Companies spoke on the growth and prospects of the pharmaceutical industry in India and its potential to steer the industry ahead to a much higher level. Mr. D. K. Nangia, Deputy General Manager, India Trade Promotion Organisation (ITPO) made a presentation on the role of ITPO in India's Trade Promotion as well as provided important international exhibitions organized by their organisation. Mr. A. O. Kuruvila, Advisor-Trade & Education made a presentation on the concept of WTC and the



WTC Officials with student delegation

services and facilities offered by WTC Mumbai. Mr. Y. R. Warerkar, Executive Director, World Trade Centre Mumbai and Ms. Rupa Naik, Director-Projects, World Trade Centre Mumbai also interacted with the students.

The interactive meeting was held at the World Trade Centre Mumbai on March 23, 2016.

■

HAPPENINGS...

Exhibitions and Events held from January - March 2016

Centre **1** Building **205** Events | Expo Centre **12** Exhibitions

At a Glance

Exhibitions

- National Silk Expo
- Panacea-7th Natural Products Expo India
- The Luxurious Wedding, Jewellery & Lifestyle Affair 2016
- Standard Chartered Mumbai Marathon 2016
- Brands & Private Labels 2016



- Property, Lifestyle & Consumer Expo
- Superstars Business Expo 2016
- Times Ethnic Fashion Village 2016
- VIHA 2016 -Fashion & Lifestyle Expo

Interactive Meetings

- Mr. Le Hongxia, CEO- Yangzhou Juneng Export and Import Company and Business Delegation, China
- H.E. Mr. Joao da Camara Ambassador of Portugal, Mr. Rui Baceira, Consul General of Portugal in Goa and Mr. Joao Rodrigues, Economic Counselor, Embassy of New Delhi
- 'Doing Business with Prince Edward Island, Canada' -Chief Guest-Honourable H. Wade MacLauchlan, Premier of Prince Edward Island, Canada and High Level Business Delegation
- 'Doing Business with Poland' -Chief Guest H. E. Piotr Gliniski, Deputy Prime Minister, Republic of Poland ,Mr. Radoslaw Domagalski Undersecretary of State, Ministry of Development, Republic of Poland and High Level Business Delegation
- Shri Khadga Prasad Sharma Oli, Rt. Hon'ble Prime Minister of the Federal Democratic Republic of Nepal and Ms. Manisha Koirala
- Mr. Charles Schmit, Consul for Trade & Tourism – VISA, Luxembourg Embassy, Delhi, Mr. Daniel Sahr - Adviser with the Department of International Affairs at the Chamber of Commerce of Luxembourg



Meetings/Luncheon Meeting

- Mr. Daniel Sahr, Adviser -Department of International Affairs Chamber of Commerce of Luxembourg
- Mr. Sanjay Makkar , President-Indo-Canada Chamber of Commerce and a High Level Business Delegation, Canada
- Ms. Siti Fatimah, Vice Consul (Economics) Consulate General of the Republic of Indonesia, Mumbai
- Rajasthan Government Officials -Mr. L. C. Jain, Additional Director – Industries, Government of Rajasthan and Mr. Madan Yadav, Manager, Bureau of Investment Promotion
- Shri Naveen Patnaik, Hon'ble Chief Minister of Odisha
- Mr. Mukesh Sharma, Director General, Films Division and Additional Director General-Programme, Doordarshan
- Mr. Dong Won, Lee, Director General, Korea Trade-Investment Promotion Agency (KOTRA), Mumbai and Mr. Hemant Aggarwal, Senior Manager – (KOTRA)
- Ms Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, World Trade Center Miami



Panel Discussions

- Branding: Embracing the e-tailing Era
- Implications of the Union Budget 2016-17 - Guest of Honour, Mr. Ravinder Saroop, IRS, Commissioner of Central Excise and Service Tax, Large Taxpayer Unit Mumbai
- Sustainability through Social Entrepreneurship
- Water Matters : Water For All - WTC and Maharashtra Water Resources Regulatory Authority

MOU Signing

- Mr. Rizanur Meral, President, The Confederation of Businessmen and Industrialists of Turkiye

HAPPENINGS...

- Chamber of Commerce of the Grand Duchy of Luxembourg H. E. Mr. Etienne Schneider, Deputy Prime Minister and Minister of the Economy of the Grand Duchy of Luxembourg, with High Level Business delegation
- Indian Business Chamber Luxembourg (IBCL)

Conferences

- Saturday Club
- Maharashtra Electricity Regulatory Commission
- Security Watch India (Water management for smart cities)
- Meghnad Desai Academy of Economics



Commencement

- 'Post Graduate Diploma in Foreign Trade' Batch 54
- Certificate Course in Small Business Startups – New Course

Inauguration

- Rashtriya Uchchar Shiksha Abhiyan office - Chief Guest, Shri Vinod Tawde, Honourable Minister of School Education, Sports and Youth Welfare, Higher and Technical Education, Medical Education, Marathi Bhasha, Cultural Affairs, Government of Maharashtra



International Women's Day- Celebration

- Chief Guest Smt. Pankaja G. Munde, Honourable Minister - Rural Development and Water Conservation,

Employment Guarantee Scheme, Women and Child Development, Government of Maharashtra

The Launch

- 'ANYTHING BUT KHAMOSH', Shatrughan Sinha Biography by Ms. Bharathi S Pradhan, Chief Guest, Shri Amitabh Bachchan and Guest of Honour Shri Yashwant Sinha and Ms. Sonakshi Sinha



A Talk

- 'WTC and Way Forward' -Ms Charlotte Gallogly, Board Director, World Trade Centers Association, New York and President, World Trade Center Miami

One Day Seminar

'International Trade and Export Promotion' at MIDC Seminar Hall in Nanded



Visits



Smt. Sushma Swaraj, Honourable Minister of External Affairs, Government of India Baker's Scholars Business Student Delegation of Hope College, Michigan, USA Management Students from G. R. Damodaran Academy Of Management, Coimbatore

Group Discussion/Interviews

- Indian Institute of Foreign Trade-Delhi

Student Programme

- Sydenham Institute of Management Studies

Software Launch

- Skillsdox India Pvt. Ltd.

Field Trips- Foreign trade, Logistics and Export-Import WTI Students

- Punjab Conware Container Freight Station, Dronagiri
- Jawaharlal Nehru Port Trust (JNPT), Uran
- Promas Engineer Pvt. Ltd., Manufacturing Unit at Rabale



Trade Promotional Activities Held This Quarter: Bhubaneswar

WTC Bhubaneswar Participates at Odisha MSME Trade Fair 2016

WTC Bhubaneswar participated in the annually held 'Odisha MSME Trade Fair' which was jointly organized by Directorate of Export Promotion & Marketing (DEP&M), Directorate of Industries and Odisha Small Industries Corporation Ltd. (OSIC) and supported by All Industries Associations of the State under the Department of Micro, Small and Medium Enterprises (MSME), Government of Odisha from January 8-14, 2016 at the IDCO Exhibition Grounds in Bhubaneswar. The objective of the Trade Fair is to provide an enabling platform to MSMEs to explore new markets and expose them to technological advancements. The Fair was inaugurated by Mr. Naveen Patnaik, Honourable Chief Minister of Odisha on January 8, 2016.

Seminars on topics such as food processing, tourism, vendor developments, cluster developments, credit flow and export promotion were conducted along with the Trade Fair Buyer's Sellers Meet (B2Bs and B2Cs) having investors from both Odisha and outside the state from various sectors such as food processing, plant and machinery suppliers, technology and service providers etc, within the SME, who were part of the Fair.

Participants at the Fair included corporates, central and state government departments and PSUs, large and mega industries, service providers, banks, financial institutions, educational training institutions, etc. More than 300 exhibitors representing sectors such as engineering and metal based; drugs and chemicals; plastic and polymers; agro based and food processing industries; information technologies / ITES / ESDM; textile and readymade garments; handloom and



Visitors interacting with WTC Bhubaneswar Team during the Fair

handicrafts; transport and tourism and packaging participated in the Fair.

WTC Bhubaneswar showcased its services by setting up a booth at the event. On an average 40-50 business visitors interacted with the officials at the exhibition stall on a daily basis. WTC Bhubaneswar provided export guidance at the booth and many elicited interest in associating with WTC Bhubaneswar to enhance their business interest. As part of the Fair, WTC organized a workshop on the topic Strategy for Augmentation of Exports from Odisha on January 12, 2016.

Workshop on Strategy for Augmentation of Exports from Odisha

A workshop on Strategy for Augmentation of Exports from Odisha, was organised in association with the Directorate of Export Promotion and Marketing, Government of Odisha on January 12, 2016 as part of the Odisha MSME Trade Fair 2016, with an objective to encourage entrepreneurs of the State. The Workshop focused on understanding the strategy for getting into International trade and business and to build sustainable and profitable businesses.

Professor Arun Sehgal, an expert in international marketing and a facilitator of the workshop, highlighted the expectations of international market players and how one should go about exploring such markets. He also spoke about the technical as well as attitudinal requisites one should take care while dealing with foreign clients who would in turn help their businesses to flourish in global markets. He highlighted the market strategies for potential sectors of the State like tourism,

marine, IT, chemicals, pharmaceuticals and handicrafts.

Mr. Fakir Mohan Nayak, Additional Secretary, Department of Micro Small and Medium, Enterprises, Government of Odisha, highlighted the strength of MSMEs in the State. He said that there are about 1.5 million MSME units in the State providing jobs to about 3.3 million people and Odisha ranks among the top ten states in terms of providing employment. For the growth of the sector, the State government has been organizing trade fair, under the banner of Odisha MSME Trade fair for the last four years, bringing all agencies concerned with MSMEs under one roof. He also mentioned that new MSME development and export policies were announced by the State which aim to bring about a vibrant growth for the sector.

Mr. Ramesh Mahapatra, President, Utkal Chamber of Commerce & Industry and Mr. N. Palai, Director of Industries

were also present on the occasion to share their perspectives on the export scenario of the State during the inaugural session.

Mr. B. K. Das, Director, Directorate of Export Promotion and Marketing (DEP&M), Government of Odisha in his remarks explained the export oriented initiatives of DEP&M to assist the MSMEs in the State. Mr. L. N. Sahu, Manager, Export Credit Guarantee, Corporation of India and Mr. K. K. Sahoo from the Federation of Indian Exporters also made their deliberations on various institutional support systems available for exporters' benefits as part of the technical session.



Mr. Arun Sehgal making a presentation. Seen on the dais (L-R): Mr. Diwedy, Deputy Director, DEPM, Mr. B. K. Das, Director, DEPM, Mr. F. M. Nayak, Additional Secretary, Department of MSME, Government of Odisha, Mr. N. Palai, Director of Industries, Mr. A. O. Kuruwila, Advisor, WTC Mumbai and Mr. Ramesh Mahapatra, President, UCCI.

WTC Mumbai Officials Meet Key Functionaries of Odisha

A team from World Trade Centre (WTC) Mumbai visited Bhubaneswar on January 15, 2016, to discuss the signing of an MoU with key officials of the State of Odisha for the World Trade Centre project.

The team was led by Capt. Somesh Batra, Vice Chairman, WTC Mumbai. The others on the team included Mr. Y. R. Warekar, Executive Director, WTC Mumbai, Ms. Rupa Naik, Director-Projects, WTC Mumbai, Ms. Khyati Naravane, Assistant Director-Trade Promotion, WTC Mumbai and Ms. Sabha Naik, Assistant Director (Legal), WTC Mumbai. The

team from Bhubaneswar included Ms. Nimeshika Natarajan, Manager-Trade Research, WTC Bhubaneswar and Mr. Budhadev Bhanjo, Manager-Trade Promotion. They met Mr. Sanjeev Chopra, IAS, Principal Secretary, Department of Industries-cum-Chairman, Infrastructure Development Corporation of Odisha (IDCO), Mr. Sanjay Kumar Singh, IAS, Managing Director, IDCO and Dr. Krishna Kumar, IAS, Vice Chairman, Bhubaneswar Development Authority at Department of Industries, State Secretariat, Government of Odisha, Bhubaneswar to discuss the upcoming World Trade Centre project in Bhubaneswar.



From (L-R): Ms. Khyati Naravane, Assistant Director-Trade Promotion, WTC Mumbai, Dr. Krishna Kumar, IAS, Vice Chairman, BDA; Mr. Sanjay Singh, IAS, Managing Director, IDCO; Mr. Sanjeev Chopra, IAS, Principal Secretary, Industries, Government of Odisha and Chairman IDCO, Capt. Somesh Batra, Vice Chairman, WTC Mumbai, Ms. Rupa Naik, Director-Projects, WTC Mumbai, Mr. Y. R. Warekar, Executive Director, WTC Mumbai and Ms. Sabha Naik, Assistant Director (Legal), WTC Mumbai.

The team subsequently met Mr. Aditya Padhi, IAS, Chief Secretary, Government of Odisha to apprise him of the trade promotional activities undertaken by World Trade Centre Bhubaneswar since its inauguration on July 8, 2014. Mr. Padhi lauded the efforts of the Centre and affirmed all support to future activities.

Further, the team also held discussions with Mr. Gagan Kumar Dhal, IAS, Principal Secretary, Department of MSME, Government of Odisha on the future agenda of the Centre in promoting international trade for MSMEs, thereby enhancing the export activities in the State.

Seminar on E-tailing for MSMEs to Go Global

E-tailing is a fast emerging concept used for reaching out to global markets with much more ease. Recent years have seen a remarkable transformation in the way people shop and trade said Mr. B. B. Behera, Additional Secretary, Department of MSMEs, Government of Odisha at the seminar on E-tailing organized by World Trade Centre Bhubaneswar in association with the Directorate of Export Promotion and Marketing, Department of MSMEs, Government of Odisha on February 10, 2016. Emphasising on the growing importance of the e-commerce sector he compared the outreach and technical know-how of various entrepreneurs from other states to that of the entrepreneurs of the State of Odisha, when placed together on an international

platform. He advocated that an entrepreneur in order to run a sustainable business has to keep pace with changing times.

Mr. Nayan Bheda, an entrepreneur and founder of Indian School of eBusiness (ISeB), Mumbai made a presentation on e-commerce while also showcasing its importance in the current competitive era. He explained various business models one could look at for being a part of e-tailing. Deliberating on the changing patterns of conducting business, he motivated entrepreneurs to explore various e-business platforms such as amazon, snapdeal, e-bay etc. which are already in place with the required technological platform and other support mechanisms. While referring to various success stories of e-tailing businesses, he showcased how e-commerce effectively facilitates businesses to reach out to the right customers beyond the boundaries of the territories with much more ease.

Ms. Nimeshika Natarajan, Manager-Trade Research, World Trade Centre Bhubaneswar in her address while deliberating on the current global scenario on e-tailing highlighted how the World Trade Centre is promoting its members on various online and digital platforms helping them to reach out to the global markets.

Mr. B. K. Das, Director, Directorate of Export Promotion & Marketing, Government of Odisha took the opportunity to express his views on the growth of MSMEs and exports from the State and also highlighted various initiatives taken by the Directorate in facilitating entrepreneurs in export business.



From (L-R): Mr. Nayan Bheda, an entrepreneur and founder of Indian School of eBusiness (ISeB), Mumbai interacting with the participants.

Panel Discussion on Union Budget 2016-17

World Trade Centre (WTC) Bhubaneswar and Xavier Institute of Management, Bhubaneswar (XIMB) presented a panel discussion on the Implications of the Union Budget 2016-17 on Direct and Indirect Taxation on March 2, 2016, at the XIMB Auditorium, Bhubaneswar. The panelists included eminent experts namely, Mr. Prashanth Hota, Executive Vice President, Jindal Steel & Power Ltd., Chartered Accountant Mr. A. K. Sabat, Partner, A.K. Sabat & Co., Chartered Accountant Mr. Rajiv Sahoo, Promoter, M/S SRB & Associates and Professor D. V. Ramana, Faculty, XIMB-XUB along with Mr. Dilip Satapathy, Editor, Business Standard who was the moderator at the discussion.

Mr. Dilip Satapathy opened the floor for discussion and raised relevant questions throughout the evening such as ‘Would the desire of the Government to achieve 7.6% growth rate have been achieved if the money had been routed to the middle class rather than the poor?’ Following which Professor D. V.

Ramanathe presented his views on the budget in his address emphasising that the rising problem of inequality should be the immediate point of concern. “Taxation is an important economic and fiscal tool to address inequality”, he said, adding that “Inequality continues at the cost of maintaining fiscal deficit because at the macro level, we have not addressed the issues that make inequality persist.”

Mr. Prashant Hota while addressing the audience said that designing a budget is not an easy task. He opined that the real issue is that of growth in demand. He deliberated that unless the issues of rural population, which constitutes 60% of the total population, is addressed, demand would not go up. He mentioned that while demand is declining in other countries, in India, it has increased by around 4-5%. He also added “Corporate sector cannot survive without the robust rural sector.” Therefore, he advocated that the Union Budget has addressed the right issues. Commenting on the high

investments in roads, he said, “A good road is the answer to anything as it facilitates development of the economy.”

Mr. Sahoo agreed with Mr. Prashant Hota and added that, “The



From (L-R): CA Rajiv Sahoo, Professor D.V. Ramana, Mr. Dilip Satapathy, CA A.K. Sabat and Mr. Prashant Hota.

banking sector is a major catalyst in the system.” He also warned that if the nation goes on taxing the rich, they will move to places where they find more benefits, but they are the ones who provide employment. In this regard, he said that the start-up culture is a step in the right direction. He also deliberated that there are leakages at every step, but with the right governance and technology, they can be arrested.

Mr. Sabat presented his views by agreeing to leakages in the system, and presented a proverb ‘Black money is like a cobra in your house’. Having thoroughly analysed the budget, he advocated that the allowances are not sufficient to cover expenses, hence raising the question as to where does the extra tax money go. The salaried people are at a disadvantage as a result of the Budget. “In addition to this burden, salaried class also have to face inflation which is taxation without income”, he added.

■

Networking Meet with Consul General of the Republic of Singapore

World Trade Centre (WTC) Bhubaneswar organized a high level networking meet for Mr. Ajit Singh, the Consul General of the Republic of Singapore in Mumbai and his team who visited Bhubaneswar on March 2, 2016. The meeting was part of a three-day visit to the State. The networking meet provided an opportunity for some of the representatives of the industries in the State to have an interaction with Mr. Singh about Doing Business in Odisha and the industrial ecosystem existing in the State across sectors. The meeting was attended by Mr. Tapan Mohanty, Managing Director, Z-Estates, Mr. Prashant Hota, Executive Vice President, Jindal Steel & Power Ltd, Mr. Mahendra Gupta, Managing Director, Gupta Power Pvt. Ltd. and Mr. Basant Patel, Associate Vice President, Adani Group. During the discussion, Mr. Singh was surprised by the competitive advantage of the State of Odisha as compared to other states of India and was convinced that Odisha was one of the best destinations for investments in the manufacturing sector. He further had a discussion with the team of World Trade Centre Bhubaneswar about the activities being carried out.

Mr. Singh met the Chief Minister of Odisha Mr. Naveen Patnaik followed by a series of meetings with other high level government officials pertaining to Smart City and Housing & Urban Development.

■



From (L-R): Ms. Nimeshika Natarajan, Manager-Trade Research, WTC Bhubaneswar, Mr. Md Syfulnizar, Country officer, Australia, New Zealand & the Pacific Directorate, Ministry of Foreign Affairs Singapore, Mr. Ajit Singh, Consul General, Consulate of the Republic of Singapore, Mumbai and Mr. Budhadev Bhanjo, Manager-Trade Promotion, WTC Bhubaneswar.

WTC Bhubaneswar Celebrates International Women's Day

World Trade Centre (WTC) Bhubaneswar celebrated International Women's Day on March 8, 2016 by presenting Udaan - an exhibition exclusively by women entrepreneurs from the State of Odisha. The exhibition showcased a variety of MSME products ranging from handicrafts, handloom, spices, processed food, tourism to home décor.

The one-day exhibition attracted more than 250 foot falls from visitors including members of WTC Bhubaneswar,

government officials, general public as well as other entrepreneurs. The exhibitors were enthused and lauded for their initiatives and the exhibition generated business leads for their products and services. The exhibition provided the much-needed platform for boosting and encouraging women entrepreneurs in their endeavours.



A Warm Welcome to Our Meet New Members

Organisation: KALINGA EXPORTS
Contact Person: MR. SHAKTI PRASAD MISHRA
 Designation: PROPRIETOR

Kalinga Exports manufactures and exports ethnic odisha handlooms and handicrafts. They also deal with electronic waste management for corporate and carries out the process of inventorization.

Organisation: TRUEOMEN INC.
Contact Person: MR. SABYASACHI SATPATHY
 Designation: SOLE PROPRIETOR

Trueomen Inc. is a sole proprietorship company. The firm

manufactures and trades in lifestyle products, home décor, etc.

Organisation: EASTERN TREASURE INDIA TOURS & PVT. LTD.
Contact Person: MR. SANGHAMITRA JENA
 Designation: FOUNDER DIRECTOR

Eastern Treasure India Tours & Pvt. Ltd. designs tour programs all over India. The Company runs two community / village camps in Odisha and offers the best village / eco-friendly experience to guests / visitors.

Trade Promotional Activities Held This Quarter: Goa

Workshop for Entrepreneurs, Youth and Women Startups

'Aspiring Entrepreneurs' Workshop was organised on February 5, 2016 at the Goa Chamber of Commerce (GCCCI) to create awareness about the recently launched Start-Up India project by Prime Minister Narendra Modi. This workshop was held under the auspices of World Trade Centre (Goa), GCCCI - Women's Wing, Goa Entrepreneurs Mentoring Services (GEMS) and I-Create (I).

Mr. Manguirish Pai Raiker, MSME Board Member, Government of India was invited as the Chief Guest for the function. Mr. Raiker said that youth of India is filled with exuberance and innovative ideas regarding entrepreneurship, however, they face a huge challenge to implement these ideas. To create a favourable environment for budding start ups and attract the young from job searching to job creation, Government of India has launched the 'Start Up India, Stand Up India' Campaign. He enlisted a few benefits of the scheme like income tax holiday, lower compliance requirements, etc.

Mr. S. R. Chandra Murthy, Manager, Small Industries Development Bank of India, Goa elaborated on the various financial schemes for promoting Start-up India and special schemes for women, formulated by SIDBI and MUDRA bank respectively.

Mr. Manish Gosalia, Regional Coordinator for I-Create (I) - Goa spoke about the importance of development of entrepreneurs through focused and concise entrepreneurial training. He also discussed the important aspects of Start-up India initiative by the Government of India. He shared

information on various organisations that contribute to the growth of self-sustenance by starting one's own business, especially for women lacking financial support from society.

Mr. Ryan Carvalho, Chief Technology Officer, Remote Software Solutions promoted EDC's Technology Start Up

competition and spoke about the information technology (IT) and opportunities available to be incorporated in various business models. "Various Advancements in the field of IT like virtual based cloud computing has resulted in hardware redundancy, thus reducing capital expenditure and making projects more cost effective", said Mr. Carvalho. Advocate Ms. Shalini Menezes, a reputed corporate lawyer shared her expertise in

the Intellectual Property Domain and Mr. D. S. Prashant, General Manager, Centre of Incubation & Business Acceleration (CIBA) spoke about the availability of IT incubation centres in Goa. Ms. Menezes educated the audience on various details to be incorporated in the contractual agreements which need to be taken care while initiating a legal incorporation procedure. Mr. Prashant guided those with no IT background and said that IT incubation centres provide all the necessary support. Dr. Jennifer Lewis e Kamat, Chairperson, GCCCI, Womens Wing and Mr. Rajkumar Kamat, President of GEMS, addressed the audience and complimented the organisers.



From (L-R): Ms. Ambika Dhakhenkar, Assistant Manager-Trade Promotion & Research, WTC Goa, Mr. Rajkumar Kamat, President, Goa Entrepreneurs Mentoring Services, Mr. Manguirish Pai Raiker, MSME Board Member, Government of India, Dr. Jennifer Lewis e Kamat, Chairperson, GCCCI, Womens Wing and Mr. Manish Gosalia, Regional Coordinator for I-Create (I).

International Business Opportunities Workshop with Asian Development Bank

WTC Goa in association with Goa Chamber of Commerce & Industry organised a workshop on 'International Business Opportunities' with Asian Development Bank (ADB) on February 12, 2016. Goan MSMEs from various sectors such as pharmaceuticals, mining and automobile attended the event.

Mr. Hiroyuki Maruyama, Procurement Specialist, Asian Development Bank mentioned that India is the fourth largest shareholder of ADB. He stated that India's current borrowing is for 85 loans valuing around \$11,413.2 million and the new loans approved for 2015 are valued at \$420 million. The loans are disbursed to various industrial sectors, out of 85 loans more

than 25% is provided to the urban and energy sectors and the rest is to other sectors like transport, agriculture and education. He also elaborated on the procurement guidelines and shortlisting procedure for MSMEs, associates, sub-contractors and joint ventures. Goan manufacturing sectors including pharmaceutical, mining, tourism and consulting services in the financial domains must access ADB's wealth of opportunities encouraged Maruyama.

Mr. Manguirish Pai Raiker, Advisor, WTC Goa mentioned that the Goan MSME industry needs to take advantage of all available opportunities in the market. "ADB and United Nations Procurement Division are some of them", he said.

Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa presented the welcome address by introducing WTC Goa and its activities to the participants. "WTC Goa's journey so far has been very successful and received a very good response from local as well as neighboring regions of Goa", she added.



From (L-R): Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa, Mr. Hiroyuki Maruyama, Procurement Specialist, Asian Development Bank, Mr. Manguirish Pai Raiker, Advisor, WTC Goa and Mr. R. S. Kamat, Director General, GCCI.

WTC Goa Observes International Mother Language Day

National Institute of Oceanography Staff Club and Ganga Zuari Academy celebrated International Mother Language Day on February 21, 2016. WTC Goa supported the event which attracted a large number of people who displayed sincere dedication towards their mother tongue.

International Mother Language Day is being observed since 2000 to promote peace and multilingualism. The date corresponds to the day in 1952 when students from the University of Dhaka, Jagannath University and Dhaka



Mr. Manguirish Pai Raiker, Advisor, WTC Goa lighting the lamp. In the background from (L-R): Mr. Naqvi, S.W.A., Director, NIO, Honourable Ms. Mridula Sinha, Governor of Goa, Professor Mr. Sakhardande, Dhempe College and Professor Ms. Rupali, Chowgule College.

Medical College, called for the recognition of Bengali as one of the two national languages of then East Pakistan. History has it that they were shot dead by police near the Dhaka High Court in the capital of present-day Bangladesh. Thereafter, International Mother Language Day was proclaimed by the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in November 1999.

Honourable Governor Ms. Mridula Sinha, Government of Goa was invited as the Chief Guest. "The usage of our mother language must be promoted in order to build a rich cultural heritage of our nation", she stated.

Mr. Naqvi, S.W.A., Director, NIO was invited as the Guest of Honor. Eminent Speakers were Mr. Manguirish Pai Raiker, Advisor, WTC Goa, Professor Mr. Vishwanathan, Goa University, Professor Ms. Rupali, Economics Department, Chowgule College, Professor Mr. Sakhardande from Dhempe College and Professor Mr. Salim from Dhaka University.

Mr. Manguirish Pai Raiker, Advisor, WTC Goa highlighted the importance of the mother tongue usage in society. "Communication is an important pillar for universal growth and development and hence we must strengthen our hold on the local language", he said. Mr. Raiker also emphasized on the need for the new generation to be well versed with the mother tongue which will ensure a better bonding within the local community and safeguard the cultural heritage from fading away.

Panel Discussion on Impact of Budget 2016-17

WTC Goa in association with The International Centre of Goa (ICG), Western India Regional Council of the Institute of Chartered Accountants of India and Goa Chamber of Commerce & Industry (GCC) organized a panel discussion on Impact of Central Budget 2016 on Direct and Indirect Taxes. The program was attended by more than 100 including the commerce & economics students of Goa.

Mr. Mangurish Pai Raiker, Chairman, National Council of SMEs/ASSOCHAM, and Advisor, WTC Goa was invited as the chairperson. CA Sandeep Bhandare, Vice President, GCC and CA Parimal Kulkarni, Past Secretary Western India Regional Council (WIRC) of The Institute of Chartered Accountants of India (ICAI) were speakers for the evening. Mr. Kedar Kenkre, WIRC and Mr. Arjun Halarnkar, Program Manager, ICG were also present.



From (L-R): Mr Mangurish Pai Raiker, Advisor, WTC Goa, CA Sandeep Bhandare, Vice President, GCC and CA Parimal Kulkarni, Past Secretary WIRC of the ICAI and Mr Kedar Kenkre, WIRC.

Mr. Mangurish P. Raiker initiated the discussion commenting that the Budget is supposed to be collective report representing all the sectors of the industry like education, agriculture, manufacturing, services etc. “The core focus of every individual is on personal benefits from the budget, which actually should have been the overall benefit to the country. Hence there is a need to change the perception before embarking on the whole process of budget assessment”, he

opined. Raiker stated that the Budget 2016 is fiscally prudent, socially redistributive and incorporates every segment right from the soil to the ultimate level of employment generation in the nation. One basic necessity, that is common between every human being irrespective of the caste, social status, place of origin etc. is 'striving to feed oneself or at the most his/her own family'. Therefore, this fact makes agriculture and the allied sectors the prime concern and explains, why the issues of Indian farmers need to be dealt with immediate effect. Thinking on these lines Finance Minister Mr. Arun Jaitley has prepared the budget based on the farmers' inputs and made provisions for the long-term benefits to them, he acclaimed. Apart from this, the budget aims at fiscal deficit of 3.5% of GDP, which focuses on lowering of rates, rural consumption, revival of public sector investments and boost to employment generation with initiatives such as Make in India.

CA Sandeep Bhandare provided in-depth budget analysis covering various pros and cons related to every point. The budget aims to maintain Fiscal Responsibility and Budget Management (FRBM) target while he highlighted that there are certain undetermined factors like the announcement of One Rank One Pension (OROP) in the defense industry, basic pay of 7th pay commission, spending on the rail or road infrastructure projects and bulk recapitalization, which could be seen as an encumbrance in the process. However the provisions for the housing sector and loan benefits, will provide a tremendous boost to the housing industry, he mentioned.

CA Parimal Kulkarni explained the various aspects of Indirect Taxation in the form of GST. The tax structure is designed exclusively for various socio-economic strata of India such as the businessman, government employee, politician and working class common man. Instead, what is required is a holistic approach of viewing the tax burden which should be distributed equally in every sector, urged Mr. Kulkarni. He added that GST is the need of the hour and service taxes will help curb the deficits.

WTC Goa Celebrates International Women's Day

WTC Goa celebrated International Women's Day 2016 at WTC Goa on March 8, 2016. Ms. Varsha M. Pai Raiker and Ms. Shobha Tarcar, two renowned women entrepreneurs of Goa from both product-based and service industry, were felicitated on the occasion.

Ms. Raiker spoke on this year's Women's Day theme, which is 'Planet 50-50 by 2030: Step It Up for Gender Equality', that all women should stand up for themselves. She represents S. R. Enterprises located in Corlim Industrial Estate and has

received the prestigious national award for 'MSME of the year' in 1994 for the product - corrugated boxes. When asked about the difference between the present and the time she started the journey, she said, “Everyday throws up a different challenge and change is constant. One has to be prepared to adapt to changing scenarios to survive.” “Hard work, adaptability to change, patience, financial discipline and good public relations are the 5 key elements to success”, she insinuated.

Ms Shobha Tarcar, Owner of the Sai Samarth Caterers, a renowned catering service in the city of Panjim, is rightly known as Annapurna (The Goddess of Nourishment) in her close friends circle. More than 20 years in the business, starting from 50 people she, has once served around 2500 people at a time. Customer delight and quality assurance are the unique selling points of her business. There is always a personal touch when selecting the vegetables, meat, other grocery items personally and I also add spices which add to the original flavors of the dishes, she revealed. "No compromise on quality of raw supplies and protecting trade secrets, are the two most important things to this business", she added.

Ms. Supriya Rane, Director, La Cabana Beach & Spa mentioned that, "Gender



From (L-R): Ms Cheryl Fernandes, Officer-Trade Promotion and Research WTC Goa, Ms. Varsha M. Pai Raiker, Owner, S. R. Enterprise Pvt. Ltd and Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa.

inequality is globally evident and lot of women are now endorsing gender parity at workplace". In order to move closer to gender equality awareness, freedom, education and legislative changes are needed to be enforced. "Campaigns like 'Beti Bachao, Beti Padhao', Small investment funding scheme to support women entrepreneur, can build self confidence and help gender parity", cited Ms. Rane.

Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa mentioned that, "We always want men to think women are equal to them and seek their acceptance to the fact, that we are capable in every aspect as they are. However, the history of all times, especially, in the current context teaches that women will be forgotten if they forget to think about themselves."

Belgium Keen to Boost Trade Ties with Goa

A Belgium delegation visited WTC Goa comprising Peter Huyghebaert, Consul General of Belgium and Ms Emmanuelle Timmermans, Trade & Investment Commissioner, Consulate General of Belgium AWEX Mumbai. Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa and Mr. Manguirish Pai Raiker, Advisor, WTC Goa greeted the officials. The agenda of the meeting was to address various ways to boost economic ties with Goa.

Mr. Huyghebaert expressed keen interest in developing bilateral trade relations revolving around prime sectors like waste management, tourism and food processing. He specifically emphasized on taking up projects such as river dredging of inland waters, making rivers navigable and improving the inbound / outbound logistics. He also encouraged WTC Goa members, to visit and explore Antwerp Port in Belgium.

Ms. Timmermans embarked upon the formulation of joint ventures with the tourism industry to address the growing demands of private charters, which are currently non-existing, between Goa and Belgium. She also acquainted herself, with the Goan food processing industry and mentioned that, it is also one of the areas of interest for prime investors.

Mr. Raiker spoke about the Goan history and long-lasting cultural ties with Europe, for almost half a millennium since the Portuguese, entry to the mainland in their quest for establishing western trade. Goa is one of the leading exporter of cashew nuts and marine canned products, he highlighted. He also mentioned the State's growing potential to export flowers such as orchids to Belgium, which is an importer of various



From (L-R): Ms Emmanuelle Timmermans, Trade & Investment Commissioner, Consulate General of Belgium AWEX Mumbai, Mr. Manguirish Pai Raiker, Advisor, WTC Goa, H.E. Peter Huyghebaert, Consul General of Belgium and Ms Ambika Dhakhenkar, Assistant Manager, WTC Goa.

floral species from African and other countries.

Ms. Dhakhenkar familiarized the delegates with the fact that, one of the well known, Goan Management Institute is already partnering with the University of Antwerp, Belgium to conduct joint foreign (faculty and student) exchange programs in management. The Joint International Internship Seminar

(JIIS), is also held every year with the students of both institutes working together on live projects in Goan organizations, she added. Additionally, Dhakhenkar asserted to work collectively with the Consulate General of Belgium

AWEX Mumbai, in order to benefit its members and the Goan business community, to foster trade and investments in the state.

Seminar on Leadership for Balanced Growth



From (L-R): Ms Ambika Dhakhenkar, Assistant Manager-Trade Promotion & Research, WTC Goa and Ms. Poonam Barua, Founder & Chairman of Forum for Women in Leadership and CEO, WILL Forum India.

WTC Goa participated at the Seminar on Leadership for Balanced Growth by Ms Poonam Barua, Founder & Chairman of Forum for Women in Leadership and CEO, WILL Forum India, organised by the Goa Chamber of Commerce & Industry - Womens Wing in Panaji, Goa.

The talk emphasized on the need for women representation on organisational boards, in order to add diversity and ensure holistic approach towards decision-making process. "Women in the leadership positions have to pave their way to success through an unequal ecosystem, which is widely evident in our corporate world with only 5% women currently nominated as board members in India", emphasized Mr. Barua. The speaker also conveyed the message that corporate India needs to provide equal opportunities and promote women especially, those belonging to the higher employment strata.

A Warm Welcome to Our New Members

Organisation: AIRSONIC TRAVELS PVT. LTD.

Contact Person: MR. PRAMOD RANE

Designation: CHAIRMAN & MANAGING DIRECTOR

Airsonic Travels Pvt. Ltd. is a travel management company. The organization provides customers with specialized and innovative holiday solutions. They also have several diverse business verticals including resorts and real estate.

Organisation: OSCAR LEAL GARCIA

Contact Person: MR. OSCAR LEAL GARCIA

Designation: OWNER

Mr. Oscar Leal Garcia is an entrepreneur for heritage tourism. As an exporter of spices and nuts, the company is keen to export organic turmeric and spices.

Organisation: GOA ELECTRONICS LTD.

Contact Person: MS. REVATI MUJUMDAR

Designation: CHIEF EXECUTIVE OFFICER

Goa Electronics Limited (GEL) has its focus on three critical areas in IT - business consultation, software solution provider and hardware supply and maintenance. The firm's approach involves understanding customer needs, building concrete solutions and supporting those solutions in the long term.

Organisation: PIONEER DISTRIBUTORS

Contact Person: MR. RAJENDRAS. AMONKAR

Designation: PARTNER

Pioneer Distributors is a 38-year old firm which runs by professionally qualified people. They represent 40 Indian

and multinational companies. The firm keen to export medical requisites, disposables, orthopaedic implants and rehabilitation aids.

Organisation: ALPRO METAL PVT. LTD.

Contact Person: MR. DINESH GAJANAN KAMAT

Designation: DIRECTOR

Alpro Metal Pvt. Ltd. is a leading manufacturer and trader of aluminium products, upvc doors and windows, structural glazing and cladding. They also provide aluminum fabrication services.

Organisation: MENEZES DENTAL PRODUCTS (OPC) PVT. LTD.

Contact Person: MR. NOEL MENEZES

Designation: DIRECTOR

Menezes Dental Products Pvt. Ltd. is a leading manufacturer and trader of tooth brushes and marine products. The company is keen to export.

Organisation: SHREE AUM ESTATE AGENCY

Contact Person: MR. PRAKASH BANDEKAR

Designation: PARTNER

Shree Aum Estate Agency deals with real estate, e-commerce, infrastructure, land survey and consultancy, and is an authorised agent of Max Life Insurance and Max Bhupa Health Insurance.

International Visitor Leadership Program Regional Economic Connectivity: The NAFTA Experience - A Report



In its 76th year of existence, the U.S. Department of State (DOS)-sponsored International Visitor Leadership Program (IVLP) nominated a group of five candidates representing the north, south, east and west regions of India through their respective US Mission, to participate in a single country program titled 'Regional Economic Connectivity: The NAFTA Experience'. Ms. Tripti Chakravorty, Assistant Director-Trade Research and International Trade Promotion, World Trade Centre Mumbai was one among the representatives from the western region who participated in the program. It was scheduled from February 1-19, 2016, however, participants were invited two days prior to commencement of the Program.

The program threw up opportunities to discuss and understand trade, business and commerce of the North American Free Trade Agreement (NAFTA), a tripartite agreement signed by USA, Canada and Mexico which came into effect on January 1, 1994. Additionally, it provided first-hand experience of American art and culture as well as helped establish business relationships between India and USA. Also, the program presented the chance to take back key findings and learning drawn from NAFTA and disseminate the same among stakeholders, working in

the arena of Asia's free trade agreements at the local, regional and pan-India levels in order to address challenges and issues faced. To achieve this objective, the program was structured to include appointments with organisations working in government, semi-government and trade promotion organisations to discuss and deliberate on various aspects of U.S. trade policy, its constitution and impact on trade, business and commerce. The meetings not only increased knowledge of particular issues of each city under the NAFTA regime, but also helped do away with preconceived notions. In addition, it helped deepen understanding of the dynamic political, social and economic contexts in which these issues existed. The program covered the creation, development and growth of NAFTA as a model for regional connectivity and integration amongst the signatory nations. It also addressed NAFTA's impact on economic development in the three countries with issues pertaining to market access, intellectual property rights, customs and border, trade unionism, environment and other trade-related areas.

The program was structured in such a way that the participants had the chance to spend a couple of days in the following five cities, each with a theme.

City: Washington, D.C.

Date: January 30-February 4, 2016

Theme: National Government Support for International Commerce and National Perspectives on Regional and International Trade Architecture

Washington, D.C. is the political seat of the US government. Following are the meetings that were held:

Dr. Michael Siegel, Senior Education Specialist, The Federal Judicial Center.

Key discussion points: Dr. Siegel presented an overview of the U.S. Federal Government Structure and political process.

Takeaways: The discussions led to deeper understanding and clarification of the structure; the constitution; separation and distribution of powers with Congress, Senate and the President. The presentation provided in-depth information on the judicial system and federalism of USA.



Ms. Sarah Watson, Associate Fellow, Wadhvani Chair in U.S.-India Policy Studies, Center for Strategic & International Studies.

Key discussion points: Ways to promote business and economic engagement between India and the United States.

Takeaways: The discussions focused on unlocking the potential of India-U.S.

relationship by pursuing policy changes, strengthening bilateral relations, accelerating economic development in India through Modi government's new initiatives.

Ms. Sara Hagigh, Deputy Director, Office of North America, U.S. Department of Commerce, International Trade Administration (ITA) along with her colleagues from the department.

Key discussion points: Government initiatives on U.S. export promotion and financing were discussed.

Takeaways: Federal Economic Agenda and its workings, including NAFTA's integrative impact on supply chain, expanded exports and non-tariff barriers which are done away with. Presentation also threw some light on department's promotion of trade adjustments and industry advisory councils along with the efforts being made towards transparency of government initiatives which led to businesses reaping advantages. Federal Advisory Committee provides on-going advice to U.S. government on issues of re-education of export policy and tariff tools.



Ms. Marissa Smith, India Desk Officer, Bureau of South and Central Asian Affairs, Department of State and her colleagues
Key discussion points: U.S. Relations with South and Central Asia.

Takeaways: The discussions provided an overview of U.S. foreign policy with India – analysis, objectives, interests, engagement and regular consultations. Tracking India's FTAs with other countries in the region and its impact on trade policy.

Mr. Craig T. Clark, Director, Office of International Trade, Textiles & Trade Agreements, U.S. Department of Homeland Security.

Key discussion points: Trade Overview of Customs and Border Protection (CBP) principles, processes and procedures.

Takeaways: An insight into CBP's trade mission, vision, operations, organisational chart, stakeholders, priority trade issues along with centers of excellence and expertise, including automated commercial environment (ACE) which would be a single window by end 2016. It covered the importance of economic competitiveness, besides economic security enforcement of trade laws required for Business-to-Government (B2G). Duties collected in textiles are by far the highest. The most interesting fact being that the office of international trade was established after 9/11 which executes 14 existing FTAs with 20 countries from its current 880 offices.

Ms. Dawn Shackelford, Deputy Assistant U.S. Trade Representative (USTR) for India, Office of USTR.

Key discussion points: Provided historical development of U.S. Trade Policy and negotiations in South Central Asian region.

Takeaways: An overview of USTR's working. The U.S.- India Trade Policy Forum 5 focus groups namely agriculture, innovation and creativity, investment, services, tariffs and non-tariff barriers were discussed. Release of the annual Special 301 Report and National Trade Estimate Report, both of which are proposed to be released by end April 2016.



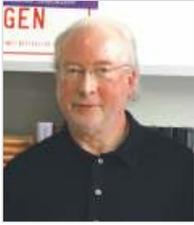
City: New York

Date: February 4-7, 2016

Theme: U.S. Trade Policy

New York is the largest city in USA which was the second stop on the itinerary. Following were the meetings held:

An interactive meeting with a team of journalists from Bloomberg News posed questions on Prime Minister Modi's initiatives and the possible impact on the economy and impact of India's ranking in the ease of doing business on foreign investments. Issues pertaining to immigration on the current US Presidential elections were discussed.



Mr. Sherle Schwenninger, Director, New America Foundation, L. Schwartz Fellows Program.

Key discussion points: Impact of NAFTA on US trade policy, manufacturing facilities of mid-west U.S.; China and India's role in world economics; Trans-Pacific Partnership (TPP).

Takeaways: Points discussed included Windsor Border (Canada) with USA which has the largest trade movement, south-western Ontario (Canada) with USA has witnessed positive effects and Mexico has witnessed lower wages and standard of living. U.S. trade agreement with China had a setback for the State of Michigan, trade adjustments provided increased funding for the U.S. system especially in the areas of automobiles, furniture and appliances in Michigan. China has shown signs of moving up the competitive chain with a large consumer market thereby balancing its economy, also the growing presence of China in the South China Sea has affected USA interests.

The official felt that TPP is not a serious trade agreement dialogue, as it could result in being a misguided initiative. Vietnam and Bangladesh are set to be big winners covering major part of the Asian economy. India has shown consistently high levels of growth, while China has a geo-economic strategy, question is can India have one too? Some key learnings for agreements like TPP as observed by Dr. Jagdish Bhagwati, noted economist, is that NAFTA could have worked provided there was a political will to understand the depths in the agreement. Moreover, NATO expansion provided a setback to NAFTA.

Mr. Schwenninger advocated that TPP would improve standards of the large growing middle class economy in India. A grace point with India is - it is compatible with WTO and WTO + trade rules according to the Washington consensus. USA's economy is globalised and anti-protectionist in nature and corporate policy drives US Policy, to which policy and agreement drafters of the east must note and take advantage of the depths of such trade agreements. He finally advocated that countries have to reach out to national strategies and not subscribe to country groupings throwing light on the need for India to develop its states to reap benefits from its agreements.

Mr. Kil Dosanjh, Director, Asia, Eurasia Group.

Key discussion points: Provided a comparative analysis of NAFTA countries and Asian countries in their FTAs.

Takeaways: Fundamental difference is in the politics of the agreements. Domestic markets have to be strong for an FTA to work. Reforms in individual economies are necessary. India tends to have a protectionist attitude towards the agriculture sector. In the case of China, it reformed its agriculture sector and the surplus was ploughed back into the economy. Policies like import substitution failed in South Asia. Reforms in SAARC may not help India directly but may help in building its trade routes for smoother access and ease of penetration in Asia within the Pacific region. TPP could push India to better reforms. Though NAFTA developed the Mexican economy, Canada gained in its financial sector leaving all three countries to compete in the same space, success of NAFTA did not rely

on mere imports. Whereas in the SAARC region all countries are at the similar level of development, regulatory requirements are poor and import taxes serve as revenue to the government. Unless this mindset changes, agreements in SAARC may not fulfill its scope and objectives. This may affect the trade prospects of SAARC member countries in the context of TPP.

City: San Antonio, Texas

Date: February 7-10, 2016

Theme: U.S.-Mexico Trade Relations, NAFTA: The creation of a Regional Trade Agreement & Effects of NAFTA on Agriculture and the Rural Economy

San Antonio, Texas is a city known to have a diversified economy and it is where the signing of NAFTA took place. Following were the meetings that were held:



Mr. Paco Felici, Vice President, Communication, Port San Antonio.

Key discussion points: Overview of Port San Antonio.

Takeaways: In Mr. Felici's presentation he highlighted the redevelopment of Kelly Air Force Base as the Port is a vital partner to aerospace customers by providing specialised facilities. Indo-

MIM (Indian company) is to launch its 1st manufacturing operations at the Port in 2016 thereby, creating 300 new jobs. The Port is home to advance manufacturing operations in aerospace, automation, equipment repair, assembly and testing. The Port is located at the heart of the NAFTA Corridor and Loredo-NAFTA highway is the 2nd land crossing for USA.

Mr. Cliff Parades, Director, International Trade Center, Small Business Development Center Network (SBDC), University of Texas at San Antonio-Institute for Economic Development.

Key discussion points: Programs being offered by SBDC (a trade assistant organisation).

Takeaways: SBDC is the Largest network in the U.S. catering to manufacturers and traders and assists in capacity building and export promotion. It is partly funded by the federal and the rest by state governments and local companies, SBDC helps 20 percent of 140,000 small businesses in Texas, helps SMEs find new markets by educating them on mechanisation of trade through the EB-5 program which has so far brought about 400 jobs. One business advisor is assigned to 75-200 cases. In order to qualify for a federal loan guarantee scheme, SBDC is questioned on the economic impact of the advice given to clients. SMEs have to be made aware of the effectiveness of FTAs. Success rate of an SME – it takes 18 months before the 1st sales can take place and every 3 months, the small business is contacted by clients.

Mr. Juan Pablo Alcantar, Director, Asociacion de Empresarios Mexicanos (AEM) along with other board members.

Key discussion points: Overview of AEM and its operations in San Antonio.



Takeaways: AEM is a bi-national entity established shortly after NAFTA went into effect, comprising group of Mexican entrepreneurs who share best business practices mainly in the areas of customs and logistics. AEM has expanded to 24 cities across USA. 50 per cent members are American companies and 2000 Mexican businesses. The Association

caters to San Antonio-Austin Corridor and has a network that covers the NAFTA Region. The organisation caters to sectors such as health systems, nanotechnology, IT and wind energy (major sector in Texas).

Ms. Shahrzad (Sherry) Dowlatshahi, Chief of Protocol and Head of International Relations Office, Economic Development Department, City of San Antonio.

Key discussion points: Overview of San Antonio in terms of socio-economic aspects.

Takeaways: San Antonio is one of the best places for business, careers and job growth. Biomedical sector is the main industry. United Services Automobile Association (USAA) a fortune 500 company is headquartered in San Antonio. In 2008, San Antonio became a sister city with Chennai. Chennai considered as the Detroit of India due to presence of auto manufacturers such as Ford and Hyundai. Indian population of 8000 in North San Antonio expected to grow to one million in the next 10 years. Asian community is one of the fastest growing in the City. There is a growing German immigration.



Ms. Saani Fong, VP, Communications & Membership, Free Trade Alliance San Antonio (FTA) and her colleague.

Key discussion points: Overview of Free Trade Alliance (FTA) – advocacy and export efforts, foreign investment programs and services.

Takeaways: The Alliance assists businesses succeed internationally;

provides International Business Development Center (IBDC) programs; a business accelerator program for foreign companies to expand or establish business in San Antonio; cyber security – a major sector; FTA funding – 40 per cent government and 60 per cent private; Women in International Program supports women who participate and succeed in international activities.

Mr. Fernando Narvaez, Director of Business Development and Sales, San Antonio Wholesale Produce Market (SAWPM) and his colleague.

Key discussion points: Overview of SAWPM and its operations.

Takeaway: The Market is unified and is a strategically located distribution center which is state-funded but run by farmers offering innovative warehousing solutions for merchants



specializing in fresh produce and packed groceries. Currently, running at 98 per cent occupancy; it has 60 warehouses over 5000 sq. ft. of space. 70 per cent of produce comes from west coast of Mexico. NAFTA's impact: It helped local varieties of corn production in Mexico due to misunderstanding of farmers about the US corn produce and type, while in the case of Canadian meat industry, it balanced out due to the mad cow disease in Canada.

City: Detroit, Michigan

Date: February 10-16, 2016

Theme: Regional Initiatives to Promote Exports and International Markets & Impacts of Trade Agreements on Automotive and Textile Industries

Detroit is popularly known as Motor City. It had witnessed rapid growth of its industry but suffered a setback due to NAFTA. A tour of the city was provided by the Detroit Experience Factory. The following were the meetings held:



Ms. Sara Coulter, Director, Detroit Export Assistance Center along with professionals from U.S. Small Business Administration (SBA), U.S. Department of Commerce and public and private organisations.

Key Discussion Points: Overview of services offered especially with respect to small and mid-sized businesses.

Takeaways: The Center's involvement in various programs and events – details on WEFTEC 2016, TiE Detroit chapter; impact of Great lakes St. Lawrence Seaway System; opportunities in real estate, auto-related areas, healthcare and education are prevalent. Aerospace and architectural industrial designs are upcoming areas. SBA's export loan program is being promoted by its senior international credit officers located at the Center. Post NAFTA, TPP discussions brought about mixed feelings as NAFTA did. TPP would also bring in challenges due to levels in development and depths of domestic policies.

Mr. Xuan Liu, Manager, Data Analysis, Research, Southeast Michigan Council of Governments (SEMCOG) and his colleague.

Key Discussion points: SEMCOG's activities as a regional planning partnership with respect to policy decisions, regarding transportation, regional growth - air, water quality, land use, education, local government efficiency and legislation.

Takeaways: The Council's main function is to help south east Michigan rebound; filling the technical skill gap and bringing about awareness of the importance of Gordie Howe International Bridge (previously known as New International Trade Crossing), a border crossing to increase flow of traffic and goods. Planning done regionally but implementation carried out locally.



Ms. Meghan K. Riordan and her colleagues.

Key discussion points: US Immigration laws and their impact on NAFTA.

Takeaways: Provided an overview of L1, H1B and TN visa categories; key findings as a result of NAFTA - 25 per cent trade from Canada and US through Detroit,

approximately 1 million trucks, 4 million personal vehicles and 7 million people over a year pass through the border.

Mr. Mustafa Mohatarem, Chief Economist, General Motors and his colleague.

Key discussion points: Impact of trade agreements on the automobile industry especially General Motors (GM).

Takeaways: Impact of NAFTA – U.S. has received more investment post NAFTA, Detroit took its success prior to 1994 for granted, revival of Detroit's economy coming from the private sector especially in Oakland County. Bridges across Detroit River were a lost opportunity; Gordie Howe International Bridge to provide service for transporter trade.



The policy cleaning for Detroit still remains to be done, Japanese and Korean companies came in through the southern US states and while workforce in Michigan unionised. In addition, GM did not perform well in Indian markets resulting in a slowdown in its global business. GM has pre-empted this and is trying to take care of its Brazil and India setups. The major challenge faced by GM is that software is unable to keep up to hardware and its competitors such as Ford Motor Company support TPP. He recommends that SAFTA's incoming shocks should be paid attention, for it to be a success, from a trade standpoint, while India and Pakistan have a very good opportunity.



Ms. Maureen Krauss, Vice President, Economic Development, Detroit Regional Chamber.

Key discussion points: An overview of the Chamber and its activities.

Takeaways: The Chamber is dedicated to improving the economy of Southeast Michigan. It has been the region's oldest and largest chamber in the country having

served the business community for over 100 years; chamber activities and initiatives centred on four strategic pillars namely, economic development, regional collaboration, education reform and membership value.

City: Seattle, Washington

Date: February 16-20, 2016

Theme: U.S.-Canada Trade Relations & Fair Labour Policies for International Agreements and Seaport Operations

Seattle is nicknamed The Emerald City and is home to skilled, resourceful and innovative people. The following were the meetings held in the City:



Mr. Steve Myers, Senior Program Manager, Pacific Northwest Economic Region (PNWER).

Key discussion points: PNWER is a facilitator to regional economic development through partnerships with American states (Alaska, Idaho, Montana and Oregon) and Canadian provinces

(Alberta, British Columbia and Saskatchewan).

Takeaways: PNWER comprises a cross-border forum of public and private sectors working to advance the region's global competitiveness by dealing with its issues, increasing economic well-being and quality of life while also maintaining and enhancing world-class natural environment. US-Canada Pre-Clearance Agreement on land, rail, marine and air transport, is part of the Beyond the Border Action Plan to enhance security while facilitating lawful travel and trade.

Ms. Lynne Dodson, Secretary Treasurer, Washington State Labour Council (WSLC).

Key discussion points: WSLC's labour concerns over implementing NAFTA, impact of NAFTA on the local labour economy and fair labour policies for international agreements.

Takeaways: Drafters of TPP used aspirational language, a free trade agreement does not address 'limits to greed', however, the genesis of an FTA only serves as a great example. A major learning from NAFTA was the labour movements. Example shared was the labour unrest in USA due to contrasting difference in Mexican labour structure and union policy attributes, having a high sanction of Labour activists. TPP should try to focus on labour structure, movement and policy-related issues in greater depth for its success.



Mr. Stan Sorscher, Executive Board Member, Washington Fair Trade Coalition (WFTC).

Key discussion points: Efforts of WFTC to promote fair trade policies at the state and regional levels.

Takeaway: NAFTA is an agreement for economic integration, not trade. It was conceived that US producers would gain access to cheap labour and weak regulations in Mexico; immigration problems were predictably bad. US runs a trade deficit with Mexico which will result in lower growth levels in the future. The reason for this is a Labour Secretariat setup within NAFTA called North American Agreement on Labour Cooperation (NAALC) which failed in its duties owing to a lack of leadership and badly designed power relationships. Thus, for the success of TPP, it needs to raise the domestic conditions to be at par with global standards, as the discussions of the agreement are focussed towards the economy as a whole, considering all the other regions as well.

Mr. Rick Olson, Director of Governmental Relations and Communication, Puget Sound Regional Council (PSRC).

Key discussion points: Overview of PSRC and accomplishments of the regional Economic Strategy and



Prosperity Partnership with respect to job creation and future regional economic activities.

Takeaways: PSRC intends to create 2 lakh 50 thousand jobs in 5 years; main sectors – aerospace, IT, biomedical, clean technologies, retail, gaming, maritime clusters and philanthropy. Following were the points mentioned –

Amazon the largest employer in the state. Washington State does not charge state tax on personal income; Vision 2040 – Themed ‘People, prosperity and planet’ which signifies people of the region, economic prosperity and its relationship with the planet, respectively.

Ms. Ashley Dutta, Vice President, Policy and Communication, Washington Council on International Trade (WCIT).

Key discussion points: Overview of WCIT and impact of TPP.

Takeaways: The Council exclusively advocates public policies that increase Washington's international competitiveness especially pro-trade policies for SMEs. The City is a strong advocate of TPP having potential for Asia-Pacific region. It will benefit U.S. workers and improve the way the world trades. Only negative aspects being raised pertain to trade standards of the countries coupled with USA's latest Investor-State Dispute Settlement (ISDS) for which China and India may not be ready, under TPP.



Ms. Melissa Fanucci, Senior Planner, International Mobility and Trade Corridor Program, Whatcom Council of Governments (WCOG).

Key discussion points: Provided an overview of International Mobility and Trade Corridor Program (IMTC) led by WCOG, which brings regional public and private entities to facilitate cross-border trade.

Takeaways: The program brings together business and government agencies to identify and promote improvements to mobility and security for four border crossings that connect Whatcom County and the Lower Mainland of British Columbia. These together are known as the Cascade Gateway. The Program enables chambers of commerce to have a huge say in policy issues. Thus, stronger border communities can enhance smooth functioning of trade, across borders.

Ms. Laurie Trautman, Associate Director, Border Policy Research Institute (BPRI).

Key Discussion points: Provided an overview of BPRI's work, international trade between Canada and Washington State; impact of NAFTA on local economy.

Takeaways: BPRI housed at Western Washington University, undertakes research that informs policy-makers on matters related to the Canada - U.S. border.



Priority focus areas are trade and transportation, economics, environment, immigration, and border security. It was set up to satisfy the need for evidence-based research to guide border policy in the aftermath of 9/11 terrorist attacks. Impact of NAFTA – American cross-border trips oriented more toward vacation/recreation and less towards shopping; work-related trips more prevalent and trips to visit family in British Columbia (Canadian Province). Whereas, the Canadian trips involve shopping, vacation and recreation, moreover currency exchange rate influences the amount of travel.

Other than the meetings, there were events held in Detroit, Michigan.

Networking reception – The reception was hosted by the members of Indo-American Chamber of Commerce (IACC-USA) which serves greater Detroit and beyond.

Home Hospitality – The program provided the opportunity to enjoy a meal in the home of local community members.

Volunteer Activity – USA is known for voluntarism. As part of the program, a volunteer activity was organised with Focus: Hope, a non-profit organisation catering to the needs of minority communities. The participants were expected to package carrots in plastic bags which would be distributed to the beneficiaries of the organisation.

Key takeaway for India with respect to these current engagements on trade agreement negotiations:

Overall, the visit focused and emphasised on the need and importance of the government's role in developing and sustaining strong and continuous development of domestic policies. The government should focus on labour quality and law; quality standards, investment and investor rights; quality infrastructure; monetary and fiscal policy and depth and coverage of development throughout India. Various discussions laid tremendous importance on the government-industry-academia tie-ups to tackle issues mentioned above. The entire visit exposed participants to the role and coverage of activities of organizations and the methodology in facilitating global business. Thus, for India to make continuous and substantial gains from trade agreements like TPP, Asia Pacific Trade Agreement (APTA), South Asian Free Trade Area (SAFTA) Agreement etc., India needs to focus on building and strengthening the dimensions of its economy coupled with increased and improved stakeholder participation in policy and negotiation process.

■



Startup Ecosystem Addresses Areas in Development Sectors

*In an interview with World Trade Centre Mumbai, **Mr. Rajat Tandon, Senior Director, NASSCOM 10,000 startups Program** speaks not just about Nasscom's ambitious program but also about the potential these tech start-ups possess to address development requirements in the areas of health, infrastructure and energy to name a few. Mr. Tandon also makes a case in favour of social startups with the increasing number of financing options.*

The '10,000 Start-ups' programme of Nasscom aims to foster 10,000 start-ups in the technology space by offering incubation, mentorship and angel funding support. How do you plan to achieve this goal?

10,000 Startups is an ambitious attempt by NASSCOM to scale up the start-up ecosystem in India. In its last four phases, a total of 11,000 startups applied, 1,100 shortlisted and 500

been able to witness this tremendous achievement. I believe that better access to angel investors, venture capitalists, seed funding and interest-free loan has led to the startup buzz in the entire nation. With more and more start-ups hitting the million mark, people are getting more inclined towards starting something of their own. Also, the government focus in this area – Budget 2016-17 announcements for Startup funding, Startup India, Stand up India like initiatives give a big boost.



have been impacted by way of funding, acceleration and mentoring. Some of their impacted startups include SmartVizX, Lazylad, EnglishDost, Flutura, SeekSherpa, Faircent, Hiree, Sliderule, Vidgyor, CustomerXPS to name a few. Phase 5 is going to be our biggest Konnect to date as we are aiming to create a greater impact across the early stage startup ecosystem.

According to the report jointly released by NASSCOM with Zinnov, India is ranked third among the global start-up ecosystem. Within one year, the number of start-ups in India has grown by 40 per cent, the report notes. What are the key drivers of this growth in the start-up industry?

India has lately started to evolve in the fields of IT and technology. More and more number of people are learning computers and taking various courses in programming. With the young blood infused with the right talents, the country has

How is the Indian start-up ecosystem different from countries like USA and UK which are ahead of India in technology driven product start-ups?

The primary difference till now which is changing rapidly has been exposure and access to funding. There is also a fundamental shift in the society today where more and more youngsters are allowed to take risks and fail.

“With the number of tech start-ups in India growing over 40 percent over the last year, these startups can potentially develop innovative solutions to address the development needs of the country as startups focus on development solutions for health, infrastructure and energy amongst others.”

The central government has improved the ease of doing business for start-up companies through its Start-up Action Plan. Especially, it introduces compliance regime based on self-certification and plans to roll out mobile app and portal to simplify the process of registration. Are you

satisfied with this policy measure? Do you feel that the government should do more to make the life easy for start-up entrepreneurs?

NASSCOM feels that policy regulations like ease of compliance, reliance on self-certification instead of audits, tax exemptions for startups will allow entrepreneurs to devote



their time, energy and resources to build upon their innovative ideas. With the number of tech start-ups in India growing over 40 percent over the last year, these startups can potentially develop innovative solutions to

address the development needs of the country as startups focus on development solutions for health, infrastructure and energy amongst others.

A sound intellectual property regime is crucial for the sustainable development of technology start-up industry. In its Start-up Action Plan, the government said that it is launching a pilot scheme to offer legal support to start-up companies in filing IP applications, expedite patent examination process, etc. Can we have comments on this?

Such initiatives are definitely welcome as legal compliances are one of the most important aspects for safeguarding the IP of any startup.

It is learnt that many start-up companies in India have shifted their base to countries like Singapore as these countries have favourable policy and regulatory environment. Do you feel this trend would reverse in favour of India in the coming days with the central government and RBI taking steps to support start-up ecosystem?

According to NASSCOM – Zinnov Report, India has moved to the third rank in global start-up ecosystem. Many announcements in Startup India Program - like Self certification, single window for approvals and rejections, fast track exit and tax exemptions. We clearly see the right intent here, hope it gets implemented effectively.

We have seen start-up companies bringing innovation in sectors like e-commerce, consumer services, aggregation etc. Could you share your thoughts on what are the sectors that possess unexplored potential for start-up companies and how can the aspiring start-up entrepreneurs exploit this opportunity?

This year we have seen massive number of startups in Fintech, edtech and foodtech. With the hype of fintech reaching

Startup Ecosystem

resounding levels in 2015 and investments in the space witnessing larger increases, the sector will become much more competitive in 2016. The internet of things (IoT) will be the scalable sector in the startups ecosystem. 2016 will see emergence of fit tech (fitness and technology), Software as a Service (SaaS) based startups and IoT. We also believe that social startups would also be an area of focus and they should definitely get more support from investors and venture capitalists.

According to you, what are the other issues plaguing the Indian start-up industry and how can the government incubators, accelerators and investors address them?

“We also believe that social startups would also be an area of focus and they should definitely get more support from investors and venture capitalists.”

Number of technology startups in India has grown by 40 per cent over last year and has crossed 4,200 by now. They are working on innovative solutions that can potentially address development needs of the country with over 40% of these startups focused on developing solutions for health, infrastructure and energy. We hope that the startup India launch will be addressing some of the issues that is outlined and other issues that have been

detailed in our submissions over the last few months, and the balance are addressed in the upcoming Union budget like exemption of MAT, stock options be allowed for advisors, founders, independent directors, mentors and consultants, encouraging investors by simplifying compliances and ensuring time-bound processes etc.





Hardware Emerges and Software Evolves for Startups

Varun Chawla, Co-founder, 91springboard

It is evident enough for anyone to see that the startup ecosystem in India is booming. The latest statistics from NASSCOM's annual report cites, India as ranking 3rd globally for number of startups. This impressive growth means that it is not just the volume of startups that has increased, it is also the variety. It is this variety that is being examined in the article, from two very specific lenses; hardware and software.

The first is the hardware side of things. If one were to turn the clock back about two years, the then newly formed BJP government led by Prime Minister Modi had announced an ambitious campaign titled Make in India. The aim was to create a business environment geared to make India a global manufacturing hub. Among the many policies incorporated within this initiative, from the perspective of startups, three stood out - creating a skilled workforce, multiple incentives for manufacturing and making it easier to secure intellectual property held the most potential and promise. This was probably the first time that hardware startups began considering manufacturing in India. According to Tracxn, a start-up tracker, there were 122 hardware led tech startups that were founded in 2014 and 85 in 2015. Close to 30 of these attracted investors and 16 actually got funded as well.

The variety of startups in the hardware space, to name a few, span categories such as robotic solutions for warehouses, electric scooters, wearable technology, car diagnostics and 'maker-spaces' such as Makers Asylum, Workbench Projects and another called Banao. Banao, the lesser known of the three has a team working in an interesting area of work.

They aim to extract the 'hard' from hardware and position themselves as a 'makers playground'. Looking to democratize access to tools and resources, everyone becomes a 'maker'. Along with guidance, they will provide the tools for people to play with. Folks will have access to state-of-the-art tools and machines, like 3D printers and be able to iteratively work on projects, even remotely if required. Their model, which includes an integrated online platform in the future, has a lot of scope for collaborative efforts that are not bound by geographical limitations. These guys are going to play a big role in making the world of hardware accessible and fun for everyone.

If one shifts focus from the emerging world of hardware start-ups to the rapidly evolving world of software in start-ups in India, it would be the focus shift from computational and analytical prowess of the back-end to aesthetic appeal and design of the front end. This is the classic 'right brain vs left brain' phenomenon that one sees playing a major role in this shift. Previously, the focus was not just for entrepreneurs but even for the investor community on how well the backend for any software driven product works. The faster the computing capabilities, the more complex the algorithm, the better the product was assumed to be. Slowly but surely, with consumer behaviour demanding much more, the focus has shifted to the front end. More and more attention is being put on how something looks and feels, the back-end capabilities themselves simply not being enough to impress anymore.

Consider the classic PC vs MAC story. PCs dominated the personal computer market until Steve Jobs changed the game with his attention to aesthetics, design and user interface. "We made the buttons on the screen look so good, you'll want to lick them" Mr. Jobs quipped once. This thinking has now

found its way to the Indian startup ecosystem. Design thinking and a focus on the actual, interactive experience of the end user has caught on in a big way. Personally, I'm guilty of being very particular about the user experience as a potential consumer of any product or service. If a product does not look appealing, chances are it ends up not being used. Recently, an extensive exercise was undertaken at 91springboard to figure out which tool should be used as the lead management system. After a lot of research went into it, finally a tool was chosen which we assumed to be most efficient. However, one of the main criteria for the selection was the product's user friendliness of the interface. After some time of rolling it out across the organization, it was learnt that while the tool has an effective back-end, what the company believed to be was a user friendly front end, was just not being used. The feedback on the tool was clear; it was not user friendly enough. After revisiting the drawing board stage, it was decided to settle for another tool which has a much easier interface and the adoption rate was seen to have a steep rise. This simply goes to show how important this approach has become and the similar approach was being adopted by entrepreneurs across the board. 91springboard hosts a number of knowledge-based events and the demand for design thinking workshops has seen a steep rise over the last few years. The interesting thing to note is the profile of the attendees, spanning entrepreneurs across the spectrum, right from the idea stage to full-fledged running businesses.

To conclude, both these trends are heartening to see and will be interesting to track as the focus on start-ups continues to gather momentum in India. While the going has been better than before for hardware startups, there is still a lot of work from a policy implementation point of view to be done.

■



Will BEPS Increase Compliance Costs for MNCs in India?

Maulik Doshi

Partner - International Tax and Transfer Pricing,
SKP Business Consulting Services LLP



BEPS Model Action Plan by OECD

In the backdrop of a big morale debate of tax evasion versus tax planning & avoidance, the Organization for Economic Co-operation and Development (OECD) in July 2013 released its Action Plan on Base Erosion and Profit Shifting (BEPS), listing 15 focus areas for potential change in international tax rules and treaties. As a result of an extensive exercise for more than two years, on October 5, 2015, OECD presented a set of final reports on these 15 action plans which aimed at curbing the perceived tax planning and tax avoidance practices by Multinational Groups/Companies (MNCs) and is considered to be **one of the most fundamental changes in the international tax framework of this century**. OECD estimated that tax avoidance through base erosion and profit shifting has resulted in loss of tax revenue to the tune of \$100-240 billion every year - that is around 4-10% of global corporate income tax revenue.

It is worthwhile to note that developed as well as developing countries across the globe were a part of this important

project along with international organizations such as the International Monetary Fund, the World Bank and the United Nations. It is also observed that more than 12,000 pages of comments were received on 23 discussion drafts published by OECD.

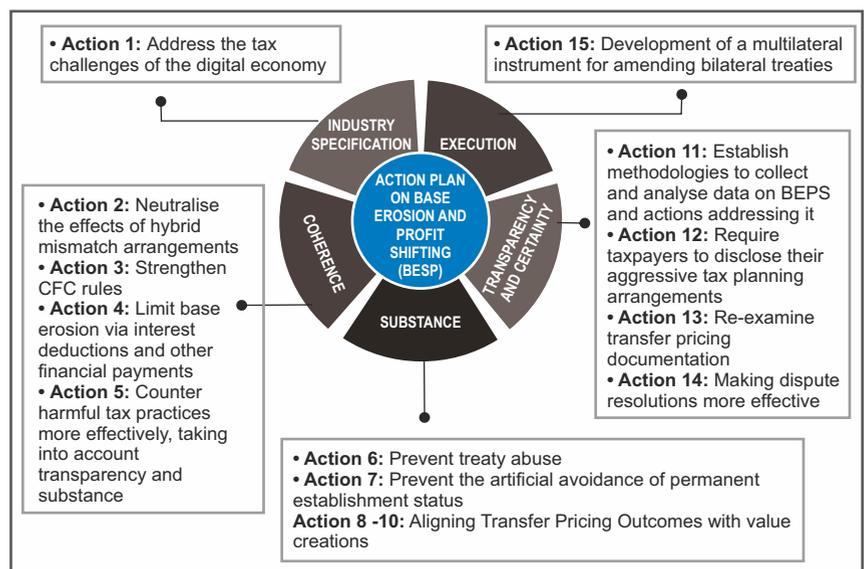
In principle, the Action Plan aims to ensure that profits are taxed where economic activities generating the profits are performed and where value is created. Notably, there are clear signs of wide acceptance to OECD's recommendations. Various countries like Spain, Korea, Germany, Australia, Mexico, Poland, China, Netherlands, France and recently India have already revised / proposed to revise their tax laws to a certain extent to bring them in line with the BEPS Model Plan recommendations.

With OECD's Model Action Plan, the international tax landscape is expected to undergo significant change, which can be observed from the all round coverage of the BEPS project.

India's Budget 2016 – Adoption of BEPS action plan recommendations for TP documentation

As an active member in the BEPS project lead by the OECD, the Indian government has proposed to introduce the BEPS action plan on transfer pricing documentation, i.e. Country-by-Country (CbC) Report and master file in the Indian tax laws with effect from financial year 2016-17.

The OECD report on BEPS Action Plan 13 provides for revised standards for transfer pricing documentation and a



template for CbC reporting of income, earnings, taxes paid and certain measure of economic activity. It is recommended in the BEPS report that the countries should adopt a standardized approach to transfer pricing documentation. A three-tiered structure has been mandated consisting of the following:

a. A master file containing standardized information relevant for all Multi-national Enterprises (MNEs) group members;

b. A local file referring specifically to material transactions of the local taxpayer; and

c. A Country-by-Country report containing certain information relating to the global allocation of MNEs' income and taxes paid together with certain indicators of the location of economic activity within the MNE group.

In line with the international consensus on the BEPS topic and as recommended by the OECD, it is now proposed by the Indian Government in the Budget 2016 that the companies need to maintain and furnish group level extensive details to Indian tax authorities by way of CbC report and Master file, in addition to the current transfer pricing documentation requirements in India, which are generally equivalent to the local file as referred by OECD.

The CbC reporting and master file requirement is introduced with effect from Assessment Year 2017-18 (financial year 2016-17), requiring Indian headquartered MNEs and certain other Indian entities of global MNEs to file the CbC report, which shall include economic information within the multinational group, such as nature of main business activities, revenues, profits/loss, income taxes paid, stated capitals, accumulated earnings, number of employees, tangible assets, etc. for each country in which the group operates with the Indian authority.

Further, as per the Memorandum to the Finance Bill, India will adhere to OECD prescribed group revenue threshold of Euro 750 million (INR 5,395 crores at



current exchange rates) for the applicability of CbC requirement, though the specific threshold in Indian currency would be prescribed later (based on exchange rate as on March 31, 2016). Stringent penalty provisions have also been prescribed for non-furnishing and/or furnishing inaccurate particulars as high as INR 5,000 per day to INR 50,000 per day of default.

Given the above changes to the TP documentation requirement, it is envisaged that the provisions are likely to impact several large Indian and global MNEs operating in India. Therefore, it is vital for the MNEs to evaluate their preparedness for collation and maintenance of data required in the CbC report. Further, it would also be pertinent for the MNEs to upfront analyze the data requested in the CbC report to comprehend any probable litigation and how the revenue/stakeholders may interpret the information submitted in the CbC report.

It is worthwhile here to note that as on date countries include Australia, Belgium, China, European Union member states, France, Ireland, Italy, Japan, Mexico, Netherlands, Spain and United Kingdom are going ahead with the implementation of BEPS, especially CbC reporting.

For other aspects of international taxation also, the BEPS project is extremely relevant for India, especially the action plans dealing with treaty abuse, permanent establishment, intangibles and digital economy. Few of

the above impact areas are discussed below:

Operational Models - economic ownership will be more significant than legal ownership

The work under **Action Plan 8-10 (Aligning transfer pricing outcomes with value creation)** is aimed at ensuring that transfer pricing outcomes are better aligned with value creation. Essentially, these action plans aim to curb tax planning strategies by MNCs that have resulted in accumulating huge profits in tax favorable jurisdictions without corresponding value-added activities being done in that location.

Basically, it requires that returns generated from intangibles should be correctly shared with companies who in reality perform value adding functions or bear the actual risks in development of those intangibles. With the establishment of numerous R&D centres in India, availability of abundant and economical talent pool and increased focus on brand-positioning for augmenting the business/market share, discussions on transfer pricing aspects of intangibles have dominated the Indian TP landscape in the past few years.

Many MNCs establish software development or Research & Development (R&D) centers in India which they generally set up as captive outsourcing services/contract R&D services providers. Typically, these captive centers in India are not eligible for intangible related returns. However,

in light of above BEPS Action Plan, these MNCs would have to revisit their remuneration / pricing policy for such R&D centres and evaluate whether these centers actually perform high-end development work and add significant value to the intangible? In such a case, a mere cost plus mark-up would not be appropriate. The same would be the case with Indian distributors of MNCs incurring huge advertisement expenses to enhance the brand belonging to the foreign parent. In such cases also, the remuneration policy needs to meet with the BEPS Action Plan.

Holding company arrangements

Action Plan 6 (Prevent Treaty Abuse) acknowledges that multinational taxpayers often engage in treaty shopping and other treaty abuse strategies in order to claim treaty benefits in situations where these benefits were not intended to be granted, thereby depriving countries of tax revenues. To prevent this treaty abuse, OECD proposes a specific anti-abuse rule and the limitation-on-benefits (LOB) rule, which limits the availability of treaty benefits to entities that meet certain conditions. Under **Action Plan 15**, a multilateral instrument is being developed to be signed by all interested countries that effectively would amend existing tax treaties to implement measures to combat BEPS. India is among the participants in the group developing the multilateral instrument, which is expected to be ready for signature by December 31, 2016.

On the Inbound investment side, till now the investments in India in most cases are routed through other countries such as Mauritius, Singapore, Netherlands, Luxembourg & Dubai. For these existing structures, use of holding company in specific locations, without any substance in those locations, will have to be re-evaluated now. India is already negotiating its treaty with Mauritius to prevent the treaty abuse and has also introduced General Anti Avoidance Regulations (GAAR) under the local laws and likely to become effective from April 1, 2017.

From an outbound perspective, it is important for Indian MNCs to relook at their overseas structures in light of the above developments. One of the Action Plan requires countries to limit the benefits of preferential tax regimes (including IP or innovation boxes in countries such as Netherlands, Switzerland, Singapore etc.) in the absence of substantial activity in the relevant country. Also, the change in corporate residence definition will impact Indian companies and entrepreneurs going global. If overseas subsidiaries are effectively managed from India, such entities may be treated as being Indian resident and taxed on worldwide income. Further, India may also introduce specific Controlled Foreign Corporation (CFC) regulations as recommended under **Action 3 (Strengthen CFC Rules)** of the BEPS Model Plan.

Digital Economy

BEPS Action Plan 1 deals with challenges of 'Digital Economy'. However, this is one area where even OECD has not completed its work but has acknowledged that further work and consultation in this area needs to be

Surprisingly, India has moved very quickly on this and the Budget 2016 provisions include a new levy of tax – Equalisation Levy of 6% on the consideration payable for specified services to non resident digital platforms. The specified services are mainly in the nature of provision of online advertising, digital space for advertising or any other facility or service for the purpose of online advertisement. Online advertising/ digital platform companies need to evaluate the above provision carefully, whether or not these companies would get tax credit against the levy in the country of their residence could be a matter of debate and the aforesaid levy may result in a tax cost in India for these multinational digital companies and increase the costs of advertisement and other digital economy products and services.

Conclusion

It is now time for the multinational enterprises to be BEPS-ready. At the outset, such multinational enterprises need to understand the implications of the BEPS actions plan, evaluate the potential impact, identify the potential tax risks associated and possibly



carried on. In the current report, OECD has proposed a number of steps to address the tax challenges arising on account of digital economy however have refrained from making any final recommendations.

restructure and realign the existing arrangements, if the need arises.

(The views expressed are personal and do not necessarily represent that of the organization)



Keyur Shah

Tax Markets Leader and Partner,
International Tax Services

With the globalisation of businesses over the past few decades, worldwide trade and investments has grown exponentially. The Government of India has also been making efforts to increase its share of world trade and increase foreign investments in India, through various initiatives such as the Make in India campaign, seeking to introduce GST and improving ease of doing business in India. The increased cross-border dealings have resulted in a significant increase in the intra-group transactions of MNCs having a presence in India.

A key factor impacting MNCs with a presence in multiple countries across the world is the global regulatory environment and the manner of allocation of profits by MNCs to its group companies in different countries.

One of the recent developments in this context is the publication of the 15 Actions (Action Plans) on Base Erosion and Profit Shifting (BEPS) by the Organisation of Economic Cooperation and Development (OECD) as a part of G20 initiative. The Action Plans on BEPS, the final reports of which were released in October 2015, is a culmination of more than 2 years of coordinated action by the various OECD and G20 countries, including India, with the consultation of representatives from various non-OECD and developing countries and aims to address various flaws in international tax laws that aid in profit shifting.

Are MNCs Ready to Comply with BEPS Norms?



Arati Amonkar

Director, Transfer Pricing,
Ernst & Young LLP, India

The OECD conservatively estimates the revenue losses on account of BEPS recommendations at USD 100-240 billion annually or anywhere from 4-10% of global corporate income-tax revenues.

The Action Plans on BEPS seek to address a wide range of aspects by which BEPS takes place, such as harmful tax practices, hybrid mismatch arrangements, interest deductions and permanent establishment. Few Action Plans such as digital economy and hybrid mismatch arrangements, will require additional work, which is expected to continue into 2016-2017. However, many of the Action Plans are considered to be final and the minimum standards that are expected to be followed by OECD and G20 member countries.



Out of the 15 focus areas, BEPS reports on Action Plan 8 to 10 (aligning transfer pricing outcomes with value creation) and Action Plan 13 (guidance on transfer pricing documentation and country-by-country reporting) include detailed

recommendations for significant changes in the key elements of international tax systems relating to transfer pricing matters. The implementation of the BEPS Action Plans on the transfer pricing matters will have the most significant impact for MNCs in India, since many of the recommendations could result in an increase in disputes with Indian tax authorities. In recognition of the fact that many of the Action Plans could result in an increase in disputes between tax authorities and taxpayers as well as between the competent authorities of various countries, OECD has suggested that arbitration would be a good avenue for speedy resolution of disputes. However, India has voiced its disagreements to the introduction of mandatory arbitration for resolution of disputes, since it may have an adverse effect on its sovereign rights, and will also limit the ability of developing countries like India to apply their domestic laws for taxing non-residents and foreign companies.

Under Action Plan 8-10, OECD has expressed the view that MNCs have, in instances, been able to use or misapply transfer pricing rules to separate income from the economic activities that produce it and shift it to a low-tax environment. Therefore, Action Plan 8-10 contains guidance focussed on ensuring that profits are taxed where the economic activities generating profits are performed and where value is created.

This Action Plan could impact several operating structures typically followed by MNCs that have existing activities in India.

Considering cost advantages in India and the pool of talent available, many MNCs have set up outsourcing centres in India for activities such as software development, contract research and development, are remunerating them with a mark-up over total operating costs, on the basis that these entities are low risk bearing entities. In this regard, while the OECD guidance recognises that the day-to-day decision making functions may need to be outsourced, it clearly states that the key decision-making and strategic functions in relation to the specifications / design of the intangibles, being developed, ought to be performed by a parent.

functions performed by such captive units.

Further, OECD has, for the first time, also provided guidance on commodity trading transactions between related parties. It has clarified that the arm's length nature of the price charged by related parties in their inter-company dealings can be justified by using the quoted price of the commodity on a recognised domestic or international stock exchange, with appropriate adjustments made for differences in the terms of the transaction such as insurance, freight and foreign currency terms.

Action Plan 8-10 also recommends a simplified approach to benchmarking provision of low value added services within an MNC group, which do not form a part of the core business activities

common approach adopted by most countries examining the benefit test in detail while determining the allowability of such payments.

India has been historically challenging such transactions on the basis that such services are duplicative with the functions already being performed in India and / or that such services do not benefit the Indian entity. Further, any mark-ups charged on such costs have typically not been accepted. India is unlikely to adopt the simplified approach being recommended by the OECD, since it considers payments for such intra-group services to be a leading cause for BEPS. Therefore, for entities in India availing such low-value adding services, such payments are likely to continue to be examined in detail, and MNCs would need to continue to provide detailed documentation during audits to support the benefit test. Further, OECD also recommends that a mark up of 5 percent on allocated costs for low-value adding services can be recovered. In this context, it remains to be seen whether the mark-up of 5 percent recommended by OECD is found acceptable by the Indian tax authorities.



Tax authorities in India have indicated on various occasions that India has been making a huge contribution in the development of intangibles and in ensuring their proper maintenance and exploitation and accordingly, additional income ought to be allocated to the Indian entity over and above a cost plus mark-up. Accordingly, MNCs would need to analyse the value-creating functions performed by outsourcing centres in India and determine whether the current remuneration model adopted by the MNCs is in consensus with the

of the MNC group. Most MNCs operate on a model wherein certain low value adding services such as human resources, finance, tax and legal, are provided from a centralised location to avoid duplication of functions across the group and to achieve cost effectiveness. OECD has stated that the arm's length charges for such low-value adding services can be derived by determining the total costs incurred for rendering such services and allocating them to various group entities on the basis of allocation keys. This is intended to replace the

The Action Plan 13 sets out a three-tiered approach to transfer pricing documentation and country-by-country (CbC) reporting, namely, a master file – containing high level information regarding an MNC's global business operations, a local file – providing the local administration with information on related party transactions and their arm's length pricing determination and a CbC reporting template providing key financial and other information for each entity in each tax jurisdiction. Such information is likely to be shared by countries with each other under the multilateral mechanism for automatic exchange of information. Vide Budget 2016, the Government of India has proposed to amend the current transfer pricing documentation requirements to introduce OECD recommendations under Action 13. The CbC reporting is proposed to be made applicable from FY 2016-17 to Indian MNCs having a consolidated revenue of ₹750 million (approximately INR 5,395 crore). Further, all the Indian taxpayers are also

required to prepare a master file in the prescribed format, and file it in accordance with the rules to be prescribed; the said requirement is in addition to the existing TP documentation rules applicable to a taxpayer entering into an international transaction. The CbC rules, will lead to a transparent flow of information between tax authorities of India and other countries, to examine the entire value chain of the group as a whole, instead of looking at the Indian operation on a standalone basis.

In addition to Action Plans 8-10 and 13, the guidance provided in Action Plan 7 dealing with the artificial avoidance of Permanent Establishments (PEs) would also have a far reaching impact in many industries. A key change in this Action Plan is the lowering of the threshold of what constitutes the conclusion of contracts by one entity on behalf of another, which would result in the formation of a PE in India. The revised OECD guidance states that if an entity in India habitually plays a principal role leading to the conclusion of contracts with third parties and such contracts are routinely concluded by an overseas enterprise without any material modification to the terms, then such activities of the Indian entity can constitute a PE of the overseas enterprise in India and the profits in relation to such activity can be taxed in India. For example, where Indian marketing / sales service providers identify customers in India for selling goods of its overseas group entity, determine the key terms and the price at which the customer is willing to buy the goods and communicate the same to the overseas group entity, if the group entity routinely accepts the pricing and terms as agreed by the Indian service provider, without any material modifications, then there exists a risk that such Indian entity could constitute a PE of the overseas group entity in India. However, there is no guidance provided by OECD regarding what would amount to 'principal role' and 'material modifications'.

The OECD's guidance under Action Plan 1 regarding the digital economy, i.e. an economy based on digital computing technologies, considers the broader

direct and indirect challenges raised by the digital economy and evaluates the options to address those challenges. OECD acknowledges that special rules cannot be designed exclusively for the digital economy, rather it states that these challenges will be addressed in other Action Plans. The OECD's work on taxation issues within the digital economy will continue into 2016 and beyond. However, countries like UK and Australia are already taking national action with respect to the tax treatment of activities in the digital space, i.e. vide levy of a new tax mechanism, these countries are targeting MNCs like Google that are able to sell goods and services to customers in these countries while barely paying any corporate income tax relative to their earnings in these countries. In Union Budget 2016, the Finance Minister of India Mr. Jaitley observed that it is challenging to tax digital transactions undertaken by the digital economy. In order to address these challenges, the Government of India has proposed to introduce 'equalisation levy' at the rate of 6% of the amount of consideration received by a non-resident, providing certain services to residents.

Under Action 4 of BEPS, OECD has suggested that interest deductions ought to be linked with the underlying economic activity. OECD has recommended that countries should implement a fixed ratio rule that would limit the net interest deductions claimed by an entity (or a group of entities operating in the same country) to a fixed percentage of earnings before interest, tax, depreciation and amortization (EBITDA), irrespective of the actual leverage of the entity. The said ratio is recommended to be somewhere between 10% and 30% of applicable EBITDA. From an Indian perspective, India has a high interest rate environment domestically, and even a higher 30% benchmark may not allow domestic companies to claim a deduction for the full amount of third party interest expenses, given that cost of funds in India is high. This would result in an increase in taxable income of an entity in spite of the entity incurring genuine interest expense for the purpose of generating taxable income.

Various countries have already taken steps to implement recommendations provided by OECD's BEPS reports. The UK Government has published the draft legislation to enable the introduction of CbC reporting in the UK. The legislation, which will be included in the Finance Act 2015, confirms that UK parented MNCs will be required to provide tax related data. Similarly, countries like Ireland, France, Poland and Korea have also amended their laws to implement CbC reporting provisions. Further, the new tax treaty signed between Australia and Germany on November 12, 2015 is the first tax treaty Australia has signed that comprehensively incorporates the proposals in the OECD BEPS final recommendations on dual residency, commissionaire arrangements and treaty shopping.



The Government of India has proposed amendments to the Income tax Act / Rules in the Budget announced on February 29, 2016 in order to immediately implement Action Plan 13 and Action Plan 1. In view of the detailed guidance provided by OECD in the BEPS final reports on a number of aspects, and the amendments proposed by the Government of India in the Act and by way of amendments to Double Tax Avoidance Agreements, it is imperative for MNCs operating in India to re-look at their existing operating models and contracts vis-à-vis the actual conduct of the parties involved, and if required, restructure the same so as to avoid any adverse impact on account of these guidelines. ■

Real Estate and Infrastructure to Get a Fillip

Anuj Puri, Chairman & Country Head, JLL India



To give him due credit, Mr. Arun Jaitley, Finance Minister has definitely tried to manage expectations by having a balanced budget. While three of the real estate sectors' expectations – increase in HRA deduction, removal of dividend distribution tax (DDT) from real estate investment trusts (REITs) and boost to affordable housing by allowing 100% deduction on profits made by entities constructing them – have been addressed, there was no financial protection offered to home buyers from project delays.

Most first-time home buyers in major metros will be left out of the additional Rs 50,000 tax exemption announced, as it is applicable only on houses worth up to Rs 50 lakh with loans of up to Rs 35 lakh. This announcement will mostly benefit first time home buyers in tier-III and tier-II cities. The infrastructure sector was definitely a major beneficiary.

The biggest announcement with implications for the real estate sector in India was removal of DDT from REITs.

- **REITs could become a reality soon** - DDT got exempted, clearing a final hurdle on the way of successful listing of REITs in India. A few listings is expected to happen in the current year itself, either by financial institutions or developers. Currently, around 229 million sq ft of office space can be seen as REIT-compliant. If one were to assume that even 50% of these get listed, then there could be a total REITs listing worth USD 18.5 billion.
- **Boost to affordable housing developers** - 100% tax deduction has been announced for developers building houses up to 30 sq. mtrs. in four metro cities and 60 sq. mtrs. in other cities, for projects approved between June 2016 and March 2019, to be completed within three years of the approval. Minimum Alternate Tax (MAT) will however apply to these undertakings. Service tax will

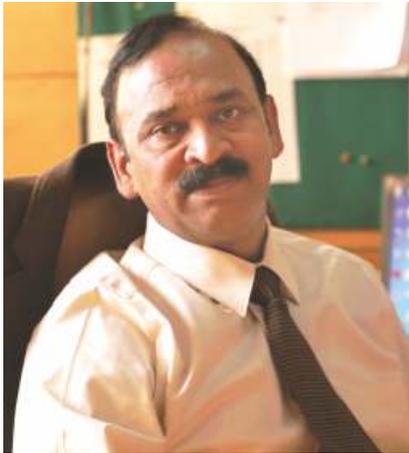
be exempted for housing construction less than 60 sq. mtrs.

- **Digitisation of land records** - There is a clear emphasis to make land records more transparent, which is an important parameter that contributes towards the overall transparency in real estate sector in India. The government will revive its national land record digitisation scheme with a funding of Rs 150 crore. This initiative is expected to increase the overall transparency in real estate, and will have positive impact on the real estate foreign capital inflows.
- **Road infrastructure and new land opening up** - Approximately 16-18 km. of road construction per day has been achieved by the middle of the current financial year, to which Budget has adopted measures to significantly step up National Highways Authority of India (NHAI) capabilities in this regard. Roads infrastructure has great influence on real estate development, particularly with the new land it opens up for development through highways and feeder routes.
- **Infrastructure creation** - The Budget has outlined revival plans for non-functional airports in partnership with state governments, with a vision to spend around INR 100-150 crore on each airport to make them functional again. This will boost infrastructure in many tier-II and tier-III cities, proving to be positive for these cities in real estate markets. A select few projects that are commercially viable with good ridership could pick up pace in the near term.
- **Release of land** - Going by Budget announcements, Central PSUs are going to be encouraged to reduce their exposure to excess landholdings. While availability of land for development is definitely a constraint and the Land Acquisition Bill is increasingly difficult to

implement, an alternative route is to make use of land holdings of central PSUs, which has been witnessed in the railways budget, as well.

- **Retail sector** - The revamp of the Model Shops & Establishment Act is a welcome move and could help the retail sector considerably. Unorganised retail could receive a fillip as smaller shops will now also be given the option of remaining open for all seven days of the week, like organised malls. While this will make the high street retail real estate proposition a bit more attractive, one would have to wait and see the implications from a labour market perspective.
- **Office occupancy perspective** - The Budget made a strong case for promoting start-ups in India with 100% tax rebate on profits announced for them for three years. In the recent past, one has seen successful start-ups (particularly in the technology and e-commerce sectors) becoming big and occupying a commendable share in office space. As more start-ups get encouraged to commence operations, one expects developers to offer more small mixed-use properties or arrangements for sharing office space to cater to this segment.





FIEO: Rural Credit, Inclusive Growth and Increased Infrastructure Outlay to Transform India

Ajay Sahai

Director General and Chief Executive Officer,
Federation of Indian Export Organisations

With an emphasis to 'Transform India', the Union Budget 2016-17 seeks to achieve this larger objective through farmers' welfare / skills & job creation, investment in infrastructure / financial sector reforms / governance, ease of doing business with a focus on fiscal discipline which inter-alia includes: support to the agriculture sector with the help of effective and hassle-free agriculture credit. The Government has reiterated its commitment to inclusive growth. While large corporate and business entities have a role to play, this has to be complemented by informal sector enterprises which generate maximum employment. There are some 5.77 crore small business units, mostly individual proprietorship, which run small manufacturing, trading or service of which 62% are owned by SC/ST/OBC. These bottom-of-the-pyramid, hard-working entrepreneurs find it difficult, if not impossible and an overall disbursement target of 1,22,188 crore under PMMY has been allocated to PSBs (70,000 crore), RRBs (22,188 crore) and Private & Foreign Banks (30,000 crore) for FY 2015-16. Besides, increased outlays on both roads and gross budgetary support to railways, by 14,031 crore, and 10,050 crore respectively.

Two cess implemented in quick succession may add to cost of doing business and impact manufacturing costs and consequently Make in India campaign

However, for business in particular the

Krishi Kalyan Cess (KKC) of 0.5% effective from June 1, 2016 whose output is not chargeable in the hands of manufacturers with no corresponding changes in Cenvat rule. Also, rules of service tax being applicable to abatement / valuation / exemption and penalty being applicable to KKC will add cost to manufacturing. Earlier, Swachh Bharat Cess implemented from November 15, 2015 was neither cenvatable for service provider nor manufacturer was also a cost impacting business. Both these cess implemented in quick succession may add to cost of doing business and impact manufacturing costs and consequently Make in India. However, if GST will be implemented at the earliest, absorbing such cess and electronic refund will reduce transaction cost as well.

Exemption from requirement of furnishing PAN under section 206 AA to non-residents has been provided for persons entitled to receive any sum or income or amount on which tax is deductible under chapter xvii B of the act [effective from June 1, 2016 which earlier attracted a penal rate of 20%] instead however a new levy called the equalization levy of 6% is being introduced in the Finance Bill, for specified services received or receivable by a non-resident not having permanent establishment (PE) in India, from a resident in India who carries out business or profession. As a result the net effect is that the additional 10% withholding tax which had been withdrawn has been replaced by a 6% levy still adding to cost of business.

Increase in business costs for exports and imports - Adding of service tax changes in transportation by vessels [sec 66 D sub section p II] and support services under Sec 66 D subsection A IV also taxable amending earlier notification 30/2012

Service tax changes in transportation by vessels [sec 66 D sub section p II] transport by vessels from outside India into India has been deleted from negative list effective June 1, 2016 and amending mega notification entry 53 where aircrafts are exempted and vessels are liable to service tax. For exports also it would be chargeable but can be refunded added to blockage of working capital.

Further, 'support services' including those provided by containers would be leviable (although abatement of 40% is provided) with amendments in Sec 66 D subsection A IV adding to business costs for exporters impacting business. However, it is to be seen, up to what extent the service providers pass on CENVAT benefit to service seekers.

India's merchandise exports declined 10.5% on a year-on-year basis in value terms till January 2016 with consistent fall in volumes

Declining exports both in value and volumes has been a concern. Till January 2016, exports have shown a consistent fall for the last 14 months and the decline is attributed not only to value but in volume terms as well and non-petroleum product exports in January, totaled US

Post-Budget 2016-17

\$19.12 billion, about 10.5% down from a year ago. Several manufactured goods industries reported this decline. Engineering goods exports fell by more than a quarter, textiles by 6.1% and leather by 12.1% and calculations show that even volumes fell 0.4% in January

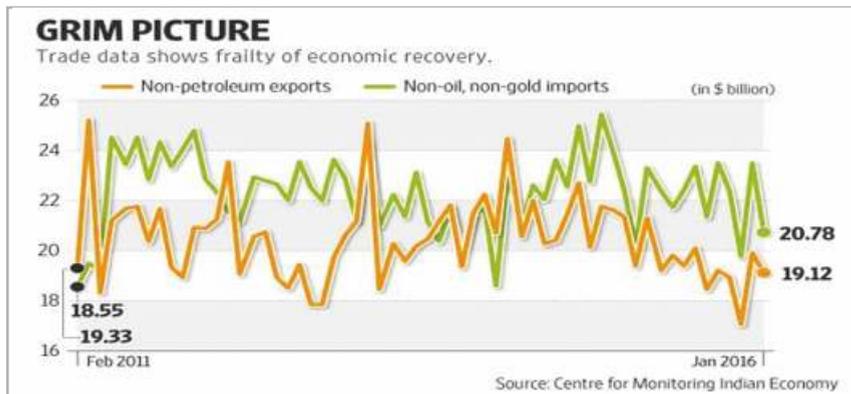
only on merchandise trade stood at 38 per cent in 2014-15 compared to 28 per cent in 2004-5.

The recovery of India's services trade in the aftermath of 2008 global financial crisis has been tepid, with the CAGR of

(H1) of 2015-16. The impact of the global slowdown on services exports is evident. To that extent, the Finance Bill 2016 proposes to reduce the MAT rate from existing 18.5% to 9% in case of new unit established on or after April 1, 2016 in IFSC, provided such unit derives its income solely in convertible foreign exchange which will enable investments in the services export sector and boost exports.

More measures to address the decline; reduce costs; marketing support are required to support merchandise exports as against the present support granted in terms of incentives which is less than 1% of exports

Deferred payment of duty for exporters - duty drawback widening and deepening are positives which may help merchandise export business but details pending notifications and more measures to address the decline; reduce costs; marketing support are required to support merchandise exports as against the present support granted in terms of incentives which is less than 1% of exports.



after falling 0.2% in December. During 2010-14, India's export performance conformed to the average and its share in world exports stayed in the range of 1.5%, while its share in developing countries' exports remained unchanged at 4%, the present fall is unprecedented and needs to be addressed immediately.

Reduction in MAT from existing 18.5% to 9% in case of new unit established on or after April 1, 2016 in International Financial Services Center (IFSC) may boost investments and exports from services sector

On the other hand, services exports have been a dynamic element of India's trade and globalization in recent years. WTO data shows that India's services exports grew from US\$16.8 billion in 2001 to US\$155.6 billion - which constitutes 7.5 per cent of GDP in 2014, making the country, the eighth largest services exporter in the world. The share of India's services exports as compared globally is 3.2 per cent in 2014, which is nearly double its share of merchandise exports globally at 1.7 per cent. The overall openness of the economy reflected by total trade including services as a percentage of GDP shows a higher degree of openness at 50 per cent in 2014-15 compared to 38 per cent in 2004-5. The openness indicator based

services exports in the post-crisis period at just 7.5 per cent compared to 30.1 per cent in the pre-crisis period. In the case of services imports, the CAGR fell from 23.6 per cent in the pre-crisis period to just 6.5 per cent in the post-crisis period. With uncertain global conditions and weak external demand continuing to hamper India's services exports, they grew marginally in 2014-15 to 4.1 per cent from 4.0 per cent in the previous year. The sluggishness in services exports is much more discernible since the second half (H2) of 2014-15 with a 3.7 per cent growth which decelerated further to 0.7 per cent in the first half

No.	Exports Promotional Schemes	2012-13 (Rs crore)	2013-14 (Rs crore)	2014-15 (Rs crore) (estimated)
1	Vishesh Krishi and Gram Udyog Yojana	2382	2442	3311
2	Focus Market/Focus Product/Market linked Focus Product Scheme	6178	10182	12798
3	Interest Subvention	1475	1435	1625
4	Market Access Initiative	180	200	200
5 (i)	Market Development Assistance (DOC)	50	50	50
(ii)	Market Development Assistance (MSME)	10.5	9.15	11.81
6	TOTAL	10,275.5	14,318.15	17,995.81
7	India's Export	16,34,319	19,05,011	18,97,026
8	Incentives as a % of Exports	0.63%	0.75%	

NASSCOM® Perspective: Mixed Bag for Technology and Services Sector

Nasscom welcomed the Union Budget 2016-17, while terming it as a mixed bag for the sector. The budget reiterates the 7.6% GDP growth rate for the country and provides a slew of incentives for the rural, agricultural sector to enable inclusive growth.

The annual budget proposals set the policy direction for the country and Budget 2016 does articulate the emphasis on accountability, transparency and governance. However, against the backdrop of global economic volatility, there are unmet expectations on policy announcements that enable ease of doing business for the sector.

Nasscom continues to work with the government to address procedural issues that impact the sector.

Some of the general reactions are:

- Clarifications and simplification - boost for business environment, but more needed
- Extensive Technology adoption in governance - step in right direction
- Startup India action plan - caveats could be the dampener, need more boost

Mr. Mohan Reddy, Chairman, NASSCOM said “Our wish list for Budget 2016 included three key priorities – policy bottlenecks including ease of business; nurturing start-ups, products and ecommerce sector; and clarifications on transfer pricing to enable inward investments in India. Budget 2016 only partially covers these priorities. Extension of Section 10AA for SEZ units till 2020 is a positive outcome though the imposition of MAT on startups will not allow the full impact of the benefits to be realized.”

Mr. R. Chandrashekar, President, NASSCOM said, “The finance minister’s speech had a strong emphasis on leveraging technology to transform India. The initiatives announced today

combined with swift implementation of ‘Digital India’ will help to digitize India and provide effective citizen services. We would urge the government to move forward at a swift pace and build an effective PPP model.”

Key announcements

- Sunset date for Section 10AA of SEZ Act extended till 2020. This will enable technology units to set up and commence operations in SEZs
- Place of Effective Management deferred by 1 year: A key task to provide an opportunity for deliberations and address concerns on the provisions
- Section 80 JJAA now applicable to services companies as well, is a boost for Business Process Management (BPM) companies who have been at the forefront of creating employment
- Extensive emphasis on technology adoption by the government across small and midsize business (SMBs), land record modernization, Aadhar adoption, procurement platforms etc.
- Startup India announcement of 3 year income tax exemption welcome, though continuing MAT imposition a dampener
- Holding period for investment in unlisted companies to qualify for long terms capital gains tax reduced from 3 to 2 years. Nasscom recommendation was for 1 year in line with investments in listed shares
- High Level Committee chaired by Revenue Secretary to oversee fresh case where the assessing officer proposes to assess or reassess the income in respect of indirect transfers by applying the retrospective amendment
- Section 206AA amended to ensure Tax Deducted at Source (TDS) shall not be deducted at a higher rate in case of nonresidents not having PAN, as per the Double Taxation Avoidance Agreements (DTAA) provisions
- Interest rates on delayed payment of

duty / tax across all indirect taxes being rationalized at 15%, with some exceptions

- Clarity on full CENVAT credit for input services exclusively used in taxable output streams
- DTAA benefits of reduced or NIL withholding tax for payments made to non-resident investors by Alternative Investment Funds (AIF) (category I and Category II) restored, and 10% withholding removed
- BEPS action plan - Country-by-Country Report and Master File applicability from April 1, 2017
- Equalisation levy on consideration for any specified service received or receivable by a person, being a non-resident. Specific service currently includes online and digital advertisement

Key proposals not addressed

- Removal of dual levies on software products
- Domestic investors continue to face higher tax rates - angel taxation, higher long term capital gains tax
- Revision of criteria to carry forward losses to allow for capital infusion in business not considered
- Transfer pricing issues related to safe harbor margins, advance pricing agreement (APA) roll back rules not notified
- Rationalisation of tax structure awaited. So far announced for new units in manufacturing set up on or after March 1 2016
- No roadmap on MAT and different cess rationalization
- R&D credits not applicable for technology sector, lowering of deduction rate not conducive to encouraging technology R&D
- Clarifications not provided on place of provision of service rules

Odisha Acquires Startup Culture

Amrita Sabat, MD, Sabat Exports Private Limited

Odisha is richly endowed with minerals, having a 480 km long coastline, splendid architecture, culture and scenic landscape. Connectivity between its hinterland and ports and across the districts (especially by road) has also been majorly boosted over the years. As such, Odisha provides a holistic base for industrial growth. It is a natural magnet for investments and has recently been ranked as the 7th best in World Bank's Ease of Doing Business report. This has been best exemplified by the mushrooming number of startups across the State.

Startups in Odisha have come up in varied sectors such as Information Technology (IT), IT-enabled services (ITeS), communications, agriculture, food processing (a major chunk being marine food), event management, hospitality, food and healthcare. There are many reasons for this. Bhubaneswar, the Temple City and capital of Odisha is also an educational hub, having world-class technical, medical, scientific and management education, and research infrastructure like IIT, AIIMS, CIPET, IMMT, NISER, XIMB and many more. These institutions and others across Odisha like NIT Rourkela and IIM Sambalpur are providing conducive environment for launching of start-ups.

Entry of other international and national startups' operations in Odisha like Uber, AirBnB, Ola, OyoRooms, Meru, Flipkart and FoodPanda are themselves acting as triggers to the startup culture of Odisha. Successful startup entrepreneurs both from the State and outside are acting as role models for the youth. Understanding the value of self-employment and entrepreneurship, the youth are willing to enthusiastically take business risk and are increasingly being backed by supportive family environment, which otherwise was lacking till a few years ago. Odisha's consumerism culture is also expanding and giving way to a fast-maturing customer base which is willing to experiment new concepts and ideas.

The state government is also doing its bit to promote entrepreneurship among youth by launching a dedicated scheme called Odisha Youth Innovation Fund. Recently, it has released a draft Startup Policy 2016 with the mission to build a holistic startup ecosystem in Odisha to enable the State to become one of the top three startup destinations of India. Alongwith this, a growing network of venture capitalists and investors are getting connected to Odisha through The Indus Entrepreneurs (TiE) and other angel investor networks. Launch of global trade promoting bodies such as World Trade Centre Bhubaneswar and local chapters of FIEO and CII are helping in knowledge dissemination and inspiring startups to flourish.

The biggest boost to the startup culture in Odisha is that many schools, colleges and higher educational institutes are holding startup meets, startup weekends and mentoring programmes. Startup incubators in institutions such as KIIT and XIMB are also helping launch successful startups. Exposure to the global markets, comparatively lower operational costs, proximity to best educational and research institutions, better information and connectivity infrastructure make Bhubaneswar, a startup paradise.

The startup, Sabat Exports Private Limited, incorporated on May 11, 2015 in Bhubaneswar, was founded with the aim of promoting the best of Odisha handicrafts, handlooms, silver filigree jewellery and organic spices around the world. A lot of innovation has gone into the designs of its traditional products and the company has also created new products with global appeal. Starting as sellers with the biggest online marketplaces in India, the company has gone on to successfully market the best of their products at five international trade fairs (three at Singapore, one each at China and Australia) and World Spices Congress 2016 at Ahmedabad in Gujarat. Earlier, Odisha's name was 'Utkala' (short for Utkarsha Kala or Land of



Excellent Arts). The time has come for Odisha to be known worldwide for its talented and hardworking artisans, farmers and craftsmen. The scope is unlimited.

There is a need for thousands of start-ups to come up in Odisha, for every sector to flourish and their true potential to be reached. Challenges along the way have to be overcome, whether it is in finding reliable, timely suppliers, reaching out to the right buyers, get funding, talent sourcing and scaling up. The start-ups continue to pursue their course, despite these hurdles, showcasing their mettle as entrepreneurs of Odisha. No wonder, the start-up culture is only spreading throughout the State.

All that is further needed is executing and delivering a definitive, collaborative and actionable plan by the government, established business houses and educational institutions. They could have projects already commissioned, creating more business incubators and accelerators, setting up infrastructure such as airports and ports connectivity, container shipment infrastructures, shared office spaces, warehouses and food parks. Single-window clearances and expanding networks for national and global investors and venture funds are all available to make it attractive for investors to visit, realise and take steps to optimally exploit the great potential of this fast-growing State, through a breed of entrepreneurs raring to take the world by storm.



A Goan Woman Entrepreneur with a Difference

*With a few initial glitches in her newly setup business, **Ms. Varsha M. Pai Raiker, S. R. Enterprises** through an interview, provides ample advice on how to set up a business, maintain it and keep it going. She also shared the hurdles she faced in making her business a successful venture. Through her sheer perseverance she has shown the path to countless women in India who aspire to be entrepreneurs.*

When did you start your entrepreneurial venture?

I started as an entrepreneur in 1989.

What ignited the spark in you to start a new business venture?

I was assisting my husband in his business. I always thought of starting a new venture on my own. I came across the Mahila Udyog Nidhi Scheme of SIDBI. I found it to be very attractive and also by this time I had made up my mind to start a packaging unit.

Could you implement your idea immediately or did you have to face delays and/or hurdles?

The delay was only because of the allotment of a shed provided by Goa IDC. Otherwise most of the other things such as procurement of machinery, sourcing of raw material, manpower etc. was managed as per schedule. Even processing of loan was within the stipulated time.

How did you overcome the hurdles?

You need a lot of patience, perseverance and determination. Wherever the bureaucracy is involved in the government, unless you have patience and will to execute the job, it is virtually impossible to make things happen.

Why did you choose the product/service you opted for?

The choice was obvious. When I was working with my husband's unit, I was watching the sourcing of raw material,

packaging etc. The packaging, although it was down the line item, was a very crucial input. Without it the finished items would lie unpacked and occupy valuable floor space. So the time bound supply and also quality of packaging product was a very important aspect. The production would suffer and also the commitment of timely supply would falter. Therefore, if you could deliver the goods in time and maintain its quality, the market would offer you enough opportunities. During this period the industrial sector was also opening up in Goa. New units especially pharmaceuticals were setting up their manufacturing facilities in Goa. So the opportunity was there.

How long did it take for the venture to stabilize?

I was lucky in the sense that I had readymade market to begin with. The machinery manufacturer was a family friend who helped me in getting my key men trained by the time the unit was taking shape. They were ready when the machinery was installed. I had done my homework and set proper achievable

deadlines for setting up the unit. The money is a very important factor and I had taken adequate care to see that the loan was sanctioned in time by providing the necessary papers. It is very important to plan and implement your project. I could implement the schedule and go into production within six months of planning.

What challenges did you face in the following areas and how did you solve them?

Marketing:

As I mentioned earlier the marketing was much easier as I had

“Business, although a risky proposition is no longer so if it is runs on a professional basis and with a scientific approach.”

undertaken a market survey and understood the needs of the customers. My simple appeal to them was that they were growing at a rate of 7 to 10 %. So I asked them to give me a chance to supply that additional need so that they would not disturb their existing structure. All of them appreciated this and gave me their orders. Secondly, the new units entering the field were tapped and so began my journey. Maintaining the quality and time schedule has helped me retain my clients till today.

Finance:

Financial management is the key to success of any unit. I could get the loan at a lower rate under the Mahila Udyog Nidhi Scheme of SIDBI. This helped me to keep my outgoings low and also keep a tight control over expenditure and timely recovery, which were other factors. I paid my loans within the stipulated time period which helped in the growth of the unit.

Human Resource:

Human resource was trained in-house and on the job. The boys and girls who came from nearby villages were keen learners and the unit was on track, within no time.

Technology:

Technology was provided by the machine manufacturer. Besides, my key man was sent for training to an institute in Chennai and also attended a short-term course at the Indian Institute of Packaging at Andheri, a suburb of Mumbai.

Government Procedures:

Government procedures were although very cumbersome, I was fortunate to get help and guidance from my husband. I personally went to all departments in the government to obtain the necessary clearances. This gave me tremendous confidence and ability to move on with the project.

Can you mention any other specific challenge you faced and overcame?

The challenges were many. In Goa we have no raw material bank and hence we have to plan in advance. Sudden orders put you out of gear, but you have to manage somehow. Initially sourcing raw material was a big problem. It took almost three years to stabilize this part of the process. Secondly, in those days stable power supply was not there and therefore production schedules often disrupted. Very often we were forced to work till late in the day and even on holidays to keep our supply commitments and maintain good relationship with the clients. It was hard work all the way. However, to my good luck most of my workers were very loyal, honest and committed to help me achieve all this.

“ I do not think that there is a fixed plan or formula for becoming a successful entrepreneur. The need is to have a focused plan and the will to implement it against all odds.”

What have been your setbacks and what have you learnt from them?

There are always ups and downs in business. One has to be prepared for any eventuality. However, the dangerous ones are those caused by financial deficiencies. One has to be very alert for these pitfalls. When the credits go beyond a certain limit, it is time to pull up your socks. I had to face bad times when creditors delayed payments or defaulted. All my profits were wiped out because of this and even the client base was reduced. A lot of my time was spent on recovery and bringing the unit back on track. It took another three years for this to happen. The lesson was learnt the hard way, but it helped me to become what I am today.

If you had the chance to start your business all over again, what would you do differently?

I would like to bring in professionalism right from day one. The growth plan would be in place, measured and reviewed at regular intervals. This would help to take corrective steps at the right time. Business means pure professional give and take. It cannot be based on sympathy factor. At times harsh decisions need to be taken in the interest of the company.

Did you at any point feel like quitting the business? Why and what kept you going?

Initially when the unit's finances were bad, I had half a mind to quit. It would be like running away from the battlefield. I had commitments on several fronts, financial institutions, suppliers, customers, myself and above all to my workers who had invested prime time of their life in the unit. This made me go ahead with more determination. I went ahead with all the ammunition at my aid. I even had to file court cases for recovery against some clients. At this point, I made a conscious decision to delete fly-by-night operators and short-term players from my client list. New corporate clients were added after a lot of hard work. Looking back, I can say that all these trials and tribulations gave me a steely resolve to succeed and taught me the finer points of running a business.

What would you say are the top three skills needed to be a successful entrepreneur?

The will to succeed and be focused to your goal, be determined and keep persevering and lastly be patient.

Is the motivation to drive the business now, any different from what it was when you started the business?

Everyday throws up a different challenge and change is constant. One has to be prepared to adapt to changing scenarios to survive. Hence, it is necessary to be motivated all the times. If you are not motivated, how can you lead the team and make

“ Business means pure professional give and take. It cannot be based on sympathy factor. At times harsh decisions need to be taken in the interest of the company.”

them deliver. I feel I am as motivated today as when I started the business.

What are the doubts and fears that an entrepreneur faces when he take a risky decision? How does he handle the fear?

The biggest fear anyone faces while taking a big decision is of failure. Exercising abundant caution while taking a major decision is absolutely necessary. Business, although a risky proposition is no longer so if it is runs on a professional basis and with a scientific approach. You need to be ready for changes or even in some cases a diplomatic retreat in order to gain in the future. It is often said that in business you should be ready to loose an argument but benefit by clinching a sale. I personally feel that any decision big or small should be taken at ease after studying the pros and cons and forming a well thought out strategic plan. Should something go wrong it is necessary to apply corrective measures immediately. For this it is necessary to regularly review the subject.

According to you what is the definition of success?

Though in India profit was once considered to be a dirty word, the ultimate definition of a successful business is profit.

To what do you most attribute your success? What would you say are the five key elements for starting and running a successful business?

I would attribute my success to hard work, hard work and more hard work. It is the ultimate key to success. At the same time it is also necessary to keep a tab on the market. Periodic evaluation of your own work is also necessary. Further, customer satisfaction is a cornerstone for running a successful business. The smallest complaint coming from the customer needs to be attended to keep him happy. The five key elements for starting and running a successful business would be:

- Hard work
- Adaptability to change
- Patience
- Financial discipline
- Public relations

Do you believe there is some sort of pattern or formula to become a successful entrepreneur?

I do not think that there is a fixed plan or formula for becoming a successful entrepreneur. The need is to have a focused plan and the will to implement it against all odds. Besides, maintaining a strict financial discipline is absolutely

necessary. Most of the businesses fail because of lack of financial discipline. Very rarely does a unit show profit in the initial years. So it is wise to avoid the frills and enjoy the benefits once the unit is profitable.

What has been your most satisfying moment in your business? What business achievement are you most proud of?

There are many satisfying moments I can recall. Getting complemented for good quality supply and receiving an award for being most outstanding and reliable vendor from two of my FMGC and MNC customers was very satisfying. Repaying all the loans on time and the year the unit posted a profit are cherished memories.

The most satisfying moment was when I received the National Award for successful Women Entrepreneurs at the hands of President Shankar Dayal Sharma at New Delhi in the year 1994. I was also felicitated by the Goa Small Industries Association at the hands of Shri Abid Hussain, Advisor to Government of India on Industry, in the year 1995.

Where did your organization's funding and capital come from and how did you go about getting it? How did you obtain investors for the venture?

The term loan was sourced from the state financial institution. It was sanctioned under the scheme Mahila Udyog Nidhi. The cash credit facility was obtained from a Nationalised Bank, local branch and the margin money was from my own savings. At this point I would like to point that my chartered accountant played a major role throughout in guiding me and giving his valuable inputs from time to time.

What advice would you give to those who want to become entrepreneurs?

Venture into a field you are comfortable in and conduct an in-depth study of all the aspects of business. Prepare a detailed project report and also have a plan of action and implementation schedule. Have a backup plan to take care of any eventualities. Very often we see that SSIs being a one man show, the paper work and government clearances get neglected. It is imperative that all documents are in order to avoid further delays and hassles. Obtain a good working knowledge of the financial aspects of the unit and always maintain a tight control over it. Take immediate corrective steps if necessary, as financial indiscipline will send the unit into red in no time.

■

Implications of EU-India Migration

Chinmay Tumble

Assistant Professor, School of Public Policy & Governance,
Tata Institute of Social Sciences Hyderabad



Indian imagination of continental Europe has been heavily influenced by cinematic depictions and tourist conversations. For instance, following the release of 'Zindagi Na Milegi Dobara' in 2011, a high profile film shot in Spain with a government tie-up, there was a substantial increase in Indian tourist arrivals in Spain and special packages were arranged for the La Tomatina festival that was depicted in the film. The popular discourse treats continental Europe primarily as a tourist destination and thus, the region does not figure high in migration policy agendas that obsess over the Gulf countries and the US as they account for over 70% of the 14 million strong Indian emigrant stock.

Yet, over the past decade people mobility between India and the European Union (EU) countries has grown substantially beyond tourism, with Europe now hosting over one million Indians. The United Kingdom (UK) continues to attract the major share of Indians for historical and linguistic reasons but new destinations have emerged. Italy, with over a hundred thousand Indians, mainly drawn from Punjab and working in the agricultural sector is a recent draw. The migration of technology, health professionals and students to countries such as Germany, France and Ireland, is also a recent phenomenon. Belgium hosts many Indians as Antwerp forms the linchpin of the international diamond trade of which India is an important participant.

India-EU mobility is conditioned by the fact that India is a populous and dense country experiencing a demographic dividend with a favourable worker

dependency ratio and Europe is undergoing a demographic deficit whereby ageing populations have led to gaps in the labour market in particular age groups and sectors. Indian migrants in the EU can secure gainful employment and the remittances they send back, estimated to be close to \$ 10 billion from the EU, is a boon for India. EU countries gain through immigration as it fills their labour requirements, boosts local consumption through migrant spending, keeps a check on wages and promotes export competitiveness. Indian migration to the EU is a win-win situation for both regions but is complicated by the reality that the EU gives preferential treatment to migrants within its borders and that migration policies and laws have not kept pace with growing economic ties and migration flows between the two regions.

Indian emigrants complain about the convoluted process of obtaining secure work permits, high visa costs, limited prospects of obtaining citizenship, the hardships faced by spouses in gaining access to labour market and in some cases, the treatment of double-taxation. The standard channels of EU visa norms such as the Blue Card Scheme for skilled professionals are often out of reach for many Indians. At the other end, European authorities complain about visa-overstays, misuse of intra-company work permits obtained by Indian firms and in the case of unskilled migration, insecure transit routes that fall under the ambit of 'illegal' migration. Despite, multiple rounds of negotiation at EU-India economic summits and a special dialogue on mobility, there has been little improvement on the ground for Indian emigrants. The focus of the Ministry of

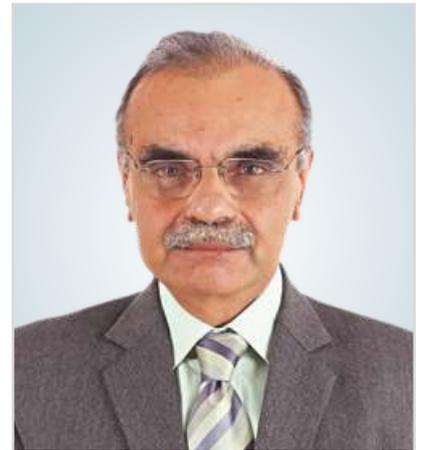
Overseas Indian Affairs has been on the traditional destinations of Indian emigrants in the Gulf region with a belated recognition of the significance of the EU region. After the recent migration and asylum crisis in Europe, prospects of a major breakthrough in EU-India mobility relations appear extremely dim. This is unfortunate as the gains from streamlined processes in labour mobility gain, generate tremendous economic benefits for both India and the EU. A beginning can be made in the realm of short-term mobility which evades the more contentious issue of citizenship. Short-term migration should be simple in terms of visa permits, inexpensive and have an option for spouses to access the destination country labour market. This would encourage a healthier form of emigration for both low and high-skilled people and could form the basis for future improvements in EU-India mobility relations. It could also provide a stimulus to the Startup India initiative as a lot of entrepreneurial ideas and incentives could circulate between India and the EU, a region well known for innovation.

■

Recalibrating Indian Defence Trade with Russia

Amit Cowshish

Distinguished Fellow, Institute of Defence Studies and Analyses and Partner, Dua Associates, Advocates and Solicitors, New Delhi



Disintegration of the Soviet Union in 1991 disturbed the momentum of defence trade, albeit mostly unilateral, that had been building up since the Indo-Soviet Treaty of Peace, Friendship and Cooperation of 1971. By that time, however, India's military inventory had acquired a distinctly Soviet mark.

From tanks, aircraft and submarines to ammunition and missiles, the military paraphernalia was either directly imported from the erstwhile Soviet Union or license-produced by the Indian defence public sector undertakings (DPSUs).

Things have changed rapidly in the past few years. The United States of America has emerged as the largest exporter of arms to India with France and Israel making, or poised to make, significant inroads into the lucrative Indian defence market. Moscow's offer of Mi-35 attack helicopters and Sukhoi-35 fighters to Pakistan is a reflection of the changing times.

However, Russia sees it differently. "I do not think that the contacts under discussion will cause jealousy on the part of any of the two sides," Russian Deputy Foreign Minister Ryabkov had told journalists in September 2015. He was right in saying that.

There is no reason why India should be miffed about the Russian offer to Pakistan. Russia has to explore new markets to sustain its two million plus workforce employed in the military industrial complex.

More importantly, if the US-Pakistan defence cooperation over the past half-century has not come in the way of the recent spurt in India's defence purchases from the US, there is no reason why Russia's offer to Pakistan should be a major issue.

Prime Minister Modi's visit to Russia in December 2015 indeed, indicates that both the countries accept the new ground realities and have decided to move on. Even with reduced volume of defence sales, Indian defence market offers greater opportunities to Russia than a financially unstable Pakistan.



India is poised to spend anything between USD 150 to 250 billion in the next one decade on capital acquisitions. This should be of interest to Russia as much as it would be in India's interest to ensure that defence cooperation with Russia remains on track.

A sizeable proportion of India's inventory is of Soviet / Russian origin. This will remain in service for the next 25 to 30 years, if not more. This, in itself, can sustain defence cooperation between the two countries. It is but obvious that

this is not what both countries are looking forward to. There are quite a few new purchases under consideration.

India is in the process of inducting a total of 272 Su-30MKI aircraft by 2017. An Inter-Governmental Agreement (IGA) has been signed to license-build 200 Kamov Ka-226T Light Utility Helicopters (LUH) to replace the current fleet of obsolete Chetak and Cheetah helicopters. The Defence Acquisition Council (DAC) has accorded approval-in-principle to buy five units of S-400 Triumf Air Defence Systems from Russia.

Negotiations for the Fifth Generation Fighter Aircraft have been revived and talks are reportedly also on for the lease of a second Akula class nuclear-powered attack submarine, procurement of Admiral Gregorovich-class stealth frigates and upgradation of a certain number of Su-30MKI - just to mention a few projects.

The painfully slow pace of such talks and the unpredictability of the tendering and contracting procedures must, however, be disconcerting for the suppliers as much as it is for India to continue to rely on imports which, going by some estimates, account for close to 65 per cent of all procurements. This does no good to India's image.

While it is for India to address these problems by reforming the procurement policy and procedures, Russia, as indeed other suppliers, also need to address India's concerns.



In the case of Russia, the biggest concerns are in regard to uncertainty about reasonableness of price, glitches in transfer of technology for licensed production in India, cost and time overruns, quality, erratic supply of spares, maintenance, repair and upgradation of Russian equipment. These factors not only impact new purchases but also the operational serviceability of existing inventory.

Be that as it may, the ongoing talks for new procurements / upgradation and maintenance of the Russian-origin inventory provide huge opportunities which can be exploited to mutual advantage if both the sides create a new framework for engagement based on recognition of mutual concerns.

To begin with, more and more projects need to be undertaken through the IGA route which, in comparative terms, is faster than the normal procurement procedure envisaged in the Defence Procurement Procedure.

Transfer of technology and reasonableness of price are of essence in such agreements. Russia will need to develop some mechanism to assure India on both these counts.

All new purchases must be accompanied by a durable arrangement for life-cycle support. The possibility of working out performance based logistical (PBL) support arrangement, whereby Russia guarantees the desired level of serviceability of equipment for a price,

can be considered for new purchases as well as the existing inventory. Of course, these arrangements will have to involve the Indian entities.

India and Russia need to identify the areas for joint research, development and subsequent production of equipment through Special Purpose Vehicles (SPVs) / Joint Ventures. This should provide a big boost to R&D investments in both countries. Successful models like the BrahMos Aerospace could be replicated.

Private sector will have to play an important role in this endeavour. Presently, there are no clear procedures for nominating private sector entities as technology recipients and production agencies. The experts' committee set up by the government last year has recommended a 'strategic partnership' model to forge long-term relationship with Indian companies, to be identified by the Ministry of Defence (MoD) based on certain parameters.

Considering that a similar idea of creating 'Raksha Udyog Ratnas' had come a cropper a few years back, the committee's recommendation is fraught with uncertainties. It would be far easier if the Russian and foreign original equipment manufacturers from other countries are permitted to select Indian production agencies of their choice from private and public sectors rather than such agencies being nominated by the ministry.

The lease of the second nuclear-powered submarine, similar to INS Chakra, seems to have run into rough weather because the Indian Navy wants a more advanced Yasen-class submarine and the two sides do not seem to be able to agree on its price.

The existing system of negotiating the price, as also other terms and conditions, needs to be replaced by a better mechanism to exploit the full potential of lease/purchase agreements from Russia; this option need not necessarily be limited to nuclear submarines.

India is assiduously pursuing the policy of Make in India. In the defence sector, it involves the critical factor of indigenisation. Russia is probably the only P5 country which has supplied strategic platforms and knowhow to India in the past. This can provide a very basis for the future.

It would be of immense help if a Russia-specific strategy is evolved to address mutual concerns and aspirations. This would go a long way in bringing about a new equilibrium in defence trade between India and Russia.

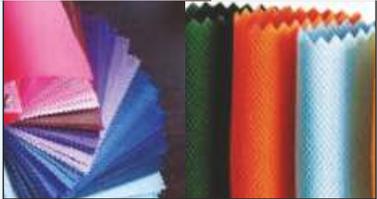
(The author was a former Financial Advisor (Acquisition), Ministry of Defence.)

■

INDIA TRADE SHOWS

TITLE	LOCATION	DATE	SECTORS	WEBSITE
2nd Smart Cities India Expo 2016	New Delhi	May 11-13, 2016	• Urban Infrastructure	 www.smartcitiesindia.com
LED Expo Mumbai 2016	Mumbai, Maharashtra	May 12-14, 2016	• LED Technology	 www.theledexpo.com
Indexpo Indore 2016	Indore Madhya Pradesh	May 2016 13-15, 2016	• Machinery	 www.ind-expo.com
Fastener Fair India 2016	New Delhi	May 19-20, 2016	• Fastener and Fixings Industry	 www.fastenerfair.com
POWER-GEN India & Central Asia 2016	New Delhi	May 19-21, 2016	• Power Generation Industry	 www.power-genindia.com
Concrete Show India 2016	Mumbai Maharashtra	May 19-21, 2016	• Infrastructure and Construction Industry	 www.concreteshowindia.com
Sanjeevani Medical Expo 2016	Lucknow Uttar Pradesh	May 27-29, 2016	• Equipments • Medical Hospital Infrastructure	 www.sanjeevaniexpo.in
Palm Expo	Mumbai Maharashtra	May 26-28, 2016	• Pro-audio Music and DJ industry	 www.palmexpo.in

INDIA TRADE SHOWS

TITLE	LOCATION	DATE	SECTORS	WEBSITE
Non Woven Tech Asia 2016	Mumbai Maharashtra	June 2-4, 2016	• Nonwoven Industry	 www.nonwoventechasia.com
Food Hospitality World	Bengaluru Karnataka	June 9-11, 2016	• Food & Hospitality Industry	 www.fhwexpo.in
ACMEE 2016	Chennai Tamil Nadu	June 2016 16-20, 2016	• Machinery and Auto Industry	 www.acmee.in
Heimtextil India 2016	New Delhi	June 22-24, 2016	• Multifaceted Home and Contract Textile Designs	 heimtextil-india.in.messefrankfurt.com
LOGMAT 2016	Chennai Tamil Nadu	June 24-26, 2016	• Logistics	 www.logmat.in
Compack Chennai 2016	Chennai Tamil Nadu	June 24-26, 2016	• Packaging Expo	 www.compackexpo.com/chennai
Beauty Spa Expo 2016	New Delhi	June 27-28, 2016	• International Beauty Trade Show	 www.beautyandspaexpo.com

INTERNATIONAL TRADE SHOWS

TITLE	LOCATION	DATE	SECTORS	WEBSITE
CeBIT Australia	Sydney Australia	May 2-4, 2016	<ul style="list-style-type: none"> IT and Communication Technology 	 www.cebit.com.au
Design Build Melbourne	Melbourne Australia	May 4-6, 2016	<ul style="list-style-type: none"> Building and Construction Architecture and Design 	 www.designbuildexpo.com.au
Montreal Manufacturing Technology Show	Montreal Québec	May 16-18, 2016	<ul style="list-style-type: none"> Metalworking Technology 	 www.mmts.ca
Junwex New Russian Style Moscow	Moscow Russia	May 25-29, 2016	<ul style="list-style-type: none"> Jewellery Industry 	 www.restec-junwex.com
Hotel Show Ethiopia 2016	Addis Ababa Ethiopia	May 26-29, 2016	<ul style="list-style-type: none"> Hospitality and Tourism 	 www.hotelshowethiopia.com
Canadian Furniture Show Toronto	Toronto Canada	May 28-30, 2016	<ul style="list-style-type: none"> Furniture Interior Decoration 	 www.canadianfurnitureshow.com
Chemspec Europe 2016	Basel Switzerland	June 1-2, 2016	<ul style="list-style-type: none"> Fine and Speciality Chemicals Industry 	 www.chemspeceurope.com

INTERNATIONAL TRADE SHOWS

TITLE	LOCATION	DATE	SECTORS	WEBSITE
Good Food & Wine Show Melbourne	Melbourne Australia	June 3-5, 2016	<ul style="list-style-type: none"> • Beverages • Fancy Food 	 <p>www.goodfoodshow.com.au</p>
Mir Stekla Moscow	Moscow Russia	June 6-9, 2016	<ul style="list-style-type: none"> • Glass Industry 	 <p>www.mirstekla-expo.ru</p>
Woodex for Africa	Africa Johannesburg	June 9-11, 2016	<ul style="list-style-type: none"> • Wood and Wood Processing Industry 	 <p>www.woodexforafrica.com</p>
Fispal Cafe Sao Paulo	Sao Paulo Brazil	June 14-17, 2016	<ul style="list-style-type: none"> • Food and Beverage 	 <p>www.fispalcafe.com.br</p>
Agritec Africa 2016	Nairobi Kenya	June 15-17, 2016	<ul style="list-style-type: none"> • Agriculture 	 <p>www.agritecafrica.com</p>
Fi Asia - China 2016	Shanghai China	June 21-23, 2016	<ul style="list-style-type: none"> • Food • Nutraceutical industries • Health • Pharmaceutical 	 <p>www.figlobal.com/asia-china</p>
CIMES 2016 -China International Machine Tool & Tools Exhibition	Beijing China	June 22-26, 2016	<ul style="list-style-type: none"> • Metalworking and Industrial Automation Technology 	 <p>www.cimes.net.cn</p>

Winnipeg

THE WORLD IS HERE



WINNIPEG, MANITOBA, CANADA

FOR TODAY'S GLOBAL BUSINESS LEADER

May 25-27, 2016

JOIN THE WORLD IN WINNIPEG!



Meet your future business partners face to face.

1

Room

2.5

Days

700

+

Participants

5000

+

Connections

REGISTER ONLINE

centrallia.com

BROUGHT TO YOU BY



WORLD TRADE CENTRE™
WINNIPEG

Manitoba 



WORLD TRADE CENTRE™
GOA

Promoted by MVIRDC 
M. Visvesvaraya Industrial Research and Development Centre

Connect Globally Prosper Locally

**With the World's Largest Global Business
Network of 322 WTCs in 89 Countries**

**MVIRDC establishes the global brand
World Trade Centre Goa**

Objective

- ✿ Facilitates: Trade/Investment
- ✿ Knowledge-based Services:
Training/Educational Programs
- ✿ Promotes Competitiveness through
Research/Trade Promotional Activities

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

Registered office

31st Floor, Centre 1 Building, WORLD TRADE CENTRE,
Cuffe Parade, Mumbai - 400005, Maharashtra, India

Website

www.worldtradecentregoa.org

Member of WTCA New York

