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Focus:
Destination Madhya Pradesh

Tourism:
Queen of Hills Losing Charm

Policy:

No Compromise

Relations On The
Right Path

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Chairman: R.K. Prasad

Managing Editor: Satya Swaroop

Director: B.K. Sinha

Group Editor: Dev Varam

Consulting Editors:

Prabhu Sinha, Umesh Luthria & Rajiv Tewari

Head-Busi. Dev. : Veerendra Bhargava

Head Projects: Prachi

Account Asst.: Vrunda Gurav

Art Director: Santosh Nawar

Visualizers: Maya Vichare & Sagar Banawalikar

DTP: Nilima Kadam

Photographer: Bilal Khan

BRANCHES:

Kolkata:

Anurag Sinha, Branch Manager, A-7/1,
Satyan Park, 2nd Lane, Near 3A Bus Stand,
Thakurpukur Kolkata- 700 104

Tel: 098300 15667, 033-24537708

Email: anurag@newmediacomm.biz

Ranchi:

Dr. Sambhu Prasad, 22 Anjuman Plaza,
2nd Floor, Main Road, Ranchi- 834001.

Tel: 0651-3095103, Telefax: 2246742

Pune:

Geeta Khaladkar, Regional Head, Sahyog Apartments
508, Narayan Peth, Patrya Maruti Chowk

Pune 411 030. Telefax: 020 24454642

Email: pune@newmediacomm.biz

Thiruvananthapuram:

Murugan, Branch Manager,
TC-27/1749(3), PERA - 70, Vanchiyoor,
Thiruvananthapuram

Tel: 09447555222, 0471-5540888

Email: murugan@newmediacomm.biz

Australia Office:

Bandhana Kumari Prasad, 129 Camboon Road,
Noranda, Perth, W.A. 6062 Tel: 0061 892757447

Email: bandhana@newmediacomm.biz

International Marketing:

G. Biju Krishnan

E-mail: biju@newmediacomm.biz

New Media Communication Pvt. Ltd.,

B/302, Twin Arcade, Military Road, Marol,
Andheri (E), Mumbai - 400 059 India

Tel: +91-22-28516690 Telefax: +91-22-28515279

E-mail: enquiry@newmediacomm.biz

www.newmediacomm.com

Indo-American Chamber of Commerce

Vulcan Insurance Building, Churchgate, Mumbai 400020.

Tel: +91-22-22821413/15

The news items and information published herein have been
collected from various sources, which are considered to be
reliable. Readers are however requested to verify the facts
before making business decisions using the same.



Dear Reader,

Greetings. We are living in a world where agreements between men are honoured more in their breach than in their implementation. What is applicable to men is equally applicable to nations. In the case of nations, when they strike a deal, sign a pact, much hype is created to match the gravity of that occasion. But things are forgotten pretty fast and the intensity of commitments evaporates over time. In the case of the United States and India, the numerous economic treaties signed between President George Bush and Prime Minister Manmohan Singh in the last one year have become binding thanks mainly to the involvement of private sector agencies. The CEOs Forum set up by the two leaders lost no time in preparing and submitting a report that envisages and recommends a time-bound, result-oriented plan of action. What is heartening is the way both sides are going about, thoroughly business-like in implementing the agenda the two countries have set for themselves. A high-level business delegation led by the President of the Federation of Indian Chambers of Commerce and Industry (FICCI) Saroj Poddar to an interactive conference in Los Angeles found opportunities opening up to Indian companies in the United States. Now it is the turn of US businessmen to respond. A high-powered Business Development Mission, led by US Under Secretary of Commerce for International Trade Franklin L. Lavin is visiting India towards November-end on a match-finding whirlwind tour of six Indian cities looking for opportunities for collaboration. The cover story of the current issue of Indo-US Business is on the follow-up action by both India and the US towards implementing the various agreements between them in letter and spirit. The agreement between the two nations on civilian nuclear energy has been complex right since the day it was signed. We reproduce a statement by Prime Minister Singh defending the treaty in Parliament. The focus of the issue is on Madhya Pradesh, the state which is gearing to host a Global Investors' Summit in January 2007 to tap foreign direct investment for an ambitious development plan it has drawn up to step up industrialization of the state. Travel industry analyst and New Media Consulting Editor Umesh Luthria crystal gazes the prospects of the Indian hospitality industry and predicts that it will have exciting and rocking times ahead. The West Bengal government, keen on developing industrial infrastructure, has signed a 15-year deal with Indonesia's Salim Group. We also present excerpts from an interesting book, titled Global Shift Towards Irreversible Success by Tulsi Tawari, who writes about the business of creating wealth and how prosperity breeds prosperity. We carry the news development reported from various branches of the Indo-American Chamber of Commerce.

Wish you happy reading



Satya Swaroop

Managing Editor

satya@newmediacomm.biz



My Dear Fellow Members,

The news that more Indians are investing abroad is heartening. In the recent years, India Inc has invested over US\$ 5.2 billion abroad and that too in various destinations. Significantly, the Government has been increasing the threshold limit for Indian investment abroad. This is because of two major reasons. First, the relatively comfortable position with regard to foreign exchange reserves, which is currently above US\$ 160 billion and the reserves consistently demonstrates a buoyant trend. Secondly, India Inc, of late has shown a lot more confidence, than before for taking the merger and acquisition route to make their presence felt in the global market. Significantly, such mergers and acquisitions are across the board covering both IT and manufacturing sector.

Countries like Japan and China had embarked on a scheme to motivate their corporates to invest abroad. This was mainly due to low demand pick up in the domestic market. The underlying principle was that the by investing abroad, corporations in those countries could cater to the host countries' markets and can repatriate greater dividends and profits. That had worked well for these countries at that point of time.

Happily, at the present juncture India is not facing a demand compression in the domestic market. The figures indicate that the aggregate demand, as an indicator of positive economic growth is picking up in the recent years. Of late, the money supply has registered 20 per cent growth, despite government's effort to increase the interest rates. Since the fiscal deficit is not threatening to go beyond the manageable level, an increase in money supply is not a worrying affair. But, what we have to keep in mind is that the demand for external investment is going up at a time when the domestic demand for investment is at an all time high. Many such demands, particularly in the infrastructure, manufacturing, real estate etc can not be met through internal resource generation. The nation is now embarking on a policy to accelerate the FDI into the country.

Equally significant is the roadmap that the Tarapore Committee has laid for switching over to convertibility of rupee under the capital account by 2011. That is a safe time frame. But we have to have a safe foreign exchange reserves to buffer the sudden spurt in foreign exchange demand once convertibility becomes a reality. That would mean we may have to go for a higher foreign exchange reserve not only for meeting import demand but also for signaling strength of the rupee vis a vis other major currencies. We may also have to discard the fear that under capital account convertibility outflow of foreign exchange will be more than the inflows. In matured economies, in fact, it is the other way around. We can legitimately expect that with Indian companies setting up ventures abroad, there will be greater inflow of foreign exchange reserves by way of remittances like royalty, dividend and profits. The underlying philosophy is that our forays into the external sector should not be at the cost of domestic demand and vice versa. That is to say, we have to strive for a growth paradigm that blends the emerging investment opportunities abroad with our own domestic economic growth. The latter is important to create more employment and income to the people. That is the way to become a developed country by 2020.

B. Prabhakar

National President, Indo American Chamber of Commerce



Follow-up Action on India-US Treaties in Full Swing



The follow-up action on a spate of agreements signed between India and the United States at the initiative of Prime Minister Manmohan Singh and President George Bush is in full-swing on all fronts. Relations between the two countries have touched a new high in the last two months during which period, the complex issue involving the treaty on civilian nuclear energy has been put to test. In July it was President Bush who saw to it that the Treaty sailed through in the US House of Representatives. Then, it was the turn of Prime Minister Singh to defend the Treaty in Indian Parliament against a vociferous opposition party members who accused the government of bowing to pressure from the US. James Connaughton, a senior advisor to President Bush on Energy Security, talking to Mumbai businessmen recently, referred to the nuclear energy issue and remarked, "Everything is moving on the right path." Connaughton and his delegation's visit to India was part of the follow-up action on issues that both countries are pursuing on the energy and environmental fronts.



Dev Varam

The enthusiasm, however, is overwhelmingly evident in business circles on both sides. In the biggest-ever India-United States investment meet held recently in the city of Los Angeles in California, USA, as many as 75 business leaders and senior government officials from India met their American counterparts to enter into commercial deals and industrial collaborations. The conference, organized by USAsia Business Forum, was supported by the US Department of Commerce and the Los Angeles Chamber of Commerce. The beautiful City of Los Angeles was a partner to the Conference and Expo. From the Indian side, the event was supported by the

Federation of Indian Chambers of Commerce and Industry (FICCI). It was no wonder then, the Mayor of Los Angeles and the Governor of California joined India's Minister of State for Food Processing Subodh Kant Sahai in releasing the first ever study on Indian investments in the United States, conducted jointly by FICCI and Ernst & Young. It may be very appropriate to recall another study which looked at acquisitions by Indian companies overseas. Of the 306 companies worth \$10 billion acquired by Indian companies in the six-year period 2000-06 as many as 90 were American companies, a majority of them involved in Information Technology



business. Today the investment flow is a two-way affair.

The West Coast in the US being the hub of innovation and India growing rapidly in this sector, the Los Angeles event is expected to provide a win-win opportunity for both US and Indian firms in the future. "West Coast is the leader in cutting edge technologies in IT, aviation, and biotechnology, healthcare where India is poised for growth. This event will provide an excellent opportunity for synergising this relationship," FICCI President Saroj Poddar, who led the Indian delegation to the conference-cum-expo, said.

Today, India is dealing with the US as a strategic partner of equal stature. That is the reason why Minister Sahai, while addressing the conference, called upon the participants to look at "the new India" and explore possibilities of co-operation in thrust sectors of infrastructure, aviation and other knowledge driven areas. "A combination of resources and brainpower will take Indo-US commercial relations to the next level," he said.

Of course, for a country like the US, it is advantageous

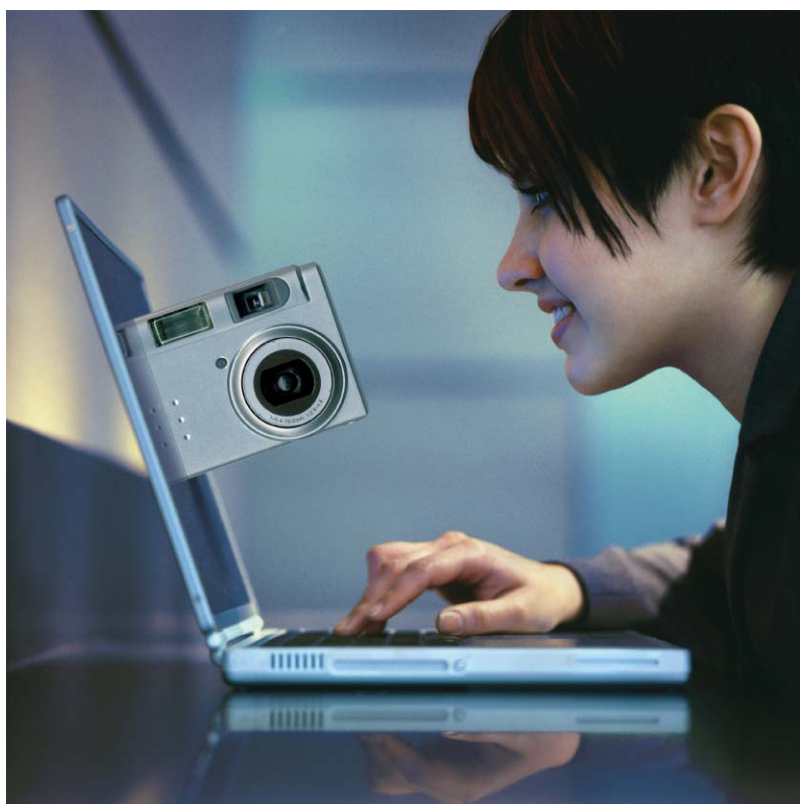


doing business with India, to which Poddar pointed out in his address to the conference. He said, "with an across-the-board low cost base, a favourable demographic profile, a rule-based system and a vibrant democracy, India has emerged as an attractive location for companies from different parts of the world."

Besides, India's expertise stretches to a vast number of industrial, manufacturing and research activities. Naturally, the canvas of talks during the talks was vast. During the interactive sessions at the conference, FICCI and the Los Angeles Chamber of Commerce examined cooperation and collaboration the areas as diverse as agriculture and food processing, Information Technology, textiles and garments, biotechnology, tourism and hospitality, science and technology, education, entertainment, handlooms and handicrafts, healthcare, consultancy, and infrastructure. That was quite an impressive list.

Poddar couldn't have held his excitement. He said in New Delhi ahead of the delegation's visit to Los Angeles. "We foresee tremendous opportunities for business linkages both in the traditional manufacturing sectors and the knowledge driven sectors."

Excitement has been equally contagious. A high-powered business delegation from the United States, led by Under Secretary for International Trade Franklin L. Lavin will be visiting India, towards November-end and early- December 2006 to





explore opportunities for collaboration. An invitation to potential delegates, sent out by the US Department of Commerce's International Trade Administration described India as the world's fastest growing free-market democracy and asked them to hurry up and join the mission. The Business Development Mission to India is being coordinated by the US Commercial Service in the United States and India. This Mission is again a follow-up of the Commercial Dialogue initiated by President Bush and Prime Minister Singh.

"US trade with India has nearly doubled in the last three years and the opportunity for US businessmen to export to India has never been better," said Lavin after announcing in Washington that he would be leading the Mission to this country. That India presents lucrative opportunities for all types of businesses is indicative from the two-way trade figures. In 2005, US merchandise exports to India were worth \$8 billion, doubled since 2002.

"As our economic relationship grows, we must work closely together to ensure that American companies have the opportunity to compete and identify new customers in the fast growing Indian market," Lavin said. India is one of

the few countries in the world with which the US has a sub-cabinet dialogue of this nature. The US currently has sub-cabinet level commercial dialogues with Brazil, China, the European Union and NAFTA partners Canada and Mexico.

The visiting US Business Development Mission to India will start their exploration of India's booming market by participating in the Business Summit in Mumbai, India's commercial capital, during its stay in the city on November 29-30. The other business destinations that the US delegation will visit include New Delhi, Bangalore, Kolkata, Chennai and Hyderabad. The visits to these cities are considered business matchmaking missions.

During their India stay, Mission participants will have access to India's high-level business, industry, and government representatives and opportunities to gain insights into the country's trade and investment climate during strategic breakout sessions. During the delegation's India visit, American companies will have the chance to make or increase sales in the booming Indian market.

The US Commercial Service has made a commitment to arrange business meetings, briefings, networking receptions, and one-on-one business appointments with prospective agents, distributors, partners, and end-users for each US Company.

The Mission is being monitored closely by the US Department of Commerce's International Trade Administration. A word about this department. The Internal Trade Administration is responsible for developing US trade policy, identifying and resolving market access issues, administering US laws, enhancing the global competitiveness of US manufacturing and services sectors, and coordinating efforts on behalf of US businessmen.

The follow-up action was also initiated by India-US Financial and Economic Forum which met in Washington recently as part of the broader US-India Economic Dialogue. The respective delegations to the Forum discussed a number of key issues including developments in the global economy, policy responses to high oil prices, US and Indian leadership in the WTO Doha Development Round negotiations, strengthening India's physical and financial infrastructure, and collective efforts to combat money laundering and the financing of terrorism.

Both sides agreed that successful conclusion of the WTO Doha Development Round negotiations remained essential to promote global trade and growth. ■

Indo-US Treaty on Civilian Nuclear Energy



NO Compromise

- Dr Manmohan Singh

India's deal with the United States on civilian nuclear energy has sparked heated discussion in and outside parliament with opposition parties and communist alliance partners of the NPA coalition government saying that the pact seeks to place India under strict international surveillance. Prime Minister Manmohan Singh has refuted their charges and defended the India-US treaty of July 18, 2005. He said it was signed taking into consideration India's energy interests and this country will never bow to any pressure from the US or any country. There would no compromise on any score, he said. Here are excerpts from the Prime Minister's speech to Parliament.

Nuclear Concerns

Let me now turn to some of the concerns that have been expressed on the second set of issues regarding possible deviations from assurances given by me in this August House on the July 18, 2005 Joint Statement and the March 2, 2006 Separation Plan. I would like to state categorically that there have neither been nor will there be any compromises on this score and the Government will not allow such compromises to occur in the future.

Hon'ble Members will recall that during President Bush's visit to India in March this year, agreement was reached between India and the United States on a Separation Plan in implementation of the India-United States Joint Statement of July 18, 2005. This Separation Plan had

identified the nuclear facilities that India was willing to offer, in a phased manner, for IAEA safeguards, contingent on reciprocal actions taken by the United States. For its part, the United States Administration was required to approach the US Congress for amending its laws and the Nuclear Suppliers' Group for adapting its Guidelines to enable full civilian nuclear cooperation between India and the international community.

The US Administration had thereafter approached the US Congress to amend certain provisions of the United States Atomic Energy Act of 1954, which currently prohibit civil nuclear cooperation with India. The US House of Representatives International Relations Committee passed a Bill on the subject on 27th June 2006. The House of Representatives passed the Bill as

approved by its International Relations Committee on July 27.

The Senate Foreign Relations Committee passed its version of the Bill on June 29, 2006. The US Senate is now expected to vote on this version of the Bill some time in September. We have concerns over both the House and Senate versions of the Bill. Since the two Bills are somewhat different in content, according to US practice they will need to be reconciled to produce a single piece of



legislation. After adoption by both the House and the Senate, this would become law when the US President accords his approval. The final shape of the legislation would, therefore, be apparent only when the House and the Senate complete the second stage of assent/adoption.

Meanwhile, the US Government has approached the Nuclear Suppliers' Group to adapt its guidelines to enable full civil nuclear cooperation between India and the International community. In March this year, the NSG at its plenary meeting in Brazil held a preliminary discussion on this issue. The matter will be further discussed by the Nuclear Suppliers' Group later this year. On our part, we have separately raised this issue with several countries and urged them to lift the existing restrictions on nuclear supplies to India. I myself have raised this issue with the Heads of State or Government of Russia, France, UK, Japan, Germany, Brazil, Norway, Iceland and Cyprus, among others.

In view of the concerns voiced by the Hon'ble Members, I shall try to address each of these concerns in some detail. I shall, however, begin by affirming that our approach is guided by the understandings contained in the July 2005 Joint Statement and the March 2006 Separation Plan. What we can agree with the United States to enable nuclear cooperation must be strictly within these parameters.

The key provisions to which references have been made in Parliament and outside are the following:

(i) Full Civil Nuclear Cooperation:

The central imperative in our discussions with the United State on Civil Nuclear Cooperation is to ensure the complete and irreversible removal of existing restrictions imposed on India through iniquitous restrictive trading regimes over the years. We seek the removal of restrictions on all aspects of cooperation and technology transfers pertaining to civil nuclear energy - ranging from nuclear fuel, nuclear reactors, to re-processing spent fuel, i.e. all aspects of a complete nuclear fuel cycle.

This will be the surest guarantee of India's acceptance as a full and equal partner of the international nuclear community, even while preserving the integrity of our three stage nuclear programme and protecting the autonomy of our scientific research and development. We will not agree to any dilution that would prevent us from securing the benefits of full civil nuclear cooperation as amplified above.

(ii) Principle of Reciprocity:

I had earlier assured the House that reciprocity is the key to the implementation of our understanding contained in the July 2005 Statement. I stand by that commitment. When we put forward the Separation Plan, we again made it clear to the United States that India



could not be expected to take on obligations such as placing its nuclear facilities under safeguards in anticipation of future lifting of restrictions. India and the United States have held one round of discussions on a proposed bilateral cooperation agreement. India and the IAEA have held technical discussions regarding an India-specific Safeguards agreement. Further discussions are required on both these documents. While these parallel efforts are underway, our position is that we will accept only IAEA safeguards on the nuclear facilities, in a phased manner, and as identified for that purpose in the Separation Plan only when all nuclear restrictions on India have been lifted. On July 29 last year, I had stated that before voluntarily placing our civil nuclear facilities under IAEA safeguards, we will ensure that all restrictions on India have been lifted. There has been no shift in our position on this point.

(iii) Certification:

The draft Senate Bill requires the US President to make an annual report to the Congress that includes certification that India is in full compliance of its non-proliferation and other commitments. We have made it clear to the United States our opposition to these provisions, even if they are projected as non-binding on India, as being contrary to the letter and spirit of the July Statement. We have told the US Administration that the effect of such certification will be to diminish a permanent waiver authority into an annual one. We have also indicated that this would

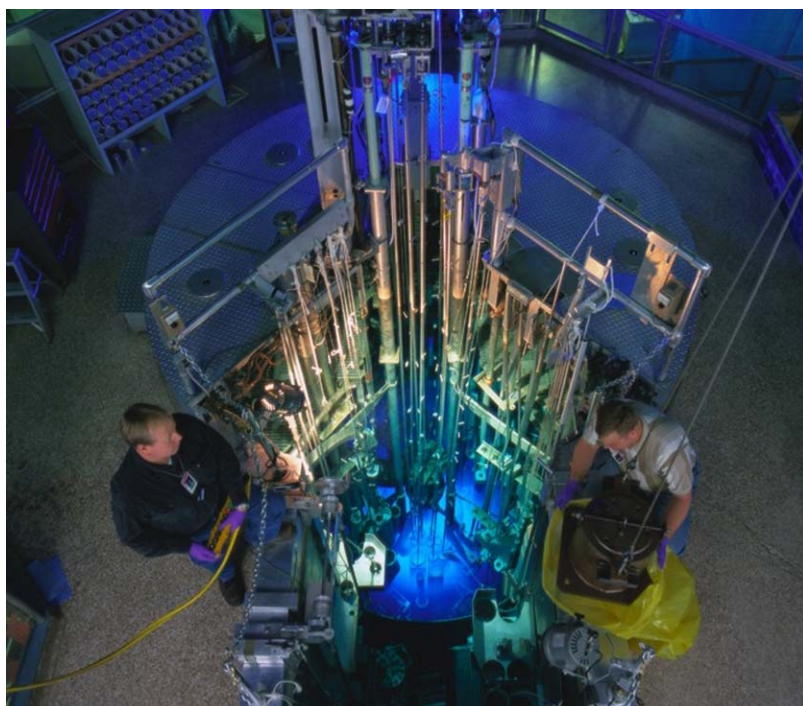
introduce an element of uncertainty regarding future cooperation and is not acceptable to us.

(iv) India as a State possessing Advanced Nuclear Technology:

Hon'ble Members may recall that the July Statement, had acknowledged that India should be regarded as a State with advanced nuclear technology enjoying the same advantages and benefits as other states with advanced nuclear technology, such as the US. The July Statement did not refer to India as a Nuclear Weapons State because that has a particular connotation in the NPT but it explicitly acknowledged the existence of India's military nuclear facilities. It also meant that India would not attract full-scope safeguards such as those applied to Non-Nuclear Weapon States that are signatories to the NPT and there would be no curbs on continuation of India's nuclear weapon related activities. In these important respects, India would be very much on par with the five Nuclear Weapon States who are signatories to the NPT. Similarly, the Separation Plan provided for an India-specific safeguards agreement with the IAEA with assurances of uninterrupted supply of fuel to reactors together with India's right to take corrective measures in the event fuel supplies are interrupted. We have made clear to the US that India's strategic programme is totally outside the purview of the July Statement, and we oppose any legislative provisions that Mandate scrutiny of either our nuclear weapons programme or our unsafeguarded nuclear facilities.

(v) Safeguards Agreement and Fuel Assurances:

In this respect too, it is worth emphasizing that the March 2006 Separation Plan provides for an India-Specific Safeguards Agreement with the IAEA, with assurances of uninterrupted supply of fuel to reactors that would be placed under IAEA safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. We, of course, have the sovereign right to take all appropriate measures to fully safeguard our interests. An important assurance is the commitment of support for India's right to build up strategic reserves of nuclear fuel over the lifetime of India's reactors. We have initiated technical discussions



at the expert level with the IAEA on an India-Specific Safeguards Agreement. Both the Bilateral Nuclear Cooperation Agreement with the United States and the India-Specific Safeguards Agreement with the IAEA would be only within the parameters of the July Statement and the March Separation Plan. There is no question of India signing either a Safeguards Agreement with the IAEA or an Additional Protocol of a type concluded by Non-Nuclear Weapons States who have signed the NPT. We will not accept any verification measures regarding our safeguarded nuclear facilities beyond those contained in an India-Specific Safeguards Agreement with the IAEA. Therefore, there is no question of allowing American inspectors to roam around our nuclear facilities.



(vi) Integrity and reliability of our strategic programme autonomy of decision-making and future scientific research and development:

In my statement of March 7, 2006, I had assured Parliament that the Separation Plan would not adversely affect our strategic programme. I reiterate that commitment today. The Separation Plan has been so designed as to ensure adequacy of fissile material and other inputs for our strategic programme, based on our current and assessed future needs. The integrity of our 3-Stage nuclear programme will not be affected. The autonomy of our Research and Development activity, including development of our fast breeder reactors and the thorium programme, in the nuclear field will remain unaffected. We will not accept interference by other countries vis-à-vis the development of our strategic programme. We will not allow external scrutiny of our strategic programme in any manner, much less allow it to be a condition for future nuclear cooperation between India and the international community.

(vii) Moratorium on production of fissile material:

Our position on this matter is unambiguous. We are not willing to accept a moratorium on the production of fissile material. We are only committed to negotiate a Fissile Material Cut-off Treaty in the Conference on Disarmament in Geneva, a commitment which was given by the previous government. India is willing to join only a non-discriminatory, multilaterally negotiated and

internationally verifiable FMCT, as and when it is concluded in the Conference on Disarmament, again provided our security interests are fully addressed.

(viii) Non-discriminatory Global Nuclear Disarmament:

Our commitment towards non-discriminatory global nuclear disarmament remains unwavering, in line with the Rajiv Gandhi Action Plan. There is no dilution on this count. We do not accept proposals put forward from time to time for regional non-proliferation or regional disarmament. Pending global nuclear disarmament, there is no question of India joining the NPT as a non-nuclear weapon state, or accepting full-scope safeguards as a requirement for nuclear supplies to India, now or in the future.

(ix) Cessation of Future Cooperation:

There is provision in the proposed US law that were India to detonate a nuclear explosive device, the US will have the right to cease further cooperation. Our position on this is unambiguous. The US has been intimated that reference to nuclear detonation in the India-US Bilateral Nuclear Cooperation Agreement as a condition for future cooperation is not acceptable to us. We are not prepared to go beyond a unilateral voluntary moratorium on nuclear testing as indicated in the July Statement. The same is true of other intrusive non-proliferation benchmarks that are mentioned in the proposed US



legislation. India's possession and development of nuclear weapons is an integral part of our national security. This will remain so.

Hon'ble Members will appreciate the fact that an international negotiation on nuclear energy cooperation particularly when it involves dismantling restrictive regimes that have lasted for over three decades is a complex and sensitive exercise. What we are attempting today is to put in place new international arrangements that would overturn three decades of iniquitous restrictions. It is inevitable, therefore, that there would be some contradictory pulls and pressures. This does not mean that India will succumb to pressures or accept conditionalities that are contrary to its national interests.

I had personally spoken to President Bush in St. Petersburg last month on this issue, and conveyed to him that the proposed US legislation must conform strictly to the parameters of the July 18, 2005 Statement and the March 2, 2006 Separation Plan. This alone would be an acceptable basis for nuclear cooperation between India and the United States. India cannot, and is not prepared to, take on additional commitments outside this agreed framework or allow any extraneous issues to be introduced. I have received an assurance from the US President that it was not his intention to shift goalposts, and that the parameters of the scope of cooperation would be those contained in the July 2005 Joint Statement and the March 2006 Separation Plan. A White House Statement of Administration Policy of July 26, 2006 recognizes some, though not all, of India's concerns, and conveyed that the Administration has

voiced them with the Congress.

I can assure you that there is no ambiguity in our position in so far as it has been conveyed to the US. The US is aware of our position that the only way forward is strict adherence to July Statement and March Separation Plan. I am hopeful that the bilateral India-US Civil Nuclear Cooperation Agreement when concluded will take into account the issues raised here. However, I must be honest and frank that I cannot predict with certainty the final

form of the US legislation or the outcome of this process with the NSG, which consists of 45 countries with divergent views. We are hopeful that this will lead in a direction wherein our interests are fully protected and that there is a complete lifting of restrictions on India that have existed for three decades. Such an outcome if it materializes will contribute to our long-term energy security by enabling a rapid increase in nuclear power. It would lead to the dismantling of the technology denial regimes that have hampered our development particularly in hi-tech sectors. I will have wide consultations including with the members of the Atomic Energy Commission, the nuclear and scientific communities and others to develop a broad based national consensus on this important matter. I wish to inform members of the House that I have invited members of the Atomic Energy Commission on the 26th August for a meeting. That same day I have also invited the group of distinguished scientists who have expressed concerns to meet me.

Finally, I would only like to state that in keeping with our commitments to Parliament and the nation, we will not accept any conditions that go beyond the parameters of the July 18, 2005 Joint Statement and the March 2, 2006 Separation Plan, agreed to between India and the United States. If in their final form the US legislation or the adapted NSG Guidelines impose extraneous conditions on India, the Government will draw the necessary conclusions, consistent with the commitments I have made to Parliament. ■



James L. Connaughton, the White House Chairman of the Council on Environmental Quality, who led a delegation of senior US government officials to India recently, said the Asia Pacific Partnership on Clean Development and Climate (APP) and other crucial issues concerning energy and environment provided huge opportunities for the US and India to cooperate and collaborate.

Meeting members of the Indo-American Chamber of Commerce (IACC) over breakfast where Connaughton shared his environmental concerns with the hosts, he said, the US would be spending \$ 50 billion on air pollution control and \$600 billion on water infrastructure in the next few years and this would provide a two-way opportunity for Indian and US firms to join hands.

Connaughton and his delegation visited New Delhi and held a series of meetings with their counterparts in the Indian government on energy security and environment. The delegation's visit was part of the historic agreements and initiatives that both President George Bush and Prime Minister Manmohan Singh arrived at in March 2006.

Besides meeting the senior Indian government officials, the U.S. delegation held discussions with political leaders and representatives of Indian industry. These meetings highlighted the efforts of both the US and India to achieve

APP provides huge opportunities for India-US collaboration

- James Connaughton

the goals of the Asia Pacific Partnership on Clean Development and Climate (APP), a six-country partnership to promote economic growth and energy security through energy efficient technologies.

Speaking as the chief guest at a discussion on "Private Sector Engagement in APP on Clean Development and Climate and Methane-to-Markets Partnership" organized by the Federation of Indian Chambers of Commerce and Industry (FICCI), Connaughton said, "This results-oriented partnership will allow our nations to develop and accelerate deployment of cleaner and more energy efficient technologies to meet national pollution reduction, energy security and climate change concerns in ways that reduce poverty and promote economic development." The meeting would provide an opportunity for Indian companies to learn about project opportunities under APP.

The Asia-Pacific Partnership on Clean Development and Climate was launched in July 2005 among China, the Republic of Korea, Australia, Japan, the United States and India. This partnership focuses on voluntary practical measures to create new investment opportunities, build local capacity, and remove barriers to the introduction of clean, more efficient technologies. The partnership will help each country meet nationally designed strategies for improving energy security, reducing pollution, and addressing the long-term challenge of climate change.

Connaughton and his delegation met with Minister of Petroleum and Natural Gas Murli Deora, Minister of Power Sushil Kumar Shinde, Minister of State for External Affairs Anand Sharma, Minister of State for Commerce, Ashwani Kumar, Planning Commission Deputy Chairman Montek Singh Ahluwalia and leading members of the Confederation of Indian Industry (CII).

Connaughton's visit to India came at an appropriate time



when the country is making efforts to emerge as a major hub of greenhouse gas emissions reduction projects with companies across different industrial sectors lining up more than 300 projects,

Connaughton's visit to India is expected to give a boost to the recently launched Asia Pacific Partnership (APP) on Clean Development and Climate.

A new avenue for projects with greenhouse gas reduction potential is opening up under the APP on Clean Development and Climate a partnership among six countries that is aimed at reducing greenhouse gas emissions and promoting energy security.

Indian industry can benefit from these partnerships through ongoing and future projects that aim at reducing greenhouse gas emissions and take advantage of clean technology transfer among the six partner countries, says the chamber.

The APP would promote projects in eight sectors cleaner fuel, steel, cement, aluminium, power generation and transmission, renewable energy, mining, buildings and appliances. It is envisaged as a government-industry partnership initiative.

The world has seen the emergence of a huge carbon market in the last few years, propelled by the Kyoto Protocol. India has emerged as the largest market for greenhouse gas emissions reductions with Indian companies across different industrial sectors coming up with projects. There are more than 300 projects in the pipeline.

While this is all attributable to the clean development mechanism under the Kyoto Protocol, a new avenue for projects with greenhouse gas reduction potential is opening up under the Asia-Pacific Partnership (APP) on



clean development and climate, a partnership among 6 countries that is aimed at reducing greenhouse gas emissions and promoting energy security. The APP is consistent with and complements the Kyoto Protocol.

While the Indian carbon market took some time to evolve, its maturity at present lends an optimistic picture for the APP to take off in India, as Indian companies are geared up and are actively pursuing projects that have a greenhouse gas reduction potential.

The APP would promote projects in 8 key sectors cleaner fuel, steel, cement, aluminium, power generation and transmission, renewable energy, mining, buildings and appliances. It is envisaged as a government industry partnership initiative.

The APP is aimed at developing, deploying and transferring cleaner, more efficient technologies for pollution reduction, energy security and climate change. The APP envisages voluntary practical measures to create new investment opportunities. ■

US Business Mission Visiting India in Nov-Dec '06

A high-powered business delegation from the United States, led by Under Secretary for International Trade Franklin L. Lavin will be visiting India, the world's fastest growing free-market democracy, towards November-end and early- December 2006 to explore opportunities for collaboration.

During the delegation's India visit, American companies will have the chance to make or increase sales in the booming Indian market. The visit is being organized by the U.S. Department of Commerce's International Trade Administration Business Development Mission to India and is being coordinated by the U.S. Commercial Service in the United States and India.

An Incredible Business Opportunity

The US delegation will be participating in a Business Summit in Mumbai, India's commercial capital, during its stay in the city on November 29-30. The other business destinations that the US delegation will visit include New Delhi, Bangalore, Kolkata, Chennai and Hyderabad.

That India presents lucrative opportunities for all types of businesses is indicative from the two-way trade figures. In 2005, US merchandise exports to India were worth \$8 billion, doubled since 2002. ■



Top Indian firms at India-US investment meet in California

In the biggest-ever India-United States investment meet held recently in the city of Los Angeles in California, USA, as many as 75 business leaders and senior government officials from India met their American counterparts to enter into commercial deals and industrial collaborations.

The conference was organized by US Asia Business Forum and supported by the Federation of Indian Chambers of Commerce and Industry (FICCI). Partnering the conference were the City of Los Angeles, US Department of Commerce and the Los Angeles Chamber of Commerce.

The Indian delegates to investment conference and Expo included Subodh Kant Sahai, Minister of State for Food Processing Industries, Government of India, Yashodhara Raje Scindia, Minister of State for Tourism, State of Madhya Pradesh, Antonio Villariagosa, Mayor of Los Angeles, Cruz Bustamante, Lt. Governor of California, Ashok Jha, Secretary, Department of Economic Affairs, Government of India, Israel Hernandez, US Department of Commerce, Ed Royce, Former Co-chair of India Caucus, Bruce McPherson, California Secretary of State and Dinesh Keskar, Senior Vice-President, Boeing spoke at the pioneering business event and expo at one of the

biggest convention centres in the world at Los Angeles, California, the United States.

Representatives from more than 200 top companies from California participated in the first day of the conference and interacted with visiting Indian business leaders led by the FICCI President Saroj Poddar.

In an atmosphere of heightened US-India relations, this pioneering conference and Expo between India, the fourth largest economy in the world, California opened new vistas for investment and trade.

Addressing the conference, Sahai urged upon the participants to look at the new India and explore possibilities of co-operation in thrust sectors of food processing, infrastructure, aviation and other knowledge driven areas. "A combination of resources and brainpower will take Indo-US commercial relations to the next level", he said,

Poddar, in his address, said that with across-the-board low cost base, a favourable demographic profile, a rule based system and a vibrant democracy, India has emerged as an attractive location for companies from different parts of the world. The areas offering tremendous potential for bilateral co-operation with



California are healthcare and biotechnology, education, entertainment, tourism, manufacturing and retail.

Poddar said that with across-the-board low cost base, a favourable demographic profile, a rule based system and a vibrant democracy, India has emerged as an attractive location for companies from different parts of the world.

Ms Scindia said that "reforms and the process of liberalization has now moved to the States which are competing with each other to attract both domestic and foreign investment. California must look at many opportunities of investing into India in general and Madhya Pradesh in particular." She also elaborated on the tourism and hospitality opportunities in M.P. focusing on four major tiger resorts destined to be a major attraction of the future.

A first ever study of Indian investments into the United States, conducted by FICCI and Ernst & Young was released at the occasion jointly by Sahai, the Mayor of LA and the Lt Governor of California.

The objective the Indian industrial mission to the US was to thrash out possible areas of co-operation between the two countries covering old and new economy sectors. During the interaction, Indian business leaders discussed ways and means with their counterparts in the US to enhance bilateral trade between the two countries.



Annual trade between India and the US is currently at \$26.8 billion and it is expected to grow to \$40 billion by 2008.

During the interactive sessions at the conference, FICCI and the Los Angeles Chamber of Commerce examined the areas like agriculture and food processing, information technology, textiles and garments, biotechnology, tourism and hospitality, science and technology, education, entertainment, handlooms and handicrafts, healthcare, consultancy, and infrastructure.

Ahead of the Indian delegation's US visit, Podar said in New Delhi, "We foresee tremendous opportunities for business linkages both in the traditional manufacturing sectors and the knowledge driven sectors."

West Coast being the hub of innovation and India



growing rapidly in these sectors, this event is expected to provide a win-win opportunity for US and Indian businesses." West Coast is the leader in cutting edge technologies in IT, aviation, and biotechnology, healthcare where India is poised for growth. This event will provide an excellent opportunity for synergising this relationship."

The Indian industrialists in the delegation include Shivinder Mohan Singh, managing director, Fortis Healthcare; Dinesh Keskar, Senior Vice-President, Boeing Company; Nalin Kohli, Chairman, Electronics and Computer Software Export Promotion Council. It will also have senior representatives from HCL BPO, TCS, Power Finance Corporation, Narsee Monji Institute of Management Studies, Thapar Institute of Technology, Dehradun Institute of Technology, TCG Life Sciences and Dabur.

A Matter of Connectivity: Destination Madhya Pradesh



My Vision is to realise the full growth potential of Madhya Pradesh and to ensure that the state becomes a role model of development with social justice

- Chief Minister Shivraj Singh Chouhan

Destination Madhya Pradesh

MP's investment hopes soar as Global Summit nears

Madhya Pradesh Chief Minister Shivraj Singh Chouhan, interacted with potential investors and business leaders in New Delhi on August 4, 2006, in connection with the launch of a website constructed to promote the Global Investors' Summit that the state is hosting jointly with the Federation of Indian Chambers of Commerce and Industry (FICCI) on 4 and 5 January, 2007. A gold medallist in philosophy Masters, Chouhan began with a wise saying from an American author to bolster his promotional campaign for investment. Following is Chouhan's address.



Friends, I start my speech with words of William Arthur Ward

Before you speak, listen

Before you write, think

Before you spend, earn

Before you invest, investigate

Our proposed Global Investors' Summit is meant for the investors to help in their investigations. I want the industrialist to come to my state as an investor, and not as a speculator. I mean, whatever they invest, should be invested, because of their own impersonal objective reasoning - through their own investment analysis. They should convince themselves about the superior value opportunities existing in the state. But, in the process of decision-making, to give right information input about Madhya Pradesh, is our responsibility and this global meet is meant for this purpose only.

Country's granary

Madhya Pradesh has emerged as a prominent granary of the country during the last few years. Today we stand third in food production while first in the field of pulses and oil seeds. It clearly indicates that the base of our economy is very strong. The strong foundation of industrialization is a very healthy indication. We have brought up a revenue surplus budget after so many years. This situation has come after the decades that we did not to take an overdraft even for one day. The reason behind the increase in our income is our efficient administrative arrangements.

Frank Zappa said and I quote, that 'Politics is the entertainment branch of the industry'. So with humbleness, I say in the first instance that the industrial development needs the seriousness from all the stakeholders and no politics should be played. Secondly, I assure that development means change and change means risk. My government is ready to take risks for seeking the co-operation of the industries in the development of the state. The effective administration is assessed by the results and not by the



attempts to simplify the systems. This is the result of our efforts to bring administrative efficiency that today Madhya Pradesh has come up to a leading position in country's various development projects. Whether it is Employment Guarantee Scheme or Prime Minister's Rural Road Scheme or the Public-Private Partnership Projects, Madhya Pradesh is ahead in all. If it is Sarv-Shiksha Abhiyaan, National Highways, supply of drinking water or electricity to the rural population, Madhya Pradesh is on second place. In a recent independent study about e-governance, Madhya Pradesh has been placed amongst first four states of the country.

Therefore, the time has come that I am fixing accountability and responsibilities of the over-runs of cost and time. With the industrialization only on paper, neither we can amuse ourselves nor the people can be misled. Industrial administration is not a slow motion film, this should be realized by all of us. Many of our laws are made according to the needs of British Raj and for the industry based development we are ready to critically analyse all those laws, rules and bye-laws so that we can set free the will power of the industrialists and investors from the irrelevant bondages.

To improve the industrial climate of our state we have first decided to improve our infrastructure. No roadmap of industrial development is complete without the road. For the last two and a half years roads are being constructed in my state with an average of 18 Km per day. So far we have made 17000 Km of roads and by 2008, about 40,000 Km of roads will be laid. We know that the red carpet spread over with potholes for the industries and investors seriously erodes the credibility of the government.

And as regards electricity. God Almighty said, "let there be light", and it became bright. But in physical world of ours the gestation period in this sectors is far much longer. Fortunately, now this period is over. Today we ensure an uninterrupted supply of quality power

to industries. Approximately 3600 MW Projects are in the process of development at various stages. To attract industries to Madhya Pradesh, we have made radical changes in the Captive Power Policy, but we do know that industries do not evolve like islands. And with this in view, we are also trying to improve the power situation for the communities in the vicinity of the industries as well. Our efforts have started bearing fruit. Gone are the days when there were power riots. We have made endeavours to complete the old projects before time and laying the foundations of new production units. As regards water, we have started, the first of its kind in the country, the B.O.T. based project in Dewas to supply water from the Narmada river to industries at an affordable cost.

Whenever, I talk about our industrial promotion policy, I want to make it clear that I do not prefer the bureaucratic mandate over the market wisdom or the aspirations of the consumers. We brought the new industrial promotion policy in 2004 and we are open to update it regularly.

I have a deeper faith in the strong possibilities and potential of Madhya Pradesh even than upon myself. For the last few years, we have regularly won the prizes for agriculture production. So I am hopeful, that a new era of Agro processing will dawn upon Madhya Pradesh, and to exploit that stage we have established some Agro Parks and also have set up the Agriculture Export Zones. The dynamism of Madhya Pradesh also manifests from the fact that we were the first state to have the frontier technology like fibre optics; we were the first state to initiate private participation in infrastructure projects. But we do not want to relegate infrastructure to a lower priority for any other sector. We are also provisioning maximum government support to the infrastructure. This year, we have increased the budget provision for roads by 103 percent, for electricity by 70 percent and irrigation by 100 percent. Our not taking the private sector as a via-media for budgetary escapism in the field of infrastructure, would be very evident. The reason for my self-confidence emanates from the fact that there was a revenue surplus budget after 13 years and after long





years we have not experienced a situation of overdraft even for a single day. We people are continuously strengthening the foundations of our economy.

We want to create an investor friendly environment for the investment in the state. We have developed a concept of more effective "Single Table" concept in place of "Single Window". A Project clearance and Implementation Board has been set up headed by the state's Chief Secretary where projects are approved within 15 days and the entrepreneurs have an opportunity to sit across the table for providing clarifications, if required. An apex committee has been constituted under my chairmanship for clearance and for granting customized package of concessions to mega projects. This committee has the powers at par with the economic affairs committee of the cabinet.

Industrial peace

Industrial peace is one of the strengths attracting investment in the state. For the last many years, the man-



day losses due to labour unrest has been zero in the state. We have amended labour laws and made them investor friendly and this is an ongoing process.

Improved infrastructure and our investor friendly policy is attracting huge investments. Today, we have investment proposals for more than Rs. 100,000 crore for the state in the sectors of power generation, petrochemicals, textiles, automobiles, auto components, engineering and minerals, agro processing, pharmaceuticals, chemicals, etc. Out of this, the projects investing approximately



Rs 30,000 crore have gone to the ground from drawing boards. According to a report of TATA services, from the view of implementation, Madhya Pradesh is on the top with the project implementation ratio of 72 percent . We do, what we profess. On this very belief, I am here to invite you to Madhya Pradesh.

Please do not come to Madhya Pradesh because of our emotional or nostalgic appeal of brain-gain. Come to Madhya Pradesh because, it is a profitable proposition. Yes, it is a separate issue that stock market expert L. Fisher does not like to see profit only as earnings per share or net assets per share and to some extent I am also in agreement with that. But even on that basis, the fresh report of CMIE tells that the sales-to-expenses ratio of the companies working in Madhya Pradesh is the best not only among the North Indian states but it is much better than the national average. ■



The 'PPP' Model Clicks

MP reviewing proposals worth Rs 100,000 cr



Babulal Gaur

Madhya Pradesh, commensurate with its potential for growth, is fast catching up with industrialization through intensive investment promotion policies and incentive schemes. Minister for Industries Babulal Gaur says investment proposals worth Rs 100,000 crores have been received by the state government in the last two years. Following are excerpts from an interview with Gaur, who had also been the state's Chief Minister for a brief period.

How conducive and attractive is the industrial policy of Madhya Pradesh to attract investment, especially foreign direct investment?

M.P. has already got investment proposals worth more than Rs. one lac crore in last two years and a Cabinet Committee in reviewing the current policy to make it more investment friendly and to attract more FDI.

M.P. is hosting Global Investors' Summit in January 2007. What steps has the state government initiated to draw enough response from the point of view of foreign direct investment (FDI)? Have you set any time-bound targets?

We are in the process of mobilizing support for Global Investor Summit 2007 and have already launched a website. National and International Road Shows have been planned. However, we have not set target for FDI.

Which specific industries are being projected as the most attractive areas for foreign investment? Please elaborate.

Cement, power, auto components, food processing, textiles including readymade garments and engineering.

Investments in mining are not commensurate with the potential that MP offers in this area, especially in diamonds and copper. What initiatives have been taken to step up investments in mining?

We have engaged Ernst & young to prepare project outlines in mining and mineral sector among other for these road shows.

You have drawn up a long list of growth sectors for investment. What is the state of the existing infrastructure and what are plans to boost it?

M.P. has got an award in India Today Chief Ministers Conclave on 1st Sep. 2006 in Delhi for fastest improving infrastructure. We are encouraging PPP model with higher and higher public funding every year.

Taking into consideration the future growth of industry in MP, what incentives do you propose to give investors in order to sustain the growth of infrastructure?

Most of the infrastructure projects will be in BOT (PPP) mode and therefore maintenance will be assured.

The growth of agro-based industries is also not commensurate with the state's potential in agriculture. What are your thoughts about building M.P as the hub of the country's agri-business?

A separate department of horticulture and food processing has been set up. Five Agri Export Zones and six Food Parks have also been set up. We are focusing on higher level of incentives to this sector. ■

A Remarkable Initiative

Dr Amit Mitra, Secretary General, FICCI, said that Madhya Pradesh is pursuing investor-friendly industrial policies in order to achieve its rightful place among industrialized states of the country. As the administrative head of FICCI, the joint host of the upcoming investors' summit in Bhopal, Dr. Mitra shares Chief Minister Chouhan's optimism about the state's potential. Following are excerpts.



Amit Mitra

Friends, the Global Investors Summit is the first initiative of its kind for investment promotion in the industrial history of Madhya Pradesh. The Summit aims at catalyzing the domestic as well as foreign investment in select sectors and strengthen the industrial base of Madhya Pradesh. Today is the beginning of a comprehensive programme for investment promotion in Madhya Pradesh spread over a period of six months. The major components of this targeted investment promotion drive include a series of pre-summit meetings, road shows in India and select foreign countries finally culminating in the principal event Destination Madhya Pradesh - Global Investors Summit 2007 at Bhopal on 4th & 5th January 2007.

As we all are aware, dismantling of trade barriers and economic liberalization has facilitated the flow of capital and investments to emerging economies like India. However, we cannot afford to be complacent and wait for the investors to come and approach us. Instead, a proactive and business friendly approach would help generate interest among investors and could bring in huge investments to the state. We need to promote domestic investment in various sectors including those, which traditionally have been the domain of public sector

investment, such as infrastructure including power, roads and telecom. Besides, state government needs to identify its areas of strength and viable projects and project the same to investors' community. Some states like Gujarat, Andhra Pradesh and Tamil Nadu have taken a lead in this regard.

With this remarkable initiative and I am sure, Madhya Pradesh would soon become one of the most sought after investment destinations in the country.

Friends, Madhya Pradesh is a land bestowed with abundant natural resources and old heritage. The state has a well-developed infrastructure network, a huge reservoir of skilled manpower, a politically stable environment, a business facilitating administration and above all an aggressive entrepreneurial spirit. The state is home to dense forests, mineral rich areas, rich flora and fauna and a network of rivers. Its natural scenic beauty, world heritage sites at Bhimbhetka, Sanchi and Khajuraho and historical sites like Mandu and Orchha make it an ideal destination for tourism. The potential sectors could include Power, Roads Agro & Food Processing, Textiles and Apparel, Auto & Auto Components, Chemicals & Pharmaceuticals, Tourism, Mining etc.



Realising that states hold the key to India's regional and national growth, of late, FICCI has strengthened its outreach programme and intensified its state level activities. FICCI has set up state and regional councils at 10 different locations in the country to help enable more effective coordination with the state governments, local chambers and other industry related developmental organizations. This would also facilitate FICCI's deeper interaction with a wide cross section of industries and entrepreneurs. We have also taken several initiatives including investment promotion drive in various states. Earlier, FICCI had partnered with the Government of Gujarat in successfully organizing Vibrant Gujarat - Global Investors Summits.

We are partnering with Gujarat in organizing Global investors Summit 2007. Similar initiatives with other states are also in the process. Destination Madhya Pradesh - Global investors Summit 2007 is a very major investment promotion venture and I have no doubt that it would be a great success. We have also planned an exhibition 'Showcasing Madhya Pradesh' concurrent with the Summit. The exhibition would provide an opportunity to industries in Madhya Pradesh to demonstrate their capabilities and competitive strength and attract the attention of foreign and Indian participants to the Summit.

The entire spectrum of activities in the Global Investors Summit including today's curtain-raiser interactive meeting with industry would provide a unique opportunity to gauge the investment opportunities in Madhya Pradesh and help concretize your investment plans.

I am sure, all the entrepreneurs, investors and business leaders present here would avail of this opportunity to evaluate the prospects and consider investments in Madhya Pradesh in their areas of interest.

I hope that today's meet would serve as a springboard for a long term and fruitful partnership between investors' community and the state of Madhya Pradesh. On behalf of FICCI, I would like to assure all cooperation and support in this endeavour for accelerating the pace of industrialization and economic development in the state. ■





A Matter of Connectivity



Madhya Pradesh, which literally means a centrally located land, offers great Connectivity. A key to advancement, Connectivity is also the key to development. And Connectivity is MP's strength. Madhya Pradesh has a near perfect equidistant Connectivity to India's metros, and other markets. Couple it with the state's vast and rich natural resources, a rich cultural heritage, an excellent quality of life, a thriving industrial base, peaceful labour force, a progressive and investor friendly government, you have an ample advantage.

Strategic Location - National Logistic Hub

As many as 425 trains pass through Madhya Pradesh daily. Of these 175 trains pass through the State capital Bhopal alone. National highways of 4,885 km run through the state. Six National highways including trunk routes of Delhi-Mumbai, Delhi-Chennai, Delhi-Bangalore and Delhi-Hyderabad pass through the State. The State highways span a distance of 9,885 km connecting key urban and tourist centres within the State. The State has convenient air links to major cities of India with key MP cities of Bhopal, Indore, Khajuraho. Convenient linkages to Kandla Port, Jawahar Nehru Port Trust, etc are also available. MP Road Development Corporation has been constituted to spearhead road development in the State. Upgradation of key rail linkages has been proposed. Inland Container Depots at Pithampur and Malanpur. 5500 km of fibreoptic network has been laid.

Madhya Pradesh has 11 different agro-climatic zones. Rich mineral wealth of copper ore, magnesium ore, limestone, diamonds, coal and coal-bed methane. About 13 percent of India's forests are in the state.

Fuel/Mineral Resources:

From Coal to Diamonds

Scarce fuel resources such as coal and coal bed methane are available in plenty. About 14 percent of India's coal reserves are in Madhya Pradesh. Asia's thickest coal seam is located in the district of Sidhi. The State has India's only working diamond mine. Plenty of coal bed methane reserves are available. Various blocks are also available for captive mining for power, cement, iron and steel units. Large reserves of limestone, the basic construction raw material is present; An estimated 3625 million tonnes of limestone reserves are available. Manganese and dolomite, key ingredients to iron and steel are found in the State. Exotic varieties of dimensional stones i.e. marble, granite and flagstone are available.



Large and Vibrant industrial base

- Rs. 37,000 crore flourishing industry.
- Major auto manufacturing base.
- Largest producer of radial tyres in India.
- Largest soya processing hub in India.
- FMCG and consumer electronics hub.
- Hub for pharmaceutical and herbal products.



- Rapidly growing textile and apparel hub.
- A growing gems and jewellery center.
- Availability of skilled Manpower and Established network of Educational Institutions.
- Peaceful Labour force.

Professional Manpower

Nearly 44,000 professional manpower from engineering, pharmacy, MBA, MCA, etc and an overall figure of approximately 2,70,000 graduates add to the workforce each year. Indian Institute of Information Technology at Gwalior. National Law School and National Judicial Academy and National Institute of Technology at Bhopal are an addition. The National Tourism Training Institute is at Gwalior. India's 6th IIM is at Indore.



Land of Agricultural Bounty

Madhya Pradesh is India's largest producer of oil seeds and pulses. The State is the largest exporter of oilmeal in the country. About 25 percent of pulses and 40 percent of grams are grown here. Commercially favoured varieties of wheat and potato grown. Largest producer of garlic and coriander. Over 100 agricultural farms with an area of over 20,000 acres available on lease to investors. Massive wastelands and government farms from 50 to 3000 acres ready to be offered for investment.

Rich Bio-diversity.

About 31 percent of State under is under forest cover and 11 of 25 global agri-climatic zones are in Madhya Pradesh. A largely unexploited species of rare, valuable medicinal - herbal plants are found in the state.

Sophisticated Logistics Infrastructure Development

400 kms of national highways being 4-laned under the NHDP. 13 strategic stretches of State highways covering 1871 kms being upgraded through BOT.

Special Economic Zone at Indore.

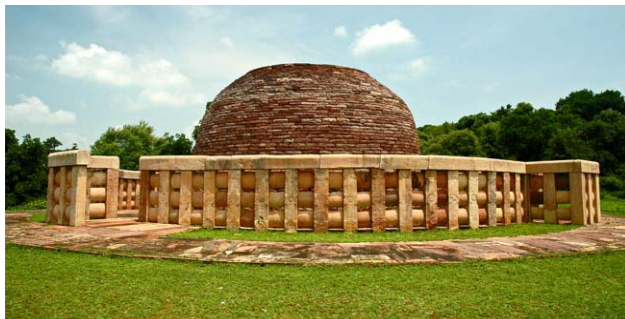
Greenfield SEZ developed as a globally competitive investment destination at Indore. The State Government has formulated an SEZ policy, the SEZ Act, 2003 to legally support the policy; the Madhya Pradesh Labour Laws Amendment Bill 2003 has been passed by the Vidhan Sabha of MP. Industrial Infrastructure Fund being set up. SEZ Indore Ltd, a special purpose vehicle is being formed to implement the SEZ with assistance from a strategic private partner. Land allotment has commenced with several units starting commercial production.

Industrial Parks - Development with specialized infrastructure

Crystal IT park at Indore. Gems and Jewellery park in tandem with IT park at Indore. Food parks and agri-export zones at Mandsaur, Khargone, Chhindwara, Hoshangabad and Bhind. Stone art at Katni.

Industry Facilitation

Industry Advisory Council constituted, comprising of the Chief Minister, other ministers and prominent industry leaders to guide industrial development. A three-tiered committee has been set up for speedy disposal of investment proposals with an apex level committee headed by the Chief Minister. Single agency system through Trade and Investment Facilitation Corporation (TRIFAC), a fast track facilitation and escort service for common application filing pertaining to the following



departments is put in place:

- Revenue Department • Commercial Taxes Department
- Labor Department • Energy Department • Housing and Environment Department • Urban Administration

and Development Department • Panchayat and Rural Development Department

- Food and Drug Administration

Tourist's Delight

- World heritage sites at Bhimbhetka, Sanchi and Khajuraho
- Historical sites like Mandu and Orchha.
- Cultural tourism sites like Mahakaleshwar (Ujjain), Omkareshwar, Amarkantak, Bhojpur and Narmada
- Eco adventure and wildlife tourism at Bhedaghat, Bandhavgam, Kanha, Panna, Pench and Shivpuri. ■

Global Investors' Summit 4-5 Jan, 2007, Bhopal

Destination: Madhya Pradesh

The summit offers a unique opportunity to take advantage of investment potential in Madhya Pradesh and leverage growth across a broad economic spectrum

Industrial development is crucial to the economic vibrancy of any state. In Madhya Pradesh the need for developing a more robust industrial base by attracting investment, both locally & globally is being felt more now as the state strives to achieve greater competitiveness in the global arena.

Success from vision and foresight... It's the core philosophy around which Madhya Pradesh has built an investment-inducive climate for businesses. It is a state ready not only to accelerate growth into the future, but ready, also for times of uncertainty and change. Embarking on a continuous search for value addition and meaningful investor relationship management. Not just responsive to [meeting changing needs, but actually anticipating them.

Indeed today's Madhya Pradesh is a vibrant industrial nerve centre, replete with strategic policy initiatives, infrastructure advancements and convenient connectivity to help businesses prosper, thrive & flourish.

The summit is a step in this direction. It aims at catalyzing investments into Madhya Pradesh and chart the various agendas that need to be addressed to make mobilization of capital into the state a reality.

"Destination Madhya Pradesh - Global Investors

Summit 2007" is being jointly organized by the Govt. of Madhya Pradesh & the Federation of Indian Chambers of Commerce and Industry (FICCI)

A comprehensive programme for investment promotion is being pursued targeting diverse investors in India & broad. The programme includes pre-summit meetings, roadshows & discussions in India and select foreign countries followed by the principal event comprising of conference & exhibition on 4th & 5th January, 2007 at Bhopal.

The main objectives of the Summit are:

- To project Madhya Pradesh as an ideal investment destination and accelerate the pace of domestic and foreign investments.
- To showcase the industrial capabilities and achievements of the state.
- To update and bring to the fore investment potential of Madhya Pradesh in select sectors.
- To highlight the success stories of investment in Madhya Pradesh.
- To provide an interactive platform to industry, business and policy makers to have a constructive dialogue for reorientation of strategies and policies to make them more effective.
- To facilitate Business match - making between companies in Madhya Pradesh and foreign/domestic companies in identified sectors and signing of MoUs. ■



Indian Hospitality Ready to Rock

By Umesh Luthria



It looks like the elephant, as India is fondly called by economists world over, has woken up and is on a rampage. In the last couple of years the annual GDP growth rate has been around 7.0-8.0 percent. Recent surveys by global economic analysts have slotted the Country's GDP in the 4th position in terms of Purchasing Power Parity. The general consensus is that the country's economy is no longer one that is dependant on servicing external consumption but driven by internal consumption.

It's no wonder that the last couple of years have seen an across-the-board boom for the agricultural, industrial and services sectors and naturally that includes hospitality and tourism too. The country's popularity as a business and leisure destination attracted 3.9 million foreign visitors in 2005, a growth of 13 percent over 2004. In the same year the country earned US\$ 5.7 billion in foreign exchange from international tourism, a growth of 20 percent over the previous year. The forecasts are that 2006 will see India welcoming more than 5.0 million international visitors and earn close to US\$ 7.0 billion in foreign exchange. In terms of global share of travel and tourism, India inched up from 0.39 percent to 0.49 percent in 2005. The Ministry of Tourism with its "Incredible India" campaign aims at attracting at least 1.0 percent of the global tourism business. The World Travel & Tourism Council forecast shows that the Indian travel and tourism industry will generate US\$ 53.5 billion in economic activity in 2006 representing 2.1 percent of the nation's GDP, and the number will rise to US\$ 128 billion per annum in the next decade. (figures by Department of Tourism)

There is reason for such belief. The indicators for business and leisure travel could not be better with the road, rail and air infrastructure improving. Today, with an "open sky" policy, the restrictions on the number of flights a foreign airline could operate from India are gone. Now the airlines can fly in and out of the Country from at least 20 international airports compared to just 4 some years back. Airports are being upgraded by the government and the private sector. Air charters are being opened up to allow even Indian nationals from using them for travel. Low cost airlines have made travel as affordable as rail. The aviation industry predicts that by 2010 the country will have over 250 aircrafts registered with private airlines alone, more than three times the present combined fleet of the government owned national carriers. The dangerous dual lane highways of the country are being converted to International class expressways. Better, faster, comfortable and safer trains are being introduced. The traveler now has a choice for cheaper, faster and better means of commuting within the entire nation.

The obvious beneficiary of all this increased traveling has been the hotel community. From the lows of years 2001/2002 where rooms at 5 star deluxe hotel were being sold for as low as US\$ 50, the same class of hotels are now charging an average of US\$ 175 or more. This is despite the addition of new hotels over the last three years over which the number of approved hotel rooms across all star categories has gone up by about 25 percent. But despite the euphoria, the travel industry is concerned. The demand for hotel rooms is outstripping supply so rapidly that there is a general feeling that if the total number of hotel rooms now standing at about 120,000 in the whole



Country is not doubled by year 2010; then India may not see itself on the top 10 travel destinations on account of being a very expensive destination for holidaying. The present trend shows that by the time the Asian games are hosted in 2010 the total number of approved rooms across all star categories will not exceed 140,000 leaving a big hole to be plugged. Hotel majors across the world find it very amusing that such a powerhouse of a Nation has less number of hotel rooms than some Asian Cities on their own.

The travel industry predicts that the biggest demand supply gap is in the mid market and budget sector. The traditional hotel groups have for economic reasons stayed away from developing hotels in this segment as the cost of real estate being so prohibitive and other developing costs remaining equal, it makes more sense to build first class and deluxe category hotels. Hotel brands like "Trident" by Oberois, "Gateway" by Indian Hotels, and "Fortune" by ITC the three major hotel players were incubated to address the mid market segment. But in time these hotel brands inched themselves to compete with the 5 star segment. Furthermore, traditional hotel majors have largely concentrated development in established Indian business

and holiday destinations and nearly 60 percent of all quality hotel development is found concentrated in the eight major cities of India. While lack of infrastructure in smaller towns has been blamed for the lack of hotel development; industry analysts speculate that it has more to do with the lack of competition in the hotel space in established cities to prompt the majors from looking elsewhere. Foreign hotel majors too have not shown keenness to invest monies but only propagate their brand and management services which are afforded by only large hotels in key cities.

This anomaly has surprising caught the attention of the new foreign venture funds and private equity capital market, and they have decided to do something about it. In the last one year (end 2005 to now) there have been spates of announcements that have rocked the hospitality industry:

- Bessemer Venture Partners and New Vernon Private Equity - investment of US\$ 44 million in Sarovar Hotels for developing 35 'Hometels' in the budget segment.
- Warburg Pincus investment of US\$ 60 million in "Lemon Tree" hotels to develop about 12 hotels in the US\$ 75 to US\$ 100 room rate market and 20 "Red Foxx"

Citywide Occupancy in 8 major Indian Cities

City	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06*
Bangalore	63.9%	58.1%	68.1%	69.8%	64.3%	72.0%	79.6%	80.5%	79.0%
Kolkata	62.8%	62.0%	58.5%	62.9%	66.4%	65.4%	62.4%	69.5%	77.0%
Chennai	70.8%	65.0%	63.2%	64.6%	56.5%	58.3%	67.5%	71.7%	73.0%
Delhi	70.3%	62.9%	61.0%	58.9%	53.3%	68.0%	72.4%	79.0%	80.0%
Goa**	56.5%	57.7%	50.2%	54.5%	53.6%	55.3%	56.7%	62.8%	67.0%
Jaipur	54.6%	50.4%	48.5%	55.0%	48.3%	54.0%	58.3%	67.2%	69.0%
Mumbai	66.1%	68.0%	65.0%	64.6%	52.0%	63.4%	68.5%	72.4%	74.0%
Hyderabad	53.4%	66.0%	61.3%	69.1%	68.0%	70.0%	75.8%	77.6%	82.0%

*HVS Estimates

Source: HVS International Research

**Goa State is treated as one City for computation purposes.

Citywide Average Rates (Rs) in 8 major Indian Cities

City	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06*
Bangalore	3,451	3,254	3,025	3,602	3,735	4,300	4,801	7,880	11,100
Kolkata	3,951	3,888	3,557	3,698	3,409	2,917	2,975	3,213	3,650
Chennai	3,977	3,600	3,424	3,796	3,535	3,300	3,478	3,662	4,675
Delhi	4,913	4,626	4,115	4,526	4,338	4,089	4,185	5,200	7,050
Goa **	2,303	2,863	2,727	2,914	2,676	3,000	3,293	3,764	5,000
Jaipur	2,473	2,533	2,514	2,902	2,949	2,850	2,922	3,604	4,400
Mumbai	6,169	6,297	5,661	5,555	4,932	4,184	4,274	4,955	6,450
Hyderabad	1,646	1,579	1,867	2,316	2,414	2,700	2,865	3,490	4,550

*HVS Estimates

Source: HVS International Research

**Goa State is treated as one City for computation purposes.



inns in the US\$ 40 per night segment.

- India Hospitality Group, a Special Purpose Acquisition Company raised US\$ 100 million on LSE AIM to buy in to or develop hotels in India.
- Berggruen Holdings - a private family trust has decided to invest US\$ 100 million in the mid class hotels and create a management company and brand for managing the chain.
- Dawnay Day to introduce US\$ 100 million capital in developing 20 hotels across the Country in the mid upper mid market segment.
- Navis Capital buys out 74% of Mars hotels, operators of "Gordon House" hotels for US\$ 20 million.

What has shaken the industry is the fact that these funds have decided to back relative new entrant companies started by hotel professionals or go by on their own with new teams rather than team up with an industry major, and most of these new hotels would be in cities/towns largely ignored by established operators.

This is just the tip of the iceberg. Industry experts feel that this trend has been fueled by the fact that the Real Estate funds have realized that hospitality is the easiest medium of accessing the Indian Real Estate market which is still not fully deregulated and also not all that transparent whereas hotels can attract 100 percent equity for a project of any size. Moreover, with the belief that REITs will be a reality someday soon, hotels would make good investments from a revenue perspective.

It is anticipated that there is a further kitty of US\$ 2 billion waiting to find its way to the hospitality industry through more foreign and domestic funds and local and select foreign hotel majors. Some of the other announcements are:

- Accor and InterGlobe a leading Indian travel player are to invest US\$ 200 million to set up 25 "Ibis" brand hotels in the next 10 years.
- Indian Hotels to roll out at least 10 "Ginger" hotels by 2008 offering rooms between US\$ 20 to US\$ 25.
- Marriott and Hilton have both announced partnerships with leading real estate players in India to promote their "Courtyard" and Hilton Garden" brands respectively.
- Holiday Inn and Golden Tulip are eager to launch the "Express" and "Tulip Inns" brands respectively in India.

In my analysis the total amount declared or estimated to



be invested in India over the next five years in the mid class segment will yield about 50,000 hotel rooms built at an average cost of US\$ 50,000 per room. So, does it look like this space is becoming crowded to the point of oversupply? Some may believe it is, and there is a growing murmur that too much money will just stoke the fire of increasing land and development costs upwards including increase in operating costs like interest rates, cost of skilled labour and cause severe shortage of hotel managers which in the long run will force these so called budget entrants to re-price themselves upwards.

But those in belief of the "Great Indian Story" feel otherwise (me included). India has a long way to go before it is slotted as a mature market. The changing lifestyle of an average Indian prompted by new wealth and a desire for better quality of life is pointing to the direction that supply will be lapped up in the course of normal business cycle and in fact imbalance (if any) will create new business opportunities. Let's face it; the Country like the elephant is hungry for more more of everything.

(The author is a hospitality and travel industry analyst; and a consulting editor to New Media)

Creation of Wealth

How Prosperity Breeds Prosperity



Tulsi Tawari

"When creation-of-wealth (CoW) dominates the transfer-of-wealth (ToW), sanctity of money as measure of value-addition is restored. Any society then can aspire to achieve gradually ascending prosperity with time, for all. This is because, prosperity naturally breeds further prosperity. This is how the future-trends are developing, thanks to reversal in direction of economy from Commerce-driven-knowledge to Knowledge-driven-commerce, globally."



Excerpts from forthcoming book: **Global Shift: Towards.... Irreversible Success** by Tulsi Tawari

1. Business means Value-addition (V_A): The First-principle

Long, long ago, there was no money; still business existed.

There was a time when one worked for food all day long: fishing, hunting, cutting wood, cooking or simply plucking fruits from the trees around. At the end of the day, a good worker was left with so much of food stuff that either it got wasted or else the next day became a holiday. With some common sense, people then must have realized the power of barter, i.e., doing business with each other. Barter meant process of give-n-take between any two individuals.

Barter simply means that two persons exchange the goods they have, with each other, at mutually agreed terms, on their own volition, i.e., they offer value-addition to each other and both gain. Business simply means value-addition to all engaged in trade, without anyone losing anything.

Economic cooperation and exchange of goods and services must have existed ever since man began to understand the 'growth in human-efficiency' achieved by

collaboration. Why should every individual produce everything necessary for his life, such as searching food, killing animals, making tools, finding cures for diseases, etc. all by oneself; man must have wondered way back in stone age! Wouldn't it be better if each individual specialized in one activity and exchange their gains with each other at mutually acceptable terms? This is how duplicated efforts must have been avoided and man must have realized the immense power of doing business.

2. Role of Money: in achieving ...Abundance of Prosperity

What is Money?

How Capital increases?

Prosperity naturally breeds prosperity...

How?

Loss in Sanctity of Money: Preventing Abundance of Prosperity

What is Money?

Money does not exist in nature, it is a way to count value-addition in business. It is meant to accelerate business

opportunities to unlimited-folds, leading all of society to gradually ascending prosperity. If not prevented by force, prosperity naturally breeds prosperity.

Prior to use of money, barter may have been the perfect way of doing business between any two persons. Barter meant "simultaneous value-addition" to each other. Both parties gained and no one lost anything. However, barter had an inherent limitation: it required both parties to be ready with their goods-to-exchange, simultaneously at the same time and same place. Barter required that both parties acted as buyers and sellers of goods at the same time, in one step. If someone had surplus goods, and no one else had surplus goods-to-exchange with him at the same time and place, barter could not have taken place. And surplus goods got wasted.

Thanks to ingenuity of a creative mind, there appeared the concept of money. What if barter could be performed in more steps than one: one person had surplus goods to offer (i.e. to sell) while the other person had no ready goods of seller's choice to exchange with him? Someone then may have thought about this problem. All that was required was a method to measure the worth of these goods in some terms that was acceptable to all the members living in that society. Thus, the concept of money may have come into being!

This way, it became possible to break the barter into two, three, four, and eventually to unlimited steps and thus enhance the scope of barter on path of potentially exponential-growth, with no limitations of distance and time. So, a seller got money from the buyer for his goods, and in turn spent this money to buy one or more goods from one or more other sellers, as and when he wanted. And thus the process of barter got expanded from one-step to multi-step value-addition. The concept of money thus became the key instrument of revolution, breaking the barriers of barter, limited within small villages to distant locations, wherever common forms of money were trusted and acceptable to all the people concerned

LEARN MORE

How Capital increases?

Like money, capital does not exist in nature. What exists is people's TIME as the key resource, within any organization or nation. How people are able to convert their time into value-added products decide whether they grow in prosperity or remain perennially poor? Increase in capital is meant to measure the fresh value-additions taking place in business transactions. In a gamble among four people, for instance, one may gain all the money while other three losing the same, there is no new capital-

increase. Because there is no value-addition, only transfer of money.

When an individual spends time working to produce something useful or that gives him happiness, say food or a machine or a book or a cinema, he converts his time into tangible-wealth. Sometimes, this wealth is being created for one's personal pleasure only, whereas in general, it may also be desired by others and thus this wealth can become tradable-wealth, beginning the process of wealth creation in a common marketplace. When all individuals begin to convert their time into one or other form of tradable-wealth, and willingly exchange (i.e. barter) as a win-win for each other, everyone's personal-wealth (PW) increases.

Capital is an accounting tool invented by man, as a 'standard-measure' of 'relative-values of tradable-wealth'. The primary purpose of money is to overcome limitation-in-barter arising from information-gaps between different marketplaces physically distant in terms of geography and future-time. Money thus enhances the flexibility & efficiency of trade among individuals from one part of globe to another, with no limits to growth theoretically.

Prosperity naturally breeds Prosperity... How?

Let us imagine that we live on an island 'A' with very limited natural vegetation, where all people must work all the times (i.e. 100% of all human-time spent) for growing just sufficient quantity of food. What would we call as precious wealth on this island?

Diamonds or Food.

Food, of course. Isn't it?

Now let us consider another island 'B', where sufficient food can be grown by only 10% of total human-time spent, leaving ample amount of surplus-time available with everyone. Now what would be our answer?

Would it be food? Certainly not. This is because abundant food can become available anytime with little efforts, in this scenario. How does remaining 90% of human-time gets utilized would then decide how prosperous they become? And what they consider as precious wealth? With a commitment to innovation, they can create a highly productive society where everyone becomes prosperous. Or else, they may waste or idle their time in dig-n-fill activities, keeping majority to struggle for survival. The point is: goods and services in any society can be classified in two distinct categories.

a. Survival-wealth (such as food, shelter and other



necessities for sustenance)

b. Surplus-wealth (all goods and services, not included in the survival category)

This is because these two categories of wealth require two distinct sets of principles. If there is a shortage of survival wealth, prices of other products have no meaning to human life as in case of island 'A'. Whereas, if earning of basic survival-needs becomes easy for people as on island 'B', then real prosperity and growth begins. Prosperity is not about how much total income one has. Prosperity is about how much surplus-wealth one has after spending on basic survival needs.

"GDP growth-rate is a Misleading and Incomplete Measure of Growth": Generally speaking, for any nation, the total value of all goods and services produced is represented as GDP (gross domestic product). The rate of increase of GDP is called GDP-growth-rate and is used to measure the performance of the economy in a particular period. However, GDP-growth-rate to measure prosperity in economy is misleading in more than one ways. This is because prosperity is not same as total income. If our total income grows and simultaneously the costs of basic needs also increase to the same extent, would we feel prosperous? Prosperity is a measure of surplus wealth one is left with, after

spending on basic survival needs. Hence, total income can be classified in two distinct categories as above. And, prosperity level then can be measured as the ratio between the two, i.e. surplus-income/survival-income, as Prosperity-Index (PI) for economy as whole.

What is really desirable is:

Prosperity propels further prosperity...the road to abundance of wealth. Consumer is not an isolated identity. All of us produce/sell a few things while buy hundreds of things. When an individual becomes prosperous, he has ability to pay for greater profits to sellers. This encourages the ability of seller to make improvements in products and provide greater satisfaction or value to customers. Increased profitability decreases the risk of starting new ventures, thus creating opportunities for new entrepreneurs and employment-growth. With greater value-addition for a seller, income of working individuals also increases. As a result, the overall prosperity level of society (say P) can continue to increase, as an exponential function of individual prosperity level (say p) as: $P p^2$. Prosperity can thus breed continuing growth in prosperity.

Let us see this through an example. Suppose all of us living on island 'A' grow rice as our basic food, necessary for sustenance. Suppose, in a particular year of famine, all of us have to put in full-time efforts to produce just sufficient rice. In this case, our total wealth is survival-wealth only. If we continue to face shortage of food year-after-year we would continue to work for mere survival only. If we define price of total rice as one unit (say Rs. 1 for India or \$1 for the USA), the total wealth of this island = total survival-wealth = Rs.1 or \$1.

Now let us assume that in other island 'B', with 10 percent time spent, sufficient rice is produced. As a result, 90 percent of human-time remains as surplus, free for doing activities other than working for survival. This is where the real growth of society begins through proper utilization of surplus-time in creative pursuits.

Different people have different kinds of aptitude and abilities. Say, some entrepreneur begins to cook rice in a unique way that people like and begin to pay twice the price of basic rice to him. The process of value-addition (i.e., wealth-creation) thus begins. This prosperous cook then has surplus-wealth to spend on whatever he enjoys, say watching people act. And thus, another individual's hidden potential gets an opportunity and he becomes an actor, being paid by the prosperous cook. This prosperous actor may then enjoy spending his surplus-wealth on books, and thus a person with potential to become a writer becomes successful. Some people may start spending surplus-time and surplus-wealth on scientific research and thus new ways of doing things (i.e. technologies) are created. The prosperity thus can continue to grow for one and all. The prices of products classified as survival-wealth would then continue to decline in relation with the total-wealth.

We may allow prices for products and services categorized as

surplus wealth, to increase to higher values, say 50 times of the price of total rice on the island. This is how the ratio of value-addition for this island may increase to 51 (total wealth = survival wealth + surplus wealth). In fact, the measure of wealth, i.e. money, is our own intervention to quantify wealth. The surplus-wealth created can be continuously increased to any levels? What is essential here to note is that the number 51 or 61 or 101 is not important; what is important is whether:

(a) each working individual has prosperity index of comfortably greater than 1

(b) sufficient new enterprising opportunities exist for new breed of entrepreneurs

What really matters is whether sufficient food is being produced with as little human time spent as possible. This is because in case of food shortage, worth of surplus wealth instantly becomes zero. Surplus-wealth means opportunity to allow the potential within human beings to mature. Money is only the means.

Imagine a third scenario. An island 'C' where 10 percent of human-time is required to produce sufficient quantity of food (as in island 'B' stated earlier) and yet people may remain poor struggling for survival. This may happen when a few people on the island misguide the policies that rule the island. The real wealth exists as human-potential in intangible forms, at all times. But policies are made in such a manner that prevents people from adding value by work. This would lead the society to poverty, unnecessarily.

For instance, suppose an individual is required to go through a lengthy bureaucratic process to obtain permission to make any value-added product or service. This may discourage and frustrate a capable person and he may not take-up value-adding activity that he is capable of. Or, suppose one sets up a new activity for value-addition, and is constantly harassed by one or other government-inspectors to an extent that he prefers to close the shop. Or, suppose one adds surplus wealth with great efforts and the government wants to collect most of it as taxes, killing his incentives. Or, suppose the prices of houses go on increasing uncontrollably due to artificial shortages/speculations and people are left with little or no surplus money to pay for value-added products. The greatest tragedy for any society is that there are people who can produce what is required, but customers have no purchasing power!

In such a scenario, artificial shortages of survival needs are created and most people on island 'C' end-up remaining idle for 90 percent of their surplus-time and hence poor. For instance, most villagers in India (65

percent population) have no opportunity to create surplus wealth, although they have more than 50 percent of their time unutilized. On the other hand, 30-40 percent of national wealth is being tied-up within one metro-city of Mumbai alone, making villagers rushing there in hope and living in filthy slums. The net effect is that villages do not have surplus-wealth, whereas nation's surplus-wealth is being converted into survival-wealth in Mumbai (due to exorbitant cost of living). Another irony is that surplus-time in villages remain idle, whereas people in Mumbai are compelled to waste 3 to 4 hours a day in unwanted travel. So much for over-crowding in the name of urbanization!

As a result, in both places (i.e., villages and metro-city) majority of people end up struggling for survival only. This is how surplus wealth is converted into idle money. When greater part of wealth is tied up for survival needs, the opportunities for value-addition are killed. People then end-up wasting away their time in unproductive or destructive activities, rather than creating wealth, they are capable of. Pathetic quality of life for over 80-90 percent people in Mumbai and Delhi with worst travel and shelter conditions is not even an issue any longer. High cost of small houses is only a notional feeling of being rich. Poverty in any society can directly be measured by the %age of collective human-time remaining idle or being spent in wasteful activities

Abundance of wealth resides in intangible forms, at every moment. All that is required is to provide greater incentives in economic process to maximize creative opportunities for human ingenuity. And this would become possible when increasing number of people would be allowed to work in the following manner:

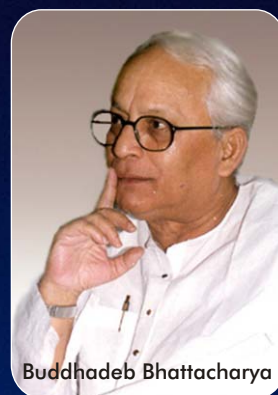
- lesser time to work for survival needs
- greater time in doing exploratory and creative work

The real wealth in a society is its human potential that stays dormant in everyone in intangible form. Process of wealth creation means facilitating this intangible wealth to convert into various forms of tangible wealth. This is only possible when everyone can have opportunities to sell his ability as a product or service and make good profits. This in turn requires prosperous customers around with ability to pay well. This is how the value-addition ratio increases exponentially. And for this to happen the prices of survival-needs, such as basic food, clean-shelter, etc. must remain at levels that can be easily earned by anyone. Achieving lower prices of survival-needs is what has to be the prime objective of economic policy making in any society. Continuing growth of prosperity then is a natural process. ■



Queen of Hills losing charm

West Bengal to develop alternative to Darjeeling



Buddhadeb Bhattacharya

Recently Indian Chamber of Commerce & Industry organised a two-day tourism summit to explore the tourism potential of the eastern and north-eastern part of the country. West Bengal Chief Minister Buddhadeb Bhattacharya, who inaugurated the summit, seemed not very happy with the performance of the state tourism department. According to him, the tourism department had not been able to showcase the tourism resources of West Bengal properly.

True, apart from a desert the state has all the stuff that can attract the tourists. In spite of that, the state does not have a good share compared to the other states in terms of the number of foreign and domestic





G D Gautama

tourists visiting West Bengal. The Chief Minister said, "Our performance is not satisfactory in attracting tourists. In the calendar year 2005 the number of domestic tourists that came to West Bengal stood at 13.56 million and the number of foreign tourists stood at 0.89 million. We have to improve these figures."

Bhattacharya said a number of initiatives were on the pipeline to boost the tourism sector. The state government was contemplating to start eco-tourism activity in the Sundarbans. "We are planning to start eco-tourism in that area. But, we have to move very cautiously as in any circumstances the bio-diversity and the wildlife of the area shouldn't be disturbed", he said.

Bhattacharya informed that the Planning Commission had agreed to form a sub-committee which should be entrusted with the task of making a report on how to go about it.

The Queen of Hills and West Bengal's most admired tourist destination, Darjeeling does not charm the tourists any more as it did earlier. It has become a jungle, in the words of Bhattacharya. The situation is such that the state government is on the look out for a new tourist spot in the region. "I am in touch with Subhas Ghising, Chairman of Darjeeling Gorkha Hill Council, and we are trying to identify and develop some new areas adjacent to Darjeeling", he said. Digha, another favourite spot with the tourists for weekends is facing some environmental hazards. The Shankarpur beach has been developed to substitute Digha. The state government is now trying to rope in more investors to build hotels and other tourist

facilities at Shankarpur.

Medical tourism is another very upcoming concept to attract tourists. The state government is trying to catch on that line. A number of super-specialty hospitals have already come up in Kolkata and another few are in the pipeline. This apart, Bhattacharya said, "We are also planning to set up three big hospitals in Kalyani, Rajarhat and South 24 Parganas." He added that to boost health tourism the state needed to encourage some other activities such as shopping malls, multiplexes, etc. "Pantaloons and Reliance are taking keen interests in these matter", he said.

Speaking on the occasion West Bengal Tourism Minister Manab Mukherjee said, "The tourism industry has a great multiplier effect on other industries and it is the highest generator of employment and earner of foreign exchange." He assured that the state government would provide the investors with all sorts of cooperation if they come with a concrete proposal.

State Tourism Secretary G D Gautama talked about a few assets of the state which if properly showcased could lure tourists to a great extent. He said, "Kolkata had been the capital of India till 1911. It has a lot of heritage properties. We need to take good care of them and promote them as part of tourism. This apart, Kolkata is also the cultural capital of the nation. Book fairs, film festivals, Durga Puja are the unique selling points of Kolkata." The opening of Nathu-la Pass has again opened up some more opportunities. "West Bengal is the gateway to the entire North East and South East Asia. We need to en-cash this advantage of geographical location of the state". On the issue of infrastructure, Gautama said, "Of course there are issues of infrastructure inhibiting our growth. Unless, we have the right infrastructure we won't be able to move forward. So, we need to correct whatever infrastructure we have." ■





Beck-Built Indiana Venture Center in full bloom, Eifert takes over

The Indiana Venture Center, Inc. is planning to say goodbye to Founder and Chief Executive Officer Steven J. Beck. Effective on August 1, 2006, James Eifert will take the helm of the Venture Center; Beck will begin as the managing partner at IVC Equity Partners. This passing of the torch comes nearly three years after the Venture Center's inception and requests from 550 companies for assistance.

"Leading the Indiana Venture Center has been incredibly rewarding. The people that I have met and the ideas that I have seen demonstrate that Indiana is heading in the right direction," explained Beck. "And I believe that the Venture Center and its clients will be in good hands with Jim Eifert."

Eifert joins the Venture Center with a history rich in university, technology, and corporate diversity. His prior experience in university academics, technology transfer, entrepreneurship and private consulting gives him a unique perspective in working with and marrying corporate, university, and student talents. In particular, his time as the Rose-Hulman Ventures president demonstrates his ability to validate ideas, apply the proper talent, and provide the necessary services to assist in commercialization.

"I am pleased to be able to join an organization that has made such an impact throughout Indiana," stated Eifert. "I envision that the Indiana Venture Center will strengthen and expand its current role as a nexus, forum, and catalyst for the entrepreneurial efforts through our collaborating universities in the State of Indiana. We will continue to connect entrepreneurs with the talent they need to become successful."

Three years ago, the Indiana Venture Center was a new venture itself and, as it continues to mature, Eifert will bring a new set of skills, ideas, and experiences that will enrich the services, strengthen the clients, and yield high results. Beck first recognized the need within Indiana's



entrepreneurial landscape; now, Eifert will have the opportunity to fulfill that need.

"I am an entrepreneur at heart, and all entrepreneurs are always looking for the next problem to solve. When I recognized the need for seed capital in Indiana and throughout the Midwest, I knew what my next venture would be," commented Beck. "Without the Venture Center, I never would have been able to validate that there is a total lack of early stage capital in the Midwest."

About the Indiana Venture Center, Inc.

The Indiana Venture Center, Inc. is a catalyst for the creation and growth of more entrepreneurial, high growth businesses in Indiana. The Center works to accelerate the creation and development of high growth companies; create Indiana opportunities to retain and attract knowledge workers; and build a collaborative alliance of universities within Indiana.

For more information on the Indiana Venture Center, Inc., please visit the web site at www.IndianaVentureCenter.org.

About IVC Equity Partners

IVC Equity Partners is a seed capital firm investing both capital and brain power. Led by managing partners that have 50+ years of broad experience helping companies start, grow, and profitably exit, IVC Equity Partners I fund will make investments in early stage growth companies located in

The Midwest in the following areas:

Transportation/Distribution Logistics; Custom/Advanced Manufacturing; Alternative Energy/Power Generation; Life Science; and Information Technology. Learn more by visiting www.ivcequitypartners.com.

Tie-ups with colleges to tap manpower

Webel looks beyond Salt lake to aid SMEs

By U.S. Pandey

If ever you needed a reminder that things are indeed changing on the IT front in West Bengal you need to drop into one of the oldest buildings in Sector V the Webel Building and walk into the managing director's office. Once regarded as another relic of the state's not too remarkable past, the 30-year-old public sector undertaking is going for a massive makeover, under the watchful eyes of the soft-spoken Debanjan Datta.

As Managing Director and CEO of the once-ailing and much reviled Webel, Datta has the fairly onerous task of turning around Webel into a "facilitator" for the burgeoning IT industry in the state. Now better known as West Bengal Electronics Industry Development Corporation (WBEIDC), a state government undertaking, it will now work on strengthening the physical as well as the social infrastructure in the state to aid the IT growth. And going by what Datta has to say it seems that for once, the undertaking has chalked out its road map for the future quite diligently.

"One of the major tasks cut out for us is real estate development. Apart from large companies we are also looking for developing space for medium to small companies as well. And we are looking for a number of joint ventures in the process. This is one of the many ways we have thought out for nurturing the IT and ITeS industry in the state," Datta says.

Apart from the existing infrastructure at the satellite township of Salt Lake often referred to as Kolkata's answer to Bangalore and Hyderabad, Webel is now



working on setting up "at least two more towers in the state."

The government, however, is also keen on taking the IT industry out of the city as well. Apart from the Software Technology Parks already being set up at Haldia, Kharagpur, Durgapur and Siliguri, the corporation is eyeing the BPO units and the call centres to set up shop in townships outside Kolkata.

"We have to look at it in a pragmatic way, once the big names in infrastructure like say the DLF, Tata or the Rahejas are involved, they themselves bring in the industry along with them. We are aware of this and working towards it," Datta says in his matter-of-fact tone.

There has been a lot of debate in West Bengal regarding the disadvantages of promoting Kolkata as a one-city venue for IT entrepreneurs in the state. In the recent past the state government has started looking beyond Kolkata and apart from the four destinations in Haldia, Kharagpur, Siliguri and Durgapur the government plans to take it further.

Although a late starter, the state government has realized the importance of trained manpower. In what is now almost a legend, a large number of software professionals from West Bengal have contributed greatly to the growth of the IT sector in the United States.

In the 90s when US witnessed a massive shortage of skilled manpower, it started looking eastward and within years a number of Indians granted the temporary working permit in



the United States increased dramatically to 55,000. The visas granted on the basis of their occupational skills known by their code name H1-B visa were substantially in the IT sector and from West Bengal.

The state will now tap its vast manpower reserves.

In what is being seen as the first arrangement of its kind, the corporation is on the verge of tying up with the private engineering colleges of the state to provide their students additional skills required for the IT and the ITeS sector.

"There is a shortage of manpower, especially for properly trained faculty. We have already written to the principals of these colleges. We are in the process of finalizing the arrangement whereby we can provide our resources to bridge this gap. One reason why many students do not end up with proper jobs is that they do not have the right skills required for the job. We intend to provide them with specialized training for the industry," Datta added.

In fact his department intends to take it further. "Not all jobs in the industry are meant for software professionals. There are so many allied fields. We can also provide proper training for

these professionals for the IT industry," he said.

Taking its role of the facilitator to its logical end, Webel will also embark on its first ever IT business satisfaction survey among the companies which are already in the state. "This will provide us a proper perspective of what these people feel about the facilities," Datta said.

There are many other new projects that the Webel has embarked upon including a meeting with the homegrown entrepreneurs who have done the state



proud with brand names such as Amar PC and Chirag computers. "This has been done with the hardware sector in mind," he said.

A 'Webel Nite' has also been planned from this year to reward the better performers in the sector. "Though the dates have not been finalised, we plan to hold it annually," he said.

Webel is also taking its corporate overdrive seriously. A glossy news magazine will soon roll out which will serve as "a platform for exchange of views of all those involved in the sector apart from providing an overview of the Webel activities."



Development of Industrial Infrastructure

West Bengal in Big Deal with Salim Group



Sabyasachi Sen

The West Bengal government has recently signed a jumbo deal with Indonesia-based Salim Group according to which the latter will take up a number of projects from urban development to industrial infrastructure. The agreement covered such diverse areas as construction of highways, roads, bridges, industrial estates, commercial complexes, housing, special economic zones, and vocational training institutes. So, it is going to be a busy span of 15 years during which the group will implement the projects one after another. West Bengal Industry and Commerce Secretary Sabyasachi Sen who seemed very upbeat about the deal spoke to New Media on the agreement, its cascading effect and some other related issues. Excerpts.

West Bengal government has recently signed a historic deal with the Indonesia based Salim Group. According to the deal, the group will take up quite a few projects in the areas of industrial development, infrastructure development and urban development. Can you give a few specifics about the deal?

Indeed, it is a historic deal as the deal will fetch a large amount of investments into the state from the group in those sectors over a period of 15 years. A special purpose company or a consortium termed as 'New Kolkata International Development Private Limited' has been promoted by the Salim Group, the Universal Success Group and Unitech which will take up the projects.

To tell you specifically about the entire deal, two special economic zones will be set up in Haldia in the district of Purba Medinipur. One SEZ will be exclusively for chemical industry. The chemical SEZ will be set up as a 50:50 joint venture with West Bengal Industrial Development Corporation (WBIDC) and the consortium promoted by the group. We have also identified the anchor investor for the chemical SEZ which is going to be Indian Oil Corporation. The other SEZ will be a multi-product SEZ spread over an area of 12,500 acres of land.

A few industrial estates will be set up over an area of 400 acres of land for small and medium enterprises in the district of South 24 Parganas and Purba Medinipur. This

will also be done as a joint venture with WBIDC and the consortium. In these estates, we will create basic infrastructure required for SMEs, including land development, internal roads, power supply, water supply, drainage and sewage and effluent treatment.

On the infrastructure development side, the consortium will construct Eastern Link Highway, which will be a national highway and standard expressway with service roads on both sides, with rail over bridges, flyovers and underpasses wherever required to allow uninterrupted passage for local traffic, from Barasat Bypass to Raichak. The total length of the Highway is approximately 100 km, with a width of 100 metres. Total land required for the road project will be about 2500 acres.

This apart, the consortium will construct two bridges, one is Raichak-Kukrahati bridge and the other is Haldi-Nandigram bridge. The Raichak-Kukrahati bridge will be maintained by the consortium for 15 years, after which the state government will take over maintenance. The Haldia-Nandigram bridge will be maintained by Haldia Development Authority.

The group will also develop some township projects. Can you elaborate on that?

Yes, they will develop three township development projects. Those are Kukrahati township, Baruipur township and Bhargar township. The Kukrahati township will be a residential complex spread over an area of



5,000 acres in Kukrahati, Purba Medinipur district. The Baruipur township project will also be a residential complex spread over 3,750 acres in Baruipur, in South 24 Parganas district. The Bhangar township project will be developed on a total area of 1500 acres. There will be a health city and a knowledge city built on about 250 acres and the rest of the area will be kept for residential and commercial complex.

Obviously the project will require a huge amount of land to be acquired. Who would pay for the land and how do you propose to take care of the land losers?

The Consortium will pay the cost of acquisition of all land required for the project. They will pay the cost upfront to the Requiring Body as per requisition. The Requiring Bodies will be WBIDC for the lands in Purba Medinipur district, for the township lands in South 24 Parganas district, for the Institutional Area in South 24 Parganas district, and for the 1500 acres to be acquired adjacent to the highway in South 24 Parganas and Purba Medinipur districts. KMDA will be the requiring body for the district headquarters and EM Bypass extension. And for the Eastern Link Highway and Pailan-Baruipur road again WBIDC will be the Requiring Body.

The price of the land will be determined at the present market price. We will try not to acquire any homestead land as far as possible. If any case it is done, resettlement housing will be provided to families losing homestead land, in accordance with the guidelines issues by the Land and Land Reforms Department. The cost of land acquisition will also include payment of compensation to recorded bargadars at the rate 25 percent of the compensation paid to the owners of the land.

This apart, we have also chalked out some programmes to provide the land losers with alternative sources of income. The Consortium will construct two large commercial blocks one in the district of South 24 Parganas spread over 100 acres, adjacent to Eastern Link Highway and another in Purba Medinipur spread over 150 acres. The number of stalls to be constructed will be 20,000 in total, 8,000 in South 24 Parganas and 12,000 in Purba Medinipur. Those will be handed over on ownership basis to the marginal farmers among the land losers whose major livelihood depended on the land acquired for the project.

The Consortium will set up a training institute to provide vocational training in trades like plumber, electrical, fitter and on IT skills in four locations viz. Bhangar, Baruipur, Kukrahati and Nandigram. They will operate the training institutes for five years at their cost and provide training to the youths from the land losers' families, free of cost. After

five years, these four facilities will be handed over to the State Government.

The agreement also says that the Consortium will spend a sizable amount to improve agriculture in the state. Will you elaborate?

Yes, they will pay a significant amount to the state government to improve agriculture of the state. We will spend the amount through the district magistrates who will spend on the cause of improving crop production. The money would be spent to implement irrigation projects in districts like Bankura and Purulia and also to convert single crop land to double-crop land.

How do you see the cascading effect of implementing such a mega-project?

It is very hard to calculate the impact of implementing such a mega project so early. Definitely, it will result in a quick access to Haldia from Kolkata which is poised to become a major industrial hub of the state. It will also result in a fast connectivity with Kulpi port. It will have a tremendous impact on the industrial scenario of both the districts of South 24 Parganas and Purba Medinipur. There will also be significant employment opportunity of the local people.

You mentioned of Haldia becoming an industrial hub. Do you think the infrastructure at Haldia is satisfactory at the moment?

I think it is satisfactory at the moment. Nevertheless, we have to go on improving the infrastructure because Halida is becoming a hot choice for the industrialist. Quite a lot of industrial projects are coming up at Haldia and another few are in the pipeline. We have to respect the choice of the investors because this is the age of competition. So, we cannot force them to go to other districts.

The Reliance Group proposed to invest a sizable amount in the state on agriculture retail. What is the current status of that project? Could you elaborate a little on that?

The group will set up a few distribution centres typically spread over an area of 100 acres which will comprise shopping malls, cold storage and retail outlets. This will be called a 'Rural Business Hub'. They want to set up such hubs at every district headquarters. They will distribute agriculture equipment to the farmers from those hubs and also sell fruits and vegetables. Almost 20 percent crops of the state is wasted due to lack of preservation facilities. So the farmers will benefit immensely from the project as the group will procure fruits and vegetables directly from farmers. We are in the process of fine-tuning the deal. I hope that we will sign the agreement within one month. ■



Bengal Peerless in pact with China's NHZ to develop hi-tech zone at Rajarhat



K.S. Bagchi & ShaoQiang

Bengal Peerless Housing Development Corporation Limited has recently signed a landmark agreement with the Nanjing Hitech Zone (NHZ) of China, a deal that will bring Chinese foreign direct investment for the first time into the infrastructure sector of West Bengal. According to the agreement, Bengal Peerless and NHZ will jointly develop a hi-tech zone spread over an area of 12 acres at Rajarhat, adjacent to Kolkata. The zone will be christened Nanjing Bengal Peerless Hi-tech Zone.

According to K S Bagchi, who signed the deal for Bengal Peerless with Shao Qiang, General Director of NHZ, the zone will offer a built-up space of more than six lakh sq. ft. The entire cost of the project is estimated at US \$ 80 million, of which NHZ has agreed to invest US \$ 18 million and another Chinese company Sunwoh has sent a letter of intent to put in another US \$ 20 million for setting up the complex in Kolkata. The cumulative investment from China for setting up the complex is going to be US \$ 38 million. Bengal Peerless will meet the rest of the project cost.

"English language based business process outsourcing companies of China in the fields of biotechnology, nano-technology and hardware are expected to set up their units in the hi-tech zone", Bagchi informed. The project will generate a good amount of employment to English-speaking graduates in the state. "We will approach the state government for land very soon. The construction work for the project is expected to begin early next year",

Bagchi said.

Under the second part of the agreement, Nanjing Hi-tech Zone will allot 2.44 lakh sq.ft. of built-up space at NHZ in China to allow Indian software and ITeS firms to set up their facilities absolutely free of cost. The Indian pavilion of the zone will be known as Bengal Peerless Nanjing Hi-tech Zone. It will also have a centre of excellence. Bagchi said that they were planning to do some knowledge process outsourcing from the centre of excellence in association with Jadavpur University and IIT Kharagpur. The companies, to be allotted space at the zone, would be selected by a committee to be formed soon. The committee would be headed by West Bengal IT Minister Debesh Das, Bagchi said.

"We are looking at sending some 20 small and mid-size IT and ITeS companies to Nanjing", Bagchi said. Nanjing Hi-Tech Zone is a very popular business hub of China. Almost all the leading companies have units over there. The zone records a turnover of around US \$ 210 billion.

Bengal Peerless signed the memorandum of understanding (MoU) with the Nanjing Hi-tech Zone some four months ago. The MoU was converted into an agreement on September 3 when Bengal Peerless Managing Director K S Bagchi visited China. Bagchi seemed very upbeat about the deal. The Chairman of Bengal Peerless D Das also gave full credit to Bagchi for making the project a reality. ■

India-US Financial and Economic Forum Meet:

Successful WTO talks vital to boost global trade

India and the United States have agreed that successful conclusion of the WTO Doha Development Round negotiations remains essential to promote global trade and growth. The two sides arrived at this conclusion during the discussions between their respective delegations at the sub-cabinet meeting of the India-US Financial and Economic Forum, which is part of the broader US-India Economic Dialogue.

The Indian delegation was led by Economic Affairs Secretary Ashok Jha in the Ministry of Finance. The invitation to co-chair the meeting held on August 23, 2006 was extended to Jha by US Treasury Under Secretary Timothy D. Adams.

The two delegations discussed a number of key issues including developments in the global economy, policy responses to high oil prices, US and Indian leadership in the WTO Doha Development Round negotiations, strengthening India's physical and financial infrastructure, and collective efforts to combat money laundering and the financing of terrorism.

Besides senior officials from the Ministry of Finance, Government of India and the US Treasury Department, representatives from the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, US Securities and Exchange Commission, National Association of Insurance Commissioners, Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, Reserve Bank of India, and the Securities and Exchange Board of India, participated in the discussion.

In the meeting, the discussions focused on:



Global Economic Issues

The delegations discussed a range of issues facing the global economy. They noted that global growth remains exceptionally robust, the highest in three decades, despite continued high oil prices. The Indian economy remains strong, driven by domestic demand. Growth in the US remains solid, in part due to sustained productivity growth, and fiscal consolidation is ahead of schedule. The two sides noted risks to the global economy, which include the impact of sustained high oil prices and a disorderly adjustment of unbalanced growth in many parts of the world. India and the United States reiterated that a successful conclusion of the WTO Doha Development Round negotiations remains essential to promote global trade and growth.

Financial Sector and Infrastructure Issues

The delegations discussed the role of sound financial institutions and efficient financial markets in mobilizing savings and allocating resources efficiently to generate growth and help alleviate poverty. Both sides highlighted the important role that foreign direct investment can play in strengthening the productive base of the economy. The two sides discussed the role of financial sector development in stimulating resources for long-term financing.

US officials discussed recent developments in the US

banking industry, as well as regulatory approaches to complex financial transactions and risk management. The US side also emphasized the contribution of financial sector liberalization to growth and stressed the gains that could be achieved by greater foreign participation in the banking, insurance, and pension sectors, and in capital markets. The Indian side described the recent steps taken to liberalize the banking and insurance sectors and emphasized the importance of a calibrated, gradual approach to these issues, consistent with their overall policy objectives.

Indian officials affirmed their commitment to infrastructure development as a means of reducing

poverty and expanding economic opportunities. They acknowledged the importance of encouraging private financing for infrastructure to complement public expenditure. Key components include an improved investment climate, financial sector development to enhance long-term financing, and improved project design.

The two sides acknowledged the importance of actions to detect and disrupt money laundering and financing of terrorism. They discussed implementation and enforcement of anti-money laundering laws within the financial sector. The delegations agreed to continue to work together to identify and freeze terrorist assets. ■

Indian ports need Rs 100,000 cr investment by '12

Ports in India need a substantial capacity augmentation at both major and minor ports to meet the traffic demand that could easily grow at the rate of 15 per cent per annum in next few years, according to a report prepared by the Federation of Indian Chambers of Commerce and Industry (FICCI).

In a representation to National Manufacturing Competitiveness Council (NMCC), FICCI has urged the government to target more than Rs. 100,000 crore of investment in ports by 2012-13 so as to support the 12 per cent manufacturing growth.

Indian exports grew by more than 20 per cent in the four-year period 2002-06 and imports grew by 28 percent mainly on account of demand from manufacturing sector for raw materials, intermediate goods and capital goods, it said.

In addition to the current growth rate in cargo traffic and considering the likely impact of various free trade agreements (FTAs) and multilateral trade agreements that India is going to have in the near future on India's trade, FICCI feels that the projected traffic could reach 1,174 million tonnes by 2012-13 at major ports.

To support this traffic, around 1500 million tonnes of capacity is required at major ports, noted FICCI (Here, the underlying assumption is to add 30 per cent surplus capacity over the projected traffic for the year).

Currently, FICCI pointed out, the traffic at major ports is growing at an average rate of around 10 per cent per annum. The apex



chamber has highlighted that many important trade agreements are in the pipeline.

"All this implies the traffic at ports is quite likely to grow at a rate much higher than the existing 10 per cent growth per annum to about 15 per cent per annum," states the report. With this growth rate the additional capacity required will be more than 1,000 million tonnes at major ports.

This, FICCI said, requires substantial capacity augmentation at both major and minor ports. The National Maritime Development Programme (NMDP) envisages an investment of Rs 55,580.73 crore for a capacity addition of around 520 million tonnes over the next seven years. ■



India Inc made 306 overseas acquisitions during the six-year period 2000-2006 with deals worth over \$10 billion, according to a study by FICCI, which has recently been released. Over 130 takeovers happened in 2005, and the US emerged as the most preferred destination with 90 acquisitions.

Of a cumulative 306 outbound acquisitions by Indian companies during the period under study, the IT-ITeS sector accounted for 28 percent, with 90 deals struck. While India Inc.'s global acquisitions were rising gradually until 2004, the liberalisation in the policy regime for outward investments in 2005 allowed Indian firms to invest in entities abroad up to 200 percent of their net worth in a year," FICCI said.

With a total of 28 acquisitions in 2005, the miscellaneous segments included companies from businesses as diverse as energy, infrastructure, telecom, banking, it said. The FICCI analysis showed that between 2000 and 2006, of all foreign acquisitions made by India Inc, nearly one-third was accounted for by just 15 companies. While the US emerged as the most favourite destination for India Inc, the UK was the second most important destination with 40 acquisitions registered in the country during the period.

Insurance cover

Buoyed by the encouraging performance of Indian

industries in acquiring companies abroad, FICCI has urged the government to set up an autonomous body similar to Oil Producing and Exporting Countries (OPEC) to provide the political risk coverage for future endeavours by India Inc.

The FICCI survey has highlighted eight factors that have led to these acquisitions. FICCI Secretary-General Amit Mitra said in a statement: "Based on the finding FICCI would request the Prime Minister to set up an autonomous body like OPEC, with a chairman. Such a body could start with a fund support from government. The government's share would reduce as more and more private companies join it. This body is important to get the political risk cover while investing abroad."

Achieving global leadership in a specific product category, greater and easier market access, moving up the value chain, access to technology and knowledge, access to international brand names, growth in size and scale of operations, acquiring natural resources, strengthening capabilities in a niche area, FICCI states, has individually or in combination steered Indian companies in their foreign sojourns.

Mitra acknowledged that while the number of acquisitions made by Indian companies is on the rise, the deal sizes are not very large. The deal size values vary from a low \$ 0.1 million to a high of \$766.1 million.

The survey also noted that out of the 306 acquisitions,

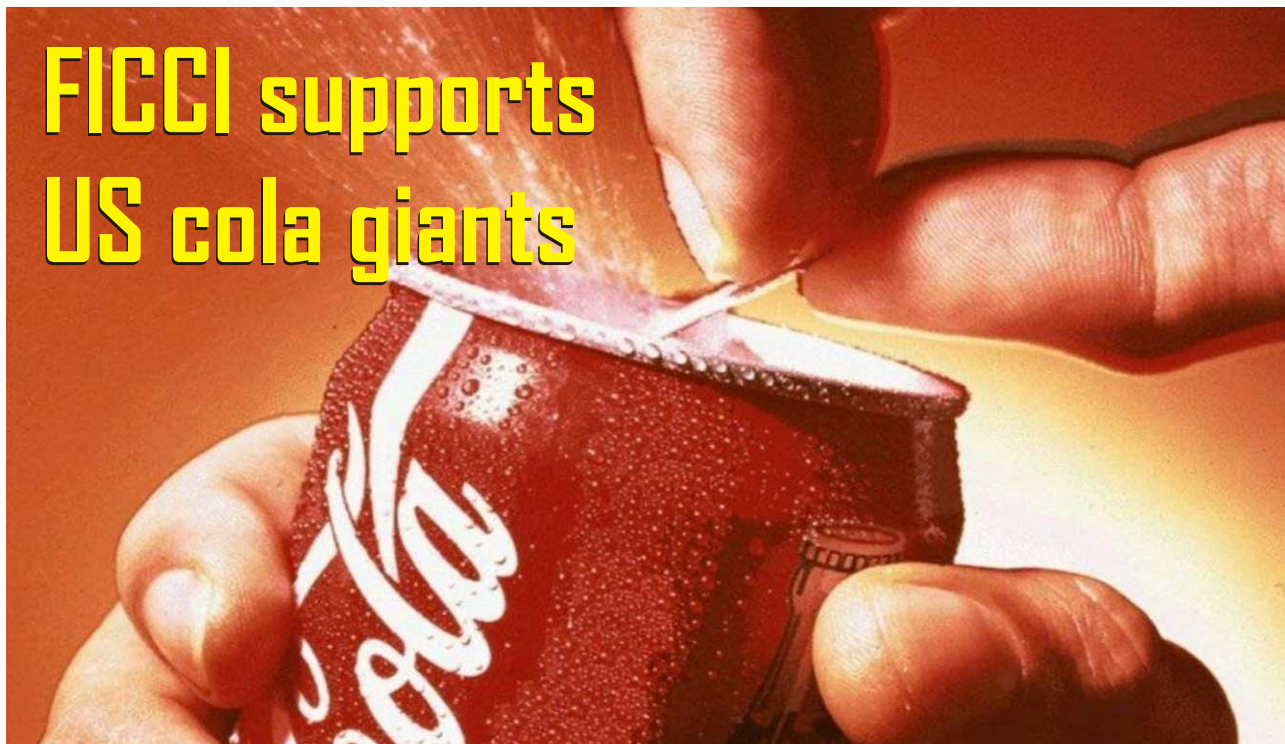
deal size details were available for only 193 cases. Out of these 84 deals were in the less than \$10 million category.

Further another 49 acquisitions were in the \$10-\$25 million range. The average deal size in all sectors, excluding oil and gas, has remained under \$100 million. While Information technology sector led in terms of the number of acquisitions with an average deals at about

\$22 million.

A look at the year-wise data pertaining to the geographical destinations chosen by Indian companies for their overseas acquisitions shows that the US and Europe are emerging as a favoured acquisition regions, the FICCI survey said. ■

FICCI supports US cola giants



Global cola majors PepsiCo and Coke, which are at the receiving end of a pesticide row, on Thursday got unexpected support from the apex industry body FICCI that cautioned states against taking any hasty decisions.

A day after Kerala banned production and sale of colas of both Coca Cola and PepsiCo, FICCI said it would write to the state government to "follow the process of law" as action against these companies without validating charges would adversely impact the investment climate.

"If without following due process of law, governments start announcing a ban, India's credibility as a law-abiding country may come into question," FICCI president SK Poddar said.

FICCI general secretary Amit Mitra said the chamber president would write to Kerala chief minister, appealing to him to "please follow the due process, and let the regulator substantiate the violation as per existing laws before taking action."

Karnataka, on Wednesday, had decided to ban sale of Coca Cola and Pepsi in educational institutions and hospitals, while Rajasthan, Punjab, Madhya Pradesh and Gujarat have already banned them in educational institutions and government offices.

Mitra said action without following regulatory process "will not only affect foreign investment, but also domestic investment." ■



'Indo-US nuclear deal on track'

The Indo-US civilian nuclear agreement is on track and slated to be taken up by the US Senate in September this year, the US Assistant-Secretary of State for South and Central Asian Affairs, Richard Boucher has said.

"The nuclear treaty is an extension of what we have done in the past and a symbol of what we can do in the future. The agreement is on track and is moving swiftly forward. The US Senate will examine the contents of the agreement in September and I am sure that it will be cleared in just the way it was entered into by President Bush and Prime Minister Manmohan Singh," Boucher said, addressing Members of Parliament and industrialists in New Delhi recently.



The deal, under which India will get access to US nuclear fuel supplies and civilian nuclear equipment, was passed by the US House of Representatives last month. It now needs to be approved by the US Senate.

Speaking at the interaction, Boucher expressed confidence that the final legislation would reflect the draft agreed to by both the countries. This comes in the wake of concerns raised by the Indian Government on some of the amendments that American Congressmen have proposed to the Bill.

On the issue of terrorism, Boucher, who had earlier said in Washington that India did not have enough evidence to accuse Pakistan for the Mumbai blasts, acknowledged that certain terrorist groups having 'designs' against India still exist in Pakistan. He pointed out that 'things have advanced' since he made such remarks a few weeks ago.

Describing the July 11 Mumbai blasts as a 'tragedy', Boucher said, "You (people of India) have been hurt by terrorism repeatedly. You are determined to beat that...We remain your partners." He said the US was working with India and other countries of the region to try and beat terrorism. ■

Expanding Indo-US bilateral trade

Trade and commerce form a crucial component in the rapidly expanding and multi-faceted relations between

India and US. From a modest \$ 5.6 billions in 1990, the bilateral trade in merchandise goods has increased to \$ 26.76 billion in 2005 representing an impressive 378% growth in a span of 15 years. India's merchandise exports to the USA. grew at 20.78 % from US \$ 15.57 billion in 2004 to US \$ 18.81 billion in 2005. US exports of merchandise to India increased from US \$ 6.11 billion in 2004 to US \$ 7.99 billion in 2005, an increase of 30.77%.

A tabular profile of the bilateral trade during the recent period is given below.

Bilateral Merchandise Trade (2001 to 2006*) (In US \$ Millions) Years					
Item	2002	2003	2004	2005	2006*
India's export to US	11818	13055	15572	18808	6944
US exports to India	4101	4980	6109	7958	2949
Total Bilateral Trade	15919	18035	21681	26766	9893

* Indicates the period January to April 2006 only
Source: US Department of Commerce

'India infrastructure sector needs reforms'

India needs more reforms and lower taxes if the core infrastructure sector - from energy to steel - is to grow at more than 5.0 percent in 2006-07, a survey conducted by the leading Chambers of Commerce has said. The infrastructure sector is key for the economy to hit 10 percent growth, from 8.4 percent in 2005-06. Combined growth of six infrastructure sectors - oil and gas, crude oil, electricity, coal, steel and cement - was 4.9 percent in 2005-06.

The chamber said higher core growth would also benefit the engineering and services sectors. The survey shows the oil and gas sector growing at 0.8-1.4 percent in 2006-07, versus a 1.4 percent fall in output in 2005-06. Crude oil production should rise 0.5-1.2 percent versus a 5.2 percent

Coal, electric power, oil & gas, crude oil, steel and aluminium are the major core sector segments projected to record higher growth rate in 2006-07 compared with the growth rate in the previous fiscal.



The higher projection for this year will translate into improved growth prospects for a range of industries in the engineering, non-engineering and the services sectors, the survey said.

The survey, based on responses from industry, allied industry organisations, associations, government and PSUs, reveals that the coal sector is projected to grow at 6.5% - 7% in April-March 2006-07, compared with a growth of 6.4% during the corresponding period last fiscal. Likewise, electric power is slated to grow at 5.5% - 6% (against 5.1%); oil & gas 0.8% - 1.4% (-1.4%); crude oil 0.5% - 1.2% (-5.2%); steel 7%-8% (6.5%) and aluminum 8% - 9% (7.8%).

The survey confirms that in the coming years the core sectors can attain projected growth rates and may even record higher growth than projected, provided some of the basic issues pertaining to each individual sector are addressed.

Some of these issues relate to inverted duty structure, anomalous import tariff, rising prices of basic raw materials with inadequate availability. Inadequate power and power cuts, poor quality of coal and unstable supply have become the major hurdles for user industries in the core sector.

Linkages between supplying coal fields and powerhouses, transportation bottlenecks in case of coal and cement over long distances, continued environmental problems, increase in water cut and increase in water oil ratio in few developing fields and less than anticipated production from enhanced oil recovery projects in the case of oil and gas, high taxes at all levels- center/ state/ local (over 70% of ex-factory price) for cement, higher excise duty on steel and anti-dumping duties on steel are some of the sector specific issues and constraints.





KARNATAKA BRANCH

'Retail Trade: Growth & Consolidation Vital'

The Karnataka Branch of the Indo-American Chamber of Commerce (IACC) in collaboration with Alien Solly organized a half-day seminar on 'The Changing Scenario of Retail in India-Impact on Business' on August 18, 2006 at Hotel Le-Meridien, Bangalore.

Bijou Kurien, President & CEO- Lifestyle & Luxury, Reliance Retail spoke on Drivers of Retail Transformation in India. He said that the Indian market was largely dominated by the unorganized sector with up to 97 percent single outlet sales. Though the market is estimated to be worth about \$240 billion, the average sale per outlet is only about \$20,000.

Kurien said that developed countries dominated the international retail landscape. The organized sector in the US comprised 85 percent while in India it was just 3.0 percent. Absence of organized retail in India could be a problem. The way out was that single large stores have to grow larger by consolidation and expansion of larger national retail chains must be introduced, he said.

Kurien elaborated on the eight drivers of change in the present scenario: economy, internationally aware consumers, media & habits, brands that have evolved into status symbols, new real estate value, proposition,

possibility of foreign retailers entering the market, increasing use of technology and decreasing use of regulation. These could change the scenario, he said, adding that such changes were possible if the manmade challenges to these were dealt with.

Vinay Kumar Director, Times Internet Ltd, spoke on e-Business the Road Ahead. Kumar said that at a time when the retail industry in the country was booming, retailers must try and leverage their brands online. This could be done by creating incentives for customers and offering a multi-channel experience.

Sudhakar, Director Fabmall, spoke on Why is Internet Retailing the Way to go. He said, "That while the online medium may never replace physical retail, as a concept it is here to stay. Low cost good quality broadband will be an enabling factor in this direction".

Hemchandra Javeri- President, Madura Garments spoke on Challenges on Retail Viability. He said that while retail market in India was booming it was still very nascent. The exploding retail landscape was also attracting several mom-and-pop realtors and such smaller malls might lose their viability in the coming years. Several brands were fighting for scarce quality space. ■



L to R : Harish Jagtiani, Committee Member, Karnataka Branch, IACC, Bijou Kurien, President & CEO, Lifestyle & Luxury-Reliance Retail, Priya Chetty Rajagopal, Chairperson, Karnataka Branch, Vinay Kumar Director, Times Internet at Half day Seminar on 'The changing Scenario of Retail in India -Impact on Business'



American I-Day Celebrations

IACC (Karnataka), in collaboration with Ford India, celebrated the Independence of America on Tuesday, July 4, 2006 at The Taj West End, Bangalore.

The 'All American' evening was celebrated with colors of the American flag, blue, white and red. Sparkling entertainment, fellowship, and exciting events in addition to giveaways and prizes for the members made the evening a memorable one for the invitees.

This get-together was made possible with support from Ford India, the Star Sponsor for the evening. Besides this, ITC Infotech co-sponsored the event and Taj West End was the hospitality partner.

The elite guests, most of them the who's who from the various MNCs, and the IT Industry, and the chairmen, MDs and VPs from the SMEs of Karnataka, Americans based in Bangalore mingled with each other freely

buoyed by the abundantly flowing spirits, sponsored by Kingfisher, Fling & Chivas Regal.

Ms. Priya Chetty Rajagopal, Chairperson IACC, Karnataka and National President IACC Prabhakar extended a warm welcome to all the members and guests and invited them to join in the fun and excitement of the evening.

Sagar Reddy designed a gala evening peppered with loads of excitement with games, jazz band, foot tapping music and a comedian performance by the "Funny Man."

Prizes, prizes & prizes

For once, members of the Indo-American Chambers of Commerce (Karnataka branch) found themselves more at home on the stage than seated in the audience. Why not, wasn't it fun time?



Cake cutting at I-Day Celebration

Over 30 exciting prizes from kind sponsors like Orange County, Ceralli Genuine Leather, Reid & Taylor, Levi Strauss, Orora Diamonds, Timex Watches, Madura Garments, ITC Windsor Sheraton, Oberoi, Taj Group of Hotels, Nilgiris Dairy Farms and many more, were handed out to lucky winners by the sponsors for the evening, besides members of the IACC Committee.

The successful evening of festivity and bonhomie was a time for all members and their close-ones to come together and proved to be an opportunity for IACC (Karnataka) to recommit itself to each valued member. ■

Product Certification: A Business Need

The Indo American Chamber of Commerce (Karnataka Branch) in co-ordination with UL India Pvt Ltd organised a speaker meet on 'Product Certification for the US Market' at Hotel Royal Orchid Central on July 26, 2006.

Product Certification adds value to your products and helps entry into the most demanding markets be it in Europe, North or South America, Asia or the Middle East.

Chandrakumar Shantaraju, Senior Project Engineer at UL India walked the audience through the requirement, procedures and benefits of Product Certification. Chidanand Burji, Project Manager, Schneider Electric spoke about his company's experience/ benefits of having safety certification for their products. This seminar was sponsored by UL India. ■



NORTH INDIA COUNCIL

Fellowship Night in the North

The North India Council of the Indo-American Chamber of Commerce (IACC) hosted its 'Annual Fellowship Night' on 27 July 2006 at Hotel Intercontinental Eros, Nehru Place, New Delhi.

The Fellowship Night provided an opportunity for our members and guests to meet and network with key officials from the US Embassy and heads of US multinationals.

The theme of this year's Fellowship Night was Hawaiian. The gala event was spread over fun 'n frolic, dance and music. Raffles, and exciting prizes added fun to the evening.

Acting Commercial Consul (US Embassy) Dale Tasharski, was the Chief Guest. There was a good representation of

US Embassy officials including Visa Counselor Richard Sherman, Economic Counselor John Fennerty, FAA Senior Representative for South and Southeast Asia Howard Nesbitt, and Ms Jane E. Schukoske. Executive Director, USEFI.

There was participation from MNCs such as Avon, Fedex, Ingersoll Rand, International SOS Services India Pvt Ltd etc.

IACC-NIC President Baljit Sobti welcomed the guests, IACC Executive Vice President Deepak Pahwa felicitated the Chief Guest and Fellowship Night Chairman Vikram Madhok, proposed the vote of thanks.

The event was supported by American Airlines, Golden Tobacco, JKJ Jewellers, BIT Air and Spice Jet. ■



From L-R Dale Tasharski, Deputy Commercial Counselor, US Embassy; Vikram Madhok, Immediate Past President, IACC-NIC; Vinod Madhok, Regional Vice President, IACC-NIC

Baljit Sobti, Regional President, IACC and Dale Tasharski, US Dy. Commercial Counselor at the IACC Fellowship Night in New Delhi





Meeting with Dr. Satish Kulkarni, Counselor for Environment Science, US Embassy

United States-Environmental Resource Centre (US-ERC), the environmental section of Indo-American Chamber of Commerce (IACC) hosted Dr. Satish Kulkarni, Counselor for Science, Technology, Environment and Health Affairs, the US Embassy, New Delhi, over a round-table discussion with members at the IACC conference room during his introductory visit to Mumbai on August 30 2006.

US-ERC is an industrial environmental extension with an outreach programme to assist industry and society at large to handle environmental issues. US-ERC is the joint initiative of US Government Agencies such as USAID, US-AEP & USFCS supported by Indian government agencies, NGO's and industrial associations.

The open forum for round table discussion focused on environment issues relevant to Mumbai in particular and India in general. The special invitees from the American Consulate General, Mumbai were William Klein, Consul

for Political & Economic Affairs, Gregory Coffey, Vice Consul and Ms. Trisha Chilimbi, Economic Specialist. Representing the Indo-American Chamber of Commerce were R.K. Chopra, Secretary General, Ms. Kamal Master, Asst. Regional Director, WIC and Ms. Suba Gajapathi, Asst. Manager, US-ERC.

At the round table discussion, the participants comprising professionals & consultants from the environment field, CETP's, NGO's (REEF WATCH, MESN), NEERI (Senior Scientists), Academicians, Bombay Chamber of Commerce, The Orchid-Ecotel (environment office), Financial Institution (SBI) had an opportunity to discuss the issues and probable solutions to the grave environmental issues clouding the Mumbai city. Dr. Kulkarni also deliberated on topics like methane capture, solid waste management, water recycling & waste water treatment, sanitation issues, vehicular & noise pollution. Dr. Kulkarni has invited valuable suggestions with regards to technology transfer, support from US Embassy.

WEST INDIA COUNCIL

Connaughton shares views on APP with IACC members

IACC-WIC hosted a meeting for with James Connaughton, Chairman of the White House Council on Environmental Quality on August 24, 2006 at the Chamber's conference room. Connaughton, who is also President Bush's Senior Advisor on energy and environmental issues, met with B. Prabhakar, President, IACC and key members of IACC Executive Council committee to discuss the status of the Asia Pacific Partnership (APP) on Clean Development and Environment. The focus of this discussion was to have Private Sector Engagement on deploying clean and efficient technologies to reduce pollution, improve energy security and to address climate change concerns.





KERALA BRANCH

US Visa issues clarified

The Indo-American Chamber of Commerce (Kerala branch) organized a lecture on 'U.S. Visas' in Cochin on August, 2, 2006. The session was conducted by Mark Fry, Chief of the Consular Affairs, U.S. Consulate, Chennai.

The gathering comprised corporate executives, students and those who wanted to visit the U.S. for seeing the country as tourists. Fry said the U.S. Consulate in Chennai was the second busiest centre as far as visa-seekers were concerned. The U.S. visa official explained the rationale behind many of the procedures which Indian visa-seekers often found cumbersome and difficult.

The Consular Chief said that the visa officials wanted to make sure that the visa-seeker was not an economic migrant, who could not find a job in his or her home country. He covered specific topics like tourist visas, business visas, student visas, employee visas for software professionals.

The meeting offered an excellent opportunity for all those who were involved in trade and business with the U.S.

Satish Murthi, Chairman, IACC-Kerala chapter presided over the function and C.P. Sebastian, Vice-Chairman proposed a vote of thanks. ■



Mark Fry, Chief of Consular Affairs, US Consulate, Chennai addressing the IACC members and guests on 'US Visa Rules' at a lecture held on 2nd August, 06 in Cochin, Kerala. on dias Satish Murthi, Chairman, IACC-Kerala C.P. Sebastian, Vice-Chairman-IACC-Kerala

National Executive Meeting at Chennai



David T. Hopper, Consul- General, American Consulate General, Chennai addressing the audience.



Addresses by B. Prabhakar, National President, IACC. In the dias from right, Sankaran P. Raghunathan, Chairman, IACC, Tamil Nadu Branch, Premaji Pandurang, Managing Trustee, Kshetropasna Trust, Tamil Nadu, R. Veeramani, Former National President of IACC, David T. Hopper, Consul-General, American Consulate General, Chennai, N. Kumar, Vice Chairman, Sanmar Group, Chella K. Srinivasan, Regional President - SIC, Kate Van Till, Vice-Consul & BEP Manager, American Consulate General, Chennai, R.K. Chopra, Secretary General IACC.



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"LIFE IS SACRED. CELEBRATE LIFE. CARE FOR OTHERS AND SHARE WHATEVER YOU HAVE WITH THOSE LESS FORTUNATE THAN YOU. BROADEN YOUR VISION, FOR THE WHOLE WORLD BELONGS TO YOU. " SRI SRI RAVI SHANKAR"

Active in over 140 countries the Art of Living Foundation offers unique programs that eliminate stress and help individuals develop their highest potential. The Art of Living reinforces human values and brings people from varied social, economic, geographic, cultural and religious backgrounds together in a spirit of Service and Celebration.

Art of Living Foundation Founded in 1981 and the International Association for Human Values (1997) by His Holiness Sri Sri Ravi Shankar, the Art of Living Foundation one of the world's largest volunteer-based international non-profit educational, charitable, and humanitarian organization offering programs in 146 countries. As a Non-Government Organization, Art of Living Foundation works in special consultative status with the Economic and Social Council of the United Nations, participating in a variety of committees and activities relating to health, education,

The Art of Celebrating life

sustainable development and conflict resolution.

The foundation celebrated 25 years of service to humanity by organizing a three-day global conference on human values from February 17, 2006 in Bangalore, India. Over 2.5 million people from over a hundred countries took part in the rare event, for what can only be described as the first ever 'spiritual Olympics.'

Born in 1956 in Papanasam, India, Sri Sri Ravi Shankar studied with many renowned spiritual masters and became a scholar of Vedic Literature. By the age of seventeen, he obtained an Advanced Degree in Modern Physics, and later received an Honorary Doctorate from Kuvempu University, Karnataka, India.

This unassuming humanitarian from India has dedicated his life to a violence-free global family, transcending the boundaries of religion, nationality, race, caste and language. He is probably today, the single-most multi-faceted activist on the globe: His humanitarian initiatives include combating terrorism in Kashmir, transforming extremists from the North East of India, Bihar and Andhra Pradesh, working towards ending the ethnic conflict in Sri Lanka, establishing schools for children from the underprivileged and marginalized sections of society and creating a forum for dialogue between leaders of all religious and political ideologies; trauma relief in times of calamities such as the South-East Tsunami, the Gujarat earthquake, the floods in Indonesia etc.

"Service is the natural expression of love and caring, " says Sri Sri Ravi Shankar.

The Art of Living Foundation and its volunteers support many service projects all over the world. The International Art of Living Foundation has also started relief operations in war-hit Lebanon. The relief operations being carried out through its international sister organization, (IAHV) International Association of Human Values, began soon after the bombing broke out. Local Art of Living volunteers in Lebanon including several doctors, had attended to thousands of civilian victims.

"The 1st Harvest" is a project undertaken by AOL volunteers where they sell excess produce at area Farmer's Markets and elsewhere and earmark 100 percent of the proceeds to New Orleans for Disaster Relief. For weeks, the volunteers worked non-stop 18-19 hours a day in Texas to provide relief to the survivors of Hurricane Katrina.



Run for Youth was organized in Columbus January 2006

To make the message of non-violence louder than that of violence, 16 cities in the US, Canada and Mexico joined hands to participate in the first annual "5K Run for Youth." Organized almost entirely by youth volunteers of the Art of Living Foundation, the run was held to raise awareness about the growing issues of violence and stress particularly among youth and the urgent need to come together as One World Family in providing education that fosters human values such as non-violence, compassion and a sense of belonging

Yoga of the breath course for HIVers in San Francisco

The Art of Living Foundation offered an eight-day course in August on yoga of the breath for people living with HIV. The no-fee course had taken place at the Quan Yin Healing Arts Center in San Francisco.

The Art of Living in Argentina has experienced tremendous growth in the last five years and it took a peak during the first half of 2006. Some 5,000 people from all walks of life have taken the AOL course including executives, politicians, artists, youth prisoners and street children. Ten teachers are in Buenos Aires and AOL has been extended to Rosario, Cordoba, Bahia Blanca, and other smaller towns in the country.

The activities in the center are countless: hundreds of poor every week seek ayurveda cooking courses, ayurveda massages, open guided meditations and knowledge sessions among other things.

The teachers are also conducting courses in prisons, doing seva (service), teaching manualities, handicrafts and having weekly satsang (congregation) in different prisons. The AOL prison programme has been taught, however, in Argentina in provincial prisons for the past five years. A Prison Smart Carpet Workshop Seva Project is also undertaken by AOL volunteers in



conjunction with Medio Camimo.

In July of 2006 Sri Sri visited Argentina for the fourth time and the country celebrated his presence. Sri Sri addressed members of the National Senate. Jorge Canevaro, MP, from the city of La Plata handed "Illustrious Visitor" to Sri Sri.

Part of his programme consisted of teaching the first Spanish advance course in Latin America. Some 700 people participated in the Advance Course and people came from as far as Venezuela, Chile, Brazil, Uruguay, Panamá, México and Costa Rica. Magic satsang was packed with over 1,500 people. On this occasion, Minister of Justice and Human Rights Alberto Iribarne received Sri Sri and signed an agreement to teach in federal prisons.

His Holiness Sri Sri Ravi Shankar addressed the European Parliament in Brussels in May 2006. Sri Sri emphasised the need to uplift human values and the role of spirituality in combating violence.

In Aug 2006, Sri Sri Ravi Shankar was conferred the Order of the Pole Star, top civilian and military honour of Mongolia, in recognition of the contribution his Art of Living Foundation has made to the nation.

Radio Art of Living, a WorldSpace network-exclusive channel aims at extending the teachings of the renowned spiritual leader, His Holiness Sri Sri Ravi Shankar. The AOL newspaper Prensa Prana is also released every month.

Sri Sri Ravi Shankar, a Noble Peace Prize nominee in 2005, travels to over 40 countries every year, to reinforce the message that all religions and the great spiritual traditions share common goals and values.

For Art of Living Foundation centres in South America, North America, Europe, Africa, Asia, Middle east, Australasia

<http://artofliving.org/centers/main.htm>

References

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