

THE NEWS MAGAZINE OF INDO-AMERICAN CHAMBER OF COMMERCE

Welcomes
Franklin L Lavin
Secretary of Commerce for International Trade
r, 2006

New Delhi

A man with glasses and a suit is speaking at a podium. The background is a blue wall with the letters 'IACC' repeated in white. A microphone is in front of him.

**A MISSION THAT
MEANS BUSINESS**

FOCUS

Bush Signs N-Energy Co-operation Act

COLLABORATION

AKI Efforts Leading India to 'Evergreen Revolution'

WEST BENGAL

Bouncing Back to Economic Buoyancy



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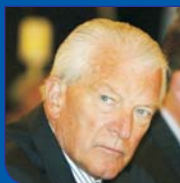
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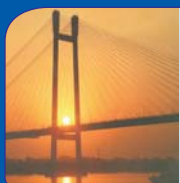
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collected from various sources, which are considered to be
reliable. Readers are however requested to verify the facts
before making business decisions using the same.



Dear Reader,

Greetings. The year 2006 has been momentous for Indo-US bilateral trade. Starting with the visit of President George Bush in March and culminating in the six-city Indian tour of the biggest-ever US Business Development Mission in November/December, the year has been packed with initiatives, meetings, summits and brainstorming sessions involving officials and businessmen from both India and the US. A significant milestone was the passing of the Civilian Nuclear Energy Cooperation Act in November by the US Congress. The current issue of Indo-US Business, in its cover story, presents a detailed account of the India visit by the US Mission, led by Franklin L Lavin, Under Secretary of Commerce for International Trade. Veerendra Bhargava managed a brief interview with Lavin to extract a message for Indian businessmen. We highlight it. A more important development, as mentioned earlier, has been the passage of the civilian nuclear cooperation act, and its subsequent signing by President Bush, which is the focus of the issue. US businessmen have already begun to scout around for Indian partners for setting up joint ventures to support scores of civilian nuclear reactors that will be built by India in the years to come. Seth Grae, President of Thorium Power, a US-based nuclear energy company, says that India has the potential to build at least 60 reactors of 1,000 megawatts each, which could require a total investment of up to \$120 billion. We carry a report. A significant agreement between India and the US covers cooperation between the two countries in agriculture. US Ambassador to India David Mulford says that the Indo-US Agriculture Knowledge Initiative (AKI) will lead this country towards an "Evergreen Revolution." We carry a report on the AKI's fourth meeting in New Delhi. The issue offers a special section on West Bengal's economic growth and its roadmap for development in various sectors of industry and commerce, including IT/ITES. India's phenomenal growth in the knowledge sectors of IT and ITES has proved that this country, with its deep roots in ancient wisdom, has emerged as the right strategic partner for the US, since both nations are destined to work together, as the world's two largest democracies. We carry a detailed report prepared jointly by Entrepreneur-India and New Media. Besides plenty of news, the issue carries other regular features.

Wish you happy reading

Satya Swaroop

Managing Editor

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My Dear Fellow Members,



May I wish all our valued readers a happy and prosperous New Year.

The good news is that during the year just gone by and the year that is unfolding, economic analysts say, India have progressed and the tempo and pace of acceleration will be in tact for the coming year as well. However, we should not be carried away by such conundrums. Forecasts, be it economic or political, should be rationale and reflective of the ground realities. Let us examine dispassionately what the forecasts portend.

India's growth path for the year gone by was impressive. GDP growth on an annualized basis may touch 8.5 per cent mark. Industrial growth might clock at 10 per cent. However, one cannot wish away the creeping inflation. Of course, accelerated growth will have attendant inflationary pressure on the economy. Concerned over the steady inflationary pressure on the economy, the RBI has upped the CRR by a few basis points. That has increased the call rate, that is the rate at which the banks trade with each other, to a whopping 19 per cent, more than double that ruled in the same period last year. It is unlikely that this steep increase will exert further pressure on the inflation since banks and institutions have shown the preparedness for steering clear off a further increase in the interest rates. However, RBI and the Government are keeping a tight vigil over the macro-economic fundamentals and supply-side economics so that scarcity driven, particularly of day-to-day consumer goods, will not trigger a further price spiral.

While we are entering 2007, there are skepticisms expressed from certain quarters that there is a likelihood of US economy slowing down, which will have serious repercussions on India's BPO sector. However, there are no such visible signs of slowing down in the horizon and even now there are pundits who bet on a buoyant US economy triggered mainly by manufacturing and, to some extent, realty. We cannot just wish away the skeptic forecasts. Policy matrix should be evolved giving right weightage to these variables that are quite unpredictable till that happen.

Happily, India has much to cheer on the FDI front. FDI into India is set to double and cross US\$ 11 billion this fiscal. Once reinvested earnings of foreign companies already present in India are taken into account (which is not presently reckoned

while computing FDI flow), the figure may even surpass US\$14 billion. This is a happy augury. However, the prospects for the next fiscal may have to face some of the imponderables such as coming elections in some of the States in the first half of the year. During the silly days (election days), it is natural for the Governments, all over the world to be bit populist. The moot point is whether the imminent further relaxations in the retail, insurance, pension funds etc will be put on hold at least till the elections are over. It is also instructive to bear in mind, half way through the year, the Government at the Centre will be completing three years in office and every subsequent policy decision will have the next general election in mind.

Body of experience collated from different States clearly foretells that correlation between vote bank and populist measures is not very significant. Bottomline is employment generation at decentralized levels and maintenance law and order. The polity may respond to any changes if they perceive that they are stakeholders in the changed landscape. Political parties should not deter from their policy parameters fearing electoral setbacks. Masses are not against reforms but against reforms without a human face. That should be the buzzword. That should also be the resolution that we should take in the New Year.

In brief, what we have achieved at IACC. We have forwarded a pre-budget memorandum to the Finance Ministry detailing some of the problem areas in both direct and indirect tax structure and suggestions for their redressal. I am sure, our recommendations, drawn up by some professional tax experts will receive due attention from the Ministry while preparing the Budget 2007-8. Equally significant is the ready response we had received from Ambassador Franklin L Lavin to our suggestions on signing Totalization Agreement between India and the US to avoid double taxation on social security and formation of a special body for co-operation among SMEs in India under the aegis of IACC. The response by Mr Lavin to look into these issues was spontaneous. We have lined up several important programs during this year and I shall apprise them in due course.

Deepak Pahwa

National President, Indo American Chamber of Commerce



Follow-up Action on

- A US delegation for Indo-US Economic Summit '07
- An Indo-US SME Forum & Summit
- An Indo-US Totalization Treaty

A Mission That Means Business



Economic relations between India and the United States have touched a new pinnacle with the recent visit of the biggest-ever US business mission to this country. Aptly named the US Business Development Mission, it was led by none other than Franklin L Lavin, US Under Secretary of Commerce for International Trade, one of the highest-ranking officials in the American Government. The Mission, thoughtfully chosen, represented diverse fields of commerce, industry and trade, and comprised 238 business leaders from 186

US companies. The Mission visited six cities and its members interacted with their Indian counterparts and held one-to-one meetings, resulting in several joint ventures.

The Indo-American Chamber of Commerce (IACC), the organization which has been in the forefront in promoting bilateral trade between India and the US, interacted with the visiting Mission during the latter's week-long visit to this country. IACC's North India Council hosted an interactive Luncheon meeting with Lavin and a 19-member sub-group from the Mission on 5th December 2006 in New Delhi. While Deepak Pahwa, National President, IACC, urged Lavin to mount a similar delegation to attend the next year's the Indo-US Economic Summit, the Chamber's annual flagship event, Vinod Madhok, Regional President-IACC-NIC, made a far-reaching suggestion that both countries should make efforts at setting up an Indo-US SME Forum on the lines of Indo-US CEOs Forum. Responding wholeheartedly, Lavin advised the IACC to organize an Indo-US SME Summit.



Pahwa, in his welcoming remarks at the start of the interactive meet, commended Ambassador Lavin for his successful efforts in leading the largest-ever trade mission to India and pointed out that it was indicative of what future held for the world's two great democracies. He said it was an endorsement of India's strong economic performance and improved business environment that

was being recognized for its increased openness for facilitating investment and to do business with.

"The significant transformation of Indo-US relations is apparent in the signing of the civil nuclear deal and its recent endorsement by the US Senate. It has reaffirmed the American commitment to actively engage India not only for enhancing commercial relations, but also to recognize the country as an equal partner in the new world order," Pahwa said.

Pahwa took the opportunity to talk about the role and activities of IACC in promoting Indo-US relations in general and business ties in particular. He referred to the Indo-US Economic Summits, an annual flagship event of IACC, which in the past three years had become an ideal platform for the policy makers, diplomats, corporate heads and businesses from both the countries to interact and discuss ways and means of promoting economic and business ties between the two countries.

US firms serious about India, wish to offer products & services

- Franklin L Lavin



Franklin L Lavin, US Under Secretary of Commerce for International Trade, who led the biggest-ever US business delegation to India, found a few minutes to spare for a quick interview with **Veerendra Bhargava** during the Mission's first meeting with representatives of Indian industry and commerce at Hyatt Regency in Mumbai, India's commercial capital recently. Excerpts.

What is your message to the Indian business community now that you have seen its overwhelming response to your delegation's visit to this country?

The American businesses are serious about India; they want to contribute; they want to participate in the economy; they have products and services to offer; For the first step, if you want to contribute, you have got to connect; you have got to show your seriousness; you have got to find an Indian partner; you have got to listen to your customer, you have to take somewhere your transaction. It is only up to you when you are back, to actually undertake business. That is the sum of what is all about, I think, in bringing American business leadership together to meet the Indian business leadership.

Is your government is going to any specific benefits for US companies willing to expand to India?

There are a lot of government programmes that can be applied here. At the end of the day, the market has to hold; the day-to-day market has to hold; so, you can provide all the outside help and assistance you want; but at the end of the day, if nobody in India wants a product, there is nothing that the US government can do to make it successful. You have got to stand on your two feet.

Are you planning to have any similar delegation in the future?

Well, we did ask ourselves a very simple question. We are all struck by the success of this sweep. The delegation guys want to pass it on India. I think what we would do is, we will finish all the other city missions, we get together back in the US My view right now is to do this again. But we got to sound everybody in a few days.



Pahwa formally invited Ambassador Lavin to participate and share his thoughts at the next year's Summit and also requested him to mount another business delegation from the US to attend the event.

Pahwa underlined that in the years to come, India's requirement in infrastructure, transportation, energy, environmental, healthcare, high-tech and defence sectors for equipments and services would exceed tens of billions of dollars. This would in itself present significant trade and investment opportunities for American companies.

He pointed out to Ambassador Lavin the urgent need for India and the US to sign "Totalisation Treaty". "Such treaty will help Indian professionals retain the social security while leaving America without completing the specified tenure. At the same time, the treaty, when signed, would require professionals to pay social security taxes only in home country and will help thousands of Indian professionals working in US on short-term assignments," Pahwa said.

Vinod Madhok, Regional President-IACC-NIC, said that the Ambassador Lavin leading such a high powered business delegation from the US to India, was an active and serious commitment to carry forward the process of understanding and commitment that Prime Minister Manmohan Singh and President George Bush had given to each other when they had met in Washington. "It also reflects the importance the US has assigned to India, as a trading and investment partner," Madhok said.

Commenting upon the composition of the US Mission that has come to India, Madhok observed that it was indeed a carefully chosen trade mission that included varied industry interests like information technology, financial services, energy, medical devices, consumer goods etc.

Madhok said that it was indeed heartening that the US had begun to look at India through a new prism at a time when there lay immense potentialities for doing business with the country. Elaborating, he pointed out that presently, India was the 12th largest economy in the world and 4th largest in terms of purchasing power parity. With 58 percent of the national population under the age of 25 leading to demand driven surge in the national economy. Established and proven democratic credentials and rule of law, a large reservoir of scientific talent and management expertise are other strengths to name a few, that had made the country ideal business destination for US investors.

At the same time, Madhok said that India's economic growth potential and the country's capacity to be a global player would only be leveraged by its performance in number of areas like infrastructure, airports, seaports, power, roads, carrying forward the process of reforms and most significantly ensuring that the benefits of economic growth reached a large percentage of the Indian population particularly in semi urban and rural areas which provided vast and growing market for every kind of goods and services.

Emphasizing IACC's commitment to promote Indo-US economic relations, Madhok said, "Sometime back I had suggested that besides the metro cities, awareness of doing business with US should also be created in Tier II Indian cities where a lot of Indian SMEs are situated. Today, I have another proposal to make. Like the Indo-US CEO forum formed last year, I feel that a SME forum should also be formed to identify the needs of the SME sectors and suggest areas of collaboration that the US and Indian SMEs can achieve together. Such a forum would play a major role in fastening economic growth and our partnership."





Madhok said that Indo-US relations had indeed entered an unprecedented growth trajectory signified by not only US investments in India, but also by Indian investments in the US particularly in sectors like IT, pharma, and biotechnology.

In his remarks, Ambassador Franklin L Lavin thanked IACC for its efforts in fostering improved business relationships between the US and India, particularly with reference to small and medium-sized enterprises. In this regard, he expressed optimism and endorsed the idea expressed by Mr. Vinod Madhok to organize an "Indo-US SMEs Summit" for extending an ideal platform for interaction and to promote business ties between the SME sectors of the two countries.

Ambassador Lavin also agreed in principle with Pahwa's suggestion highlighting the need for signing a "Totalisation Treaty" between India and the US. He also responded positively to the suggestion made by Pahwa for attending the next Indo-US Economic Summit and mounting a business delegation for attending the event to be organised by IACC next year.

Ambassador Lavin informed the gathering that after President Bush and Prime Minister Singh met in March, the US Department of Commerce and the Indian Ministry of Commerce and Industry were given a mandate: work together to promote business and improve the policy framework between our countries. This mission was the direct outcome of that mandate.

According to Ambassador Lavin "258 executives from 202 US companies joined us on the mission, which began with the two-day Indian Business Summit in Mumbai where we were joined by more than 300 Indian executives. After the Summit, we led ancillary missions to 6 cities - Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, and New Delhi. These included one-on-one appointments and a full schedule of policy meetings with senior officials in the Indian Government. Another 600 Indian business people were involved in additional meetings in all 6 cities."

Ambassador Lavin underlined that his department would track the results of this mission within next 90 days and regularly after that to get an understanding of the real business success of the Mission. According to him, the economic success of India has been the principal factor that has led to so much of interest in US to do business with the country.

"India's trade with the world is booming, more than doubling in the past three years. Trade with the United States is more than India's trade with the entire world in 1987.

Much of this success is due to the reform agenda of the Indian government and the work of the Indian business community," Ambassador Lavin noted.

According to him, the reforms and initiatives that have made India a more inviting place to invest and to do business with included; Indo-US "Open Skies Agreement" that has increased the number of flights and passengers traveling between the US and India by more than 60% in a little more than a year. It was also encouraging to note that India has begun to lower tariffs on industrial goods from 15 percent on average to 12 ½ percent this year. The extension of patent protection to pharmaceuticals, agricultural chemicals and various food products would, according to him, encourage innovation in India. In the past two years, India has also relaxed investment caps in areas like telecommunications, single brand retail and civil aviation.

Ambassador Lavin, however emphasized that there still lay numerous challenges for promoting business ties between the two countries. He suggested that India would do well by First, lifting ownership caps and opening the Indian economy to international participation for bringing greater efficiencies and to help Indian consumers.

At the same time, opening India's retail sector to foreign multi-brand retailers would allow Indian consumers access to the best products at the lowest prices and improve supply chain efficiencies. Similarly, eliminating foreign equity caps in the financial services, banking and insurance sectors would allow investment to flow into the areas where it was needed the most.

"Right now investment caps are very low. In insurance, it is 26%, and foreign companies are prohibited from participating in the pensions sector. More open markets will lower borrowing and premium costs, increase the volume and effectiveness of capital allocation, and enhance the breadth of product offerings Indian consumers deserve. The same could be said for the telecommunications sector, where greater foreign participation will mean more service and lower rates," Ambassador Lavin stressed.

Quoting from the recent The World Bank's Ease of Doing Business study, Ambassador Lavin pointed out that India still needed to do a lot to improve its business worthiness. "According to the study, India ranks right at the bottom-173 of 175 countries in the area of enforcing contracts. An estimated 74 percent of software in India is pirated, and India is one of the world's leading manufacturers of counterfeit pharmaceuticals. The entertainment industry



in India has suffered as the result of the inability to adequately protect its movies and music. Indians are an endlessly innovative people, and when they invest in creative pursuits they deserve to benefit from their hard work," he highlighted.

Ambassador Lavin said that there were also other areas where Indo and the US could work together to improve bilateral and economic relations like ensuring common sense postal reform to allow continued competition from express delivery companies, like UPS and FedEx; Creating and enforcing clear and consistent laws and regulations and eliminating non-tariff barriers to trade in areas such as medical devices.

Ambassador Lavin in his concluding remarks reiterated that the US fully supported India's reform efforts and wanted to ensure that both our economies continued to expand and improve. "What I would like to see is for every Indian company to have as much access to the American market as possible, and for every American company to

have as much access to this market as possible," Ambassador Lavin emphasized.

While concluding the meeting, S.C. Gupta, CMD, Punjab National Bank, in his vote of thanks, elaborated upon the strengths of Indian economy to showcase the opportunities that existed for international trade and bilateral trade between India and the US.

"Today, we have all the requisite skills for competing on a global level viz., a vast pool of talented and educated personnel, a large and growing entrepreneurial class, a strong financial system, a well structured judiciary and sound capital markets. Thus we are in a better position to satisfy the global customer, who has become demanding in terms of price as well as quality," Gupta said.

Gupta also spoke about the 111 years of evolution of PNB into one of the largest nationalized banks of the country. He also thanked and welcomed the participants and wished them well for developing mutually rewarding business relations through IACC.



Further Indian reforms vital to boost bilateral trade: Lavin

Franklin L. Lavin, Under Secretary of Commerce for International Trade in the Government of the United States, who led the biggest-ever US business delegation to India recently expressed his satisfaction at the efforts of the Indo-American Chamber of Commerce in fostering bilateral trade especially among small and medium sized enterprises. In his last public meeting in New Delhi, Lavin said the US Business Development Mission's week-long visit to India had been a success. He called for further reforms that could help India take advantage of its full potential in its bilateral trade with the US. Following are excerpts of Lavin's speech.



As we conclude the US Business Development Mission to India, I would like to revisit how this all started. When President Bush and Prime Minister Singh met in March, 2006 the US Department of Commerce and the Indian Ministry of Commerce and Industry were given a mandate: work together to promote business and improve the policy framework between our countries. This mission was our response on the promotion side.

Executives numbering 258 from 202 US companies joined us on the Mission, began with a two-day Indian Business Summit in Mumbai where we were joined by more than 300 Indian executives. After the Summit, we led ancillary missions to six cities - Bangalore, Chennai, Hyderabad, Calcutta, Mumbai, and New Delhi. These included one-on-one appointments and a full schedule of policy meetings with senior officials in the Indian Government. Another 600 Indian business people were involved in additional meetings in all six cities.

We're going to track the results of this Mission in 90 days and regularly after that to get an understanding of the real business success of the Mission. We know that some business has already resulted as we've had at least one signing. Quantum Polymer signed a joint venture partnership with A.V. Thomas, a Chennai-based company. The companies will focus on trade in tire rubber, and both cited the trade mission as critical to them in signing the joint venture partnership agreement.

Of course, most companies will take more time to realize the business potential in India. When we invited American businesses to participate, we posed this question to them: "Does your company have an India strategy?" With an open and growing economy and a billion potential customers, the Department of Commerce believes in order for American companies to be globally competitive they need to be thinking about India. Nearly half of the

companies on the mission have not been to India so it's clear that we've helped get them thinking.

Good News and Good Progress

Perhaps the principal factor that has allowed us to create so much interest is the economic success of India. Congratulations are due to the Government of India for making this happen. For some 15 years India has enjoyed high rates of economic growth. In fact, the growth in India's economy last year is the equivalent to an entire Indian economy of 35 years ago.

India's trade with the world is booming, more than doubling in the past three years. Trade with the United States is more than India's trade with the entire world in 1987.

Much of this success is due to the reform agenda of the Indian government and the work of the Indian business community. Let me give a few examples of the reforms which are making India a more inviting place to invest and do business:

- 1) In civil aviation, we signed an open skies agreement that has increased the number of flights and passengers traveling between the US and India by more than 60 percent in a little more than a year.
- 2) India has begun to lower tariffs on industrial goods from 15 percent on average to 12.5 percent this year.
- 3) The extension of patent protection to pharmaceuticals, agricultural chemicals and various food products will encourage innovation in India.
- 4) In the past two years, India relaxed investment caps in areas like telecommunications, single brand retail and civil aviation.
- 5) And, I understand that the Government of India plans to introduce legislation that would allow foreign educational institutions to offer courses in India. This will provide substantial benefit to Indian students and the Indian economy.

Challenges

At the same time, challenges exist. Let me suggest a few steps that will allow for better business and improve the lives of Indians.

- 1) First, lifting ownership caps and opening the Indian economy to international participation will bring greater efficiencies and help Indian consumers.

- Opening India's retail sector to foreign multi-brand retailers will allow





Indian consumers access to the best products at the lowest prices and will improve supply chain efficiencies. Regardless of recent news stories about cracks in the dam on retail access, the fact is that barriers remain. The good news is that the openings are not because of Government moves but despite them.

- Similarly, eliminating foreign equity caps in the financial services, banking and insurance sectors will allow investment to flow into the areas where it is needed the most. Right now investment caps are very low. In insurance, it is 26 percent, and foreign companies are prohibited from participating in the pensions sector. More open markets will lower borrowing and premium costs, increase the volume and effectiveness of capital allocation, and enhance the breadth of product offerings Indian consumers deserve.

- The same could be said for the telecommunications sector, where greater foreign participation will mean more service and lower rates.

As of 2005, India had received \$45 billion in foreign direct investment, with \$8 billion of that from the United States. Compare that to tiny Singapore, which as of 2005 received more than \$186 billion in FDI, with \$48 billion coming from the United States.

2) Second, India's tariffs are still high compared with the rest of the world. India's tariffs average 34 percent and in some cases tariffs are more than 100 percent. Compare India's average tariff on industrial goods of 12.5 percent to the US 4 percent average.

3) Third, laws that protect patents and copyrights will encourage Indian entrepreneurship and creativity by protecting innovations and brands. Robust intellectual property rights protection will encourage the investment of foreign technology into India's markets, and give India an edge in environments such as healthcare, energy and aerospace over countries.

There are some unpleasant facts amidst the good news in India. The World Bank's Ease of Doing Business study India ranks right at the bottom-173 of 175 countries in the area of enforcing contracts. An estimated 74 percent of software in India is pirated, and India is one of the world's leading manufacturers of counterfeit pharmaceuticals. The entertainment industry in India has suffered as the result of the inability to adequately protect its movies and music. Indians are an endlessly innovative people, and when they invest in creative pursuits they deserve to benefit from their hard work.

There are other areas where we can work together to



improve the US-India economic relationship including:

- Ensuring common sense postal reform to allow continued competition from express delivery companies, like UPS and FedEx;
- Creating and enforcing clear and consistent laws and regulations; and
- Eliminating non-tariff barriers to trade in areas such as medical devices.

Conclusion

The question in front of us is this: Is India on a long-term path of reform or are we simply looking at "the Indian moment?" Will these reforms continue, or will India pull back? The Indian people and their government will answer this question.

The United States supports India's reform efforts and we want to see both of our economies continue to expand and improve. What I would like to see is for every Indian company to have as much access to the American market as possible, and for every American company to have as much access to this market as possible.

I conclude this Mission with a sense of optimism. I know the companies that I have brought with me from the US are serious and I have witnessed their enthusiasm and interest in doing business in India over the last week. I can say for certain that good contacts have been made by our delegation and I expect to see more transactions result. I know that American companies have much to offer to Indian customers and I'm pleased that I have been able to open the door for them to prove that.

For years Indians have told me that they want to do business with Americans and are just waiting for the right opportunity. To them I say: your wait is over. Your opportunity is today. We are prepared to work with you, and we are ready to be your partner in a world that is getting smaller and is within reach right now. ■

Bush signs US-INDIA Nuclear Energy Cooperation Act

In a historic development that has further drawn the United States and India closer than ever before, US President George Bush has signed the US-India Peaceful Atomic Energy Cooperation Act in the East Room of the White House on November 18, 2006. Following is the statement that President Bush made just before initialing the Act.



Today, I have the honor of signing a bill that will strengthen the partnership between the world's two largest democracies. The relationship between the United States and India has never been more vital - and this bill will help us meet the energy and security challenges of the 21st century. I want to thank the Congress for delivering this historic bill to my desk. I'm look forward to signing it.

The "Henry Hyde United States-India Peaceful Atomic Energy Cooperation Act" passed with strong bipartisan support. It is a fitting tribute to its sponsor and the man whose name it carries. During his 32 years in Congress, Chairman Hyde earned the respect of his colleagues on both sides of the aisle. I appreciate his effective and principled leadership. I wish him all the best in his retirement.

I'm proud to be joined here by Secretary of State Condi Rice. This bill would not have happened without her leadership. I thank very much the members of the Senate and the House who have joined us up here, people from both parties who worked hard to get this bill passed: Senator Bill Frist, and Senator Dick Lugar, and Senator

George Allen; Congressman Gary Ackerman, Frank Pallone, Joe Crowley, Thad McCotter. Thank you all for joining us. Thanks for your good work.

I appreciate our Ambassador, David Mulford, and wife Jeannie, for joining us. Thanks for your good work, Ambassador. I'm also proud to be joined by Ambassador Jassal. I want to thank you for coming, Ambassador. I thank the Indian American community leaders who are here today.

The Indian American community was vital to explaining this strategic bill to our fellow citizens. I appreciate so very much your carrying the message not only here at home, but in India. And I want you to know that your voice was very effective, and I welcome it.

The United States and India are natural partners. The rivalries that once kept our nations apart are no more - and today, America and India are united by deeply held values. India is a democracy that protects rule of law and is accountable to its people. India is an open society that demands freedom of speech and freedom of religion. India is an important ally in the war against extremists and radicals. Like America, India has suffered from terrorist attacks on her own soil. And like America, India is committed to fighting the extremists, defeating their hateful ideology, and advancing the cause of human liberty around the world.

The United States and India are also working together to expand economic opportunities in both our countries. India's economy has more than doubled in size since 1991 - and it is one of the fastest-growing markets for American exports. If you visit India today, you are going to

see a lot of people using goods and services made by American companies. And that helps raise the standard of living not only in India, but here at home. Trade is good for both countries, and we're going to continue to work with India to promote free and fair trade.

In our meetings in Washington and in New Delhi, Prime Minister Singh, for whom I have a lot of respect, we discussed the importance of working together to meet the energy needs of our growing economies. We recognize that energy, clean energy is going to be important to the advancement of our economies. And on my visit to India earlier this year, we concluded an historic agreement that will allow us to share civilian nuclear technology and bring India's civilian nuclear program under the safeguards of the IAEA. This cooperation will help the people of India produce more of their energy from clean, safe nuclear power, and that, in turn, will help their economy grow. And it's in our interest that the Indian economy continue to grow. It helps make America more secure.

As part of the agreement, the United States and India have committed to take a series of steps to make nuclear cooperation a reality, and we're going to fulfill these commitments. The bill I sign today is one of the most important steps, and it's going to help clear the way for us to move forward with this process.

The bill is going to help us achieve four key goals.

First, the bill will help us strengthen cooperation between India and United States on one of the most important challenges in the 21st century, and that is energy. India is now the world's fifth largest consumer of energy - and its demand for electricity is expected to double by 2015. The United States has a clear interest in helping India meet this demand with nuclear energy. By helping India expand its use of safe nuclear energy, this bill lays the foundation for a new strategic partnership between our two nations that will help ease India's demands for fossil fuels and ease pressure on global markets.

Second, the bill will help promote economic growth. This bill helps open a new important market for American businesses by paving the way for investment in India's civilian nuclear industry for the first time ever. This new trade will help American companies gain new customers abroad, and create new jobs here at home.

Third, the bill will help make it possible for India to reduce

emissions - and improve its environment. Today, India produces nearly 70 percent of its electricity from coal. Burning coal produces air pollution and greenhouse gases - and as India's economy has grown, emission levels have risen, as well. We must break the cycle, and with nuclear power, we can. We can help India do so, and we can do so here at home by the use of nuclear power.

Nuclear power is the one source of energy that can generate massive amounts of electricity without producing any air pollution or greenhouse gases. And by sharing advanced civilian nuclear technology, we will help our friend, India, meet its growing demand for energy and lower emissions at the same time.

Finally, the bill will help keep America safe by paving the way for India to join the global effort to stop the spread of nuclear weapons. India has conducted its civilian nuclear energy program in a safe and responsible way for decades. Now, in return for access to American

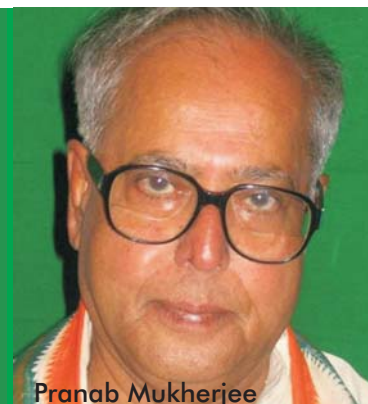


technology, India has agreed to open its civilian nuclear power program to international inspection. This is an important achievement for the whole world. After 30 years outside the system, India will now operate its civilian nuclear energy program under internationally accepted guidelines - and the world is going to be safer as a result.

The bill I'm about to sign is evidence of the growing bonds of trust between our two countries. Congress acted quickly and passed it with overwhelming bipartisan support. You know why? Because the American people have come to see India as a friend. And I view the Prime Minister as a trustworthy man and a friend. I appreciate Prime Minister Singh's leadership on this very important issue. I look forward to continuing to work with him to make civil nuclear cooperation a reality.

And now it is my honor to sign the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006.

A Big Leap Towards India's Energy Security



Pranab Mukherjee

Soon after the passage of the US-India Atomic Energy Cooperation Act by the US House of Representatives, India's then External Affairs Minister Pranab Mukherjee made a statement in the lower house of the Indian Parliament. Following is Mukherjee's statement.

I rise to share with this august House recent developments pertaining to the implementation of the understanding between India and the United States on the resumption of civilian nuclear energy cooperation. A reconciled Bill for this purpose was passed by the US House of Representatives and the Senate on 8/9 December 2006.

This nuclear understanding with the USA is significant from the larger perspective of our energy security. Energy has become a critical constraint to expanding our economic growth and development. We have to expand our generating capacity in every form of energy. Presently, nuclear energy provides less than 3.0 percent of our energy mix. Our current estimates envisage nuclear power generation of 30,000 MWe by 2022 and 63,000 MWe by 2032. The absence of international cooperation seriously constrains us from reaching these nuclear energy targets. India is today seriously pursuing several energy options including clean coal technologies, exploitation of coal bed methane and gas hydrates, wind as well as solar power. India can today expand its access to other forms of energy, relying on market mechanisms to do so. Our access to nuclear energy is impeded by an international regime and requires a political solution consistent with our national security and energy requirements.

The US Administration committed in the 18th July Joint Statement to adjust its laws that otherwise prohibited civil nuclear energy cooperation with India. Although the passage of any legislation is an internal matter of that country on which we would not otherwise comment, this legislation is an enabling measure necessary for civil nuclear energy cooperation to be worked out between India and the United States. Keeping that in mind, the

enactment of waivers from certain provisions of the US Atomic Energy Act, which allows the United States to cooperate with India in civilian nuclear energy despite our not accepting full scope safeguards and despite maintaining a strategic programme, is significant. We recognize the initiative that President Bush has taken to make these exceptions for India possible. We also note the bipartisan support that this initiative has garnered in the US Congress.

The legislation that has been passed is an enabling measure that will now allow US negotiators to discuss and conclude with India a bilateral cooperation agreement, which is popularly known as a 123 Agreement. Such an agreement is a pre-requisite for nuclear cooperation and trade with the United States.

In parallel, we are engaging the International Atomic Energy Agency with the intention of negotiating and concluding an India-specific Safeguards Agreement and an Additional Protocol. At a broader level, we have already been discussing with member States of the Nuclear Energy Suppliers' Group (NSG) the need for an adjustment of their guidelines to permit transfers to India. We have briefed them collectively on various issues of mutual interest and look forward to their taking a decision on the adjustment of NSG guidelines at an



appropriate time. We should bear in mind that while every stage of this process is important, the test of this process is for India to secure full civil nuclear cooperation with the international community while protecting our strategic programme and maintaining the integrity of our three-stage nuclear programme and indigenous research and development.

I would like to inform the House that the US Administration has categorically assured us that this legislation enables the United States to fulfill all of the commitments it made to India in the July 18 and March 2 Joint Statements and that this legislation explicitly authorizes civil nuclear cooperation with India in a manner fully consistent with those two Statements. We fully expect the July 18 Statement and the March 2 Separation Plan to be reflected in the text of the 123 Agreement.

In regard to the principles and concerns that guide our approach to the nuclear understanding, the Prime Minister had set forth the Government's position when he spoke to the Parliament on August 17, 2006. These

principles and concerns continue to remain the basis for our engagement with the United States and the international community on the tasks ahead. I would also like to share with the House that the Government has taken note of certain extraneous and prescriptive provisions in the legislation. We have always maintained that the conduct of foreign policy determined solely by our national interests is our sovereign right. We have also been clear that our strategic programme remains outside the purview of these discussions. We will not allow external scrutiny of or interference with the strategic programme.

Eventually, our objective is that technology denial regimes that have targeted India for so many decades must be dismantled so that our national development is unimpeded. We are also committed to creating a climate where our scientists and technologists can participate in and contribute to international initiative in various fields. We have taken a big step towards that goal and I am sure that the House would continue to support us in that endeavour. ■

India, US launch joint group to promote legal trade services

India and the United States have formed a bilateral working group of legal experts to promote greater interaction between legal professionals and to facilitate trade in legal services between them.

Formation of the group as part of the ongoing work of the US-India Trade Policy Forum was announced recently in Washington by Deputy US Trade Representative Karan Bhatia following recent meetings in New Delhi with Indian Commerce Secretary Gopal K. Pillai.

'Legal services are integral to today's complex, global economy. Indian Commerce Secretary Gopal Pillai and I agreed that establishing a Legal Services Working Group is a priority in our bilateral dialogue,' said Bhatia. 'We are pleased that we have been able to move forward with the creation of the Working Group before the end of this year.'

The Working Group will be comprised of prominent legal professionals, including representatives of US and Indian law firms, the American Bar Association and the Bar Council of India.

The establishment of a Bilateral Industry Working Group on Legal Services was identified as a priority of the US-India Trade Policy Forum in 2006. The two countries agreed to exchange the names of Working Group participants so that initial meetings may be held in January 2007.

The US-India Trade Policy Forum was launched during the visit of Indian Prime Minister Manmohan Singh to Washington in July 2005. This ongoing dialogue is designed to deepen the relationship between the two countries by promoting greater trade and investment.

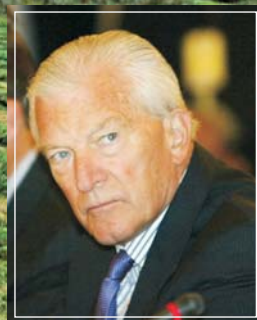
The US-India Trade Policy Forum is chaired by US Trade Representative Susan Schwab and Indian Commerce Minister Kamal Nath. The inaugural, ministerial session of the Forum was held in November 2005 in New Delhi.

Subsequent ministerial sessions were held in March 2006 in New Delhi and in June in Washington. Additional meetings at the deputy level were held in February in Washington and in New Delhi in May and November. ■



Indo-US PPP in Agriculture on the rise

AKI efforts leading India towards 'Evergreen Revolution' - Mulford



The Indo-US Agricultural Knowledge Initiative (AKI) has held its fourth meeting in New Delhi recently, with a number of steps, which US Ambassador to India David C Mulford said would lead to an "Evergreen Revolution," in India.

At the conclusion of AKI meeting, Ambassador Mulford hailed the 25 ongoing activities and noted the overall progress of the Initiative "Since its inception last year, "the initiative has made notable progress and today's meeting is no exception," he said.

"The Initiative's unwritten mandate is to work with India to launch what Dr. M.S. Swaminathan has called the Evergreen Revolution. Through the unique public-private sector partnerships that this Initiative promotes, we have a real opportunity to accomplish that goal."

The Agricultural Knowledge Initiative was announced by President Bush and Prime Minister Singh in July 2005 during the Prime Minister's visit to the United States. A. Ellen Terpstra, Deputy Under Secretary for the US Department of Agriculture, co-chairs the Initiative with Dr. Mangala Rai, Director General of the Indian Council on Agricultural Research.

On July 18, 2005, President George W. Bush and Indian Prime Minister Dr. Manmohan Singh announced the US-India Knowledge Initiative on Agricultural Education,

Teaching, Research, Service, and Commercial Linkages (AKI). Recognizing the long history of cooperation in agriculture and the success of India's Green Revolution launched 40 years ago with US assistance, the AKI builds on this tradition of collaboration and addresses new challenges and opportunities of modern-day agriculture. Through public-private partnerships, it will help to facilitate technology transfer, trade, and investment and bolster agricultural research, education, and extension. In pursuing these objectives, a critical component is cooperation on development of effective policy, regulatory, and institutional frameworks. These, in turn, will contribute to increased prosperity for farmers and agricultural growth.

Since its inception, the AKI has made notable progress. Both countries created a board comprised of academia, government, and private sector representatives from the United States and India. The board agreed to a three-year work plan that supports the "Evergreen Revolution," which is based on environmentally sustainable, market-oriented agriculture. To jump start the Initiative, the United States secured funding of \$8 million in fiscal year 2006, with a total of \$24 million pledged through 2008.

A number of activities have been accomplished in each of the four key areas identified by the board for cooperation:



Food Processing and Marketing.

Twelve individuals from India's public and private sectors were selected to participate in USDA's Cochran Fellowship Program. This program provides short-term, US-based agricultural training opportunities. Six Indian Cochran Fellows have already completed training, with the remainder participating in specific training programs early next year. A market assessment of India's cold chain infrastructure was completed to conduct in-country technical seminars for key Indian companies that handle perishable food products throughout the cold chain. The US Agency for International Development (USAID) is funding agricultural market information systems training in collaboration with India's National Institute of Agricultural Marketing and USDA. In early 2007, a training program on strengthening agricultural markets will be held in three Indian states. USAID also launched a program with the Indian Forward Markets Commission to streamline and increase transparency of Indian commodity futures markets.

Water Management

The National Association of State Universities and Land Grant Colleges (NASULGC) awarded four grants to US universities to work with Indian partners on water management. More than 50 US and Indian universities and government institutions participated in a water resources management workshop in New Delhi in September 2006. Five collaborative projects in capacity building ranging from curriculum development to joint work on sanitary and phytosanitary issues are in progress through grants from the NASULGC.

University Capacity Building

Fifteen Indian scientists and researchers completed fellowships under USDA's Norman E. Borlaug International Agricultural Science and Technology

Fellows Program. This program continues Dr. Borlaug's Green Revolution efforts by helping developing countries strengthen sustainable agricultural practices through fellowships to experts who are early in their careers. NASULGC awarded five grants to US universities to work with Indian partners on capacity building projects that focus on university curriculum development, animal diseases, and trade. The US Department of State selected 13 Indian candidates for the Fulbright-Humphrey programme. They will begin their fellowships in 2007. A curriculum development workshop organized by three US land-grant universities, in collaboration with their Indian counterparts, will be held in January 2007 in Hyderabad. USDA's National Agricultural Library and US land-grant universities began working with their Indian counterparts to develop a plan to strengthen India's library and information systems.

The US-India AKI has the potential to raise agricultural productivity, strengthen food security, increase technology transfer, expand US-India trade and investment through policy and regulatory capacity building, ensure key roles for the Indian and US private sectors, and reinvigorate the US-India university partnerships.

Indian agricultural scholars will participate in the US Department of State's Fulbright-Humphrey program during the 2006-07 academic years, while US scholars will travel to India to work on agricultural topics during the same period.

"The Initiative" is building on the long history the United States and India have of working together to address agricultural challenges," said Mulford. "Through this Initiative, we have the opportunity to facilitate technology transfer, trade, and investment and bolster agricultural research, education, and extension between our two countries. Part of our joint work is to develop effective policy, regulatory, and institutional frameworks, which will increase Indian agricultural productivity, help Indian farmers prosper, and strengthen trade."

Biotechnology

Indian participants attended an international workshop on improving legumes through genomics at the University of California-Davis. Following the workshop, the University and the Indian Agricultural Research Institute agreed to collaborate on a pigeon pea genome project under the AKI's auspices. A planning meeting was held to prepare for a November 2007 workshop on harnessing the benefits of biotechnology. ■





West Bengal

Bouncing Back to Economic Buoyancy

West Bengal is on the path of great resurgence. A wave of economic buoyancy is sweeping the state. A reform-minded visionary Chief Minister has rekindled enormous optimism among investors about the state's immense potential for growth and assured returns. Holding the state's reins firmly in his grip, Buddhadeb Bhattacharjee is racing West Bengal towards a bright and prosperous future. Salt Lake in Kolkata has already emerged as an important Information Technology hub with every global major seeking entry into the city. With a growth rate exceeding 7.0 percent for the last few years, West Bengal has emerged as the third fastest growing economy in India.





On the Path of Great Resurgence

West Bengal is the most important state in India's eastern region. Stretching for about 700 km from the mighty Himalayas in the north to the choppy Bay of Bengal in the South, it is a natural 'Gateway'

West Bengal is one of the top ranking states of the country in terms of growth in per capital income. Despite being one of the most populous states of India, with the highest population density, West Bengal achieved a growth in its per capita income of 5.72 percent in 2004-05 which is well above the national growth rate of per capita income recorded at 5.2 percent in 2004-05.

The service sector is the largest contributor to the state's Gross Domestic Product. It's share in the SDP increased from 42.79 percent in 1993-94 to 57.15 percent in 2004-05. West Bengal occupies one of the leading positions among all the states of India in case of growth in the service sector. Major contributors to the state's service sector are software and communication.

The state's real NSDP (net state domestic product) in 2004-05 stood at US\$ 23 billion with its per capital income at US\$ 273. West Bengal continued to register a high growth in real SDP over 7.0 percent in the last eight consecutive years. The real State Domestic Product of West Bengal registered a growth of 7.13 percent in 2004-05 following a 7.11 percent growth in its real SDP in 2003-04.

According to the different indicators of Human Development Index such as literacy rate and expectation of life at birth, the state has shown an impressive performance. In the national census 2001, West Bengal's literacy rate was estimated over 69 percent, which was well ahead of the national average of 65 percent. The state has performed significantly well in case of expectation of life at birth and is above the national average for both male and female for the period of 2001 to 2006.

Agro Industries

West Bengal has a certain intrinsic strength that gives it a distinctive advantage in the agri-business sector. The state comprises six agro-climatic zones offering an extensive and diversified variety of environs for the development of temperate, sub-tropical and tropical agriculture and horticulture produce. In agriculture, the state has achieved a significant growth over the past decade. West Bengal is now among the country's top agricultural producing states accounting for a wide variety of crops. The state has attained self-sufficiency in most of the key crops.



Minister in-charge Dept. of Commerce & Industry Nirupam Sen (Left), Naveen Prasad IAS (Centre) and Buddhadeb Bhattacharjee (Right) CM Govt. of West Bengal releasing the book "Doing Business in West Bengal"



Horticulture

West Bengal is one of the low-cost producers of a wide range of fruits and vegetables in the country. It has made laudable achievements in the horticulture sector. The state is largest producer of fish and paddy in India and has second highest poultry population in the country.



The state has a market of more than eight million people in the capital city of Kolkata alone. Besides, there is a market of a 100 million people in the Eastern and North Eastern regions. The state has an easy access to Bangladesh, Nepal and Myanmar for exports and a booming market in the Asia Pacific region of 500 million people. With the opening of trade with China through Nathula Pass, the market will be further increased.

Food Processing Industry

The strength of the state in the food processing industry lies in its vast agro raw material resources, a growing market with a rapidly expanding upper middle class segment, low cost skilled labour, self-sufficiency in power and vast water resources.

According to a study conducted by the Central Government, it is estimated that the investment potential in the food-processing sector in West Bengal is Rs. 1542 crores over the next 10 years if the processing level is increased from its existing 2.0 to 10 percent in the same period.

In view of the tremendous potential of the sector, the food-processing department of West Bengal along with APEDA, has already taken some significant steps to identify critical gaps. It has made efforts to integrate the value chain from cultivation to marketing. The most important step in this regard has been the creation of agri-export zones for five crops potatoes, mangoes, litchis, vegetables and pineapples.

A state-of-the-art pack house has been set constructed at Malda. Another pack house for vegetables is being constructed at North 24 Parganas. A perishable goods cargo handling centre is coming up at the international airport, Kolkata and Bagdogra which will facilitate export of both fresh and processed food products.

The government is also encouraging and facilitating private sector, joint sector and public sector undertakings; initiatives for establishment of food parks in different areas in order to provide common facilities like uninterrupted power and water supply, cold storage, warehousing, effluent treatment, quality control and other processing facilities for use by the food processing units.

Iron & Steel

The establishment of Bengal Iron Works at Kulti in Burdub district of West Bengal in 1870 where the first commercial blast furnace was set up in 1875 heralded the commencement of the iron and steel industry



in the state. The neighbouring eastern states of India viz. Jharkhand, Orissa, and Chhattisgarh are endowed with huge iron ore reserves along with cooking coal and non-cooking coal. The growth of the steel industry in the state is largely related to the proximity of raw materials, skilled manpower, port facilities and a vast market for steel products. Given these location advantages, large numbers of mini integrated steel plants have already been set up in the state manufacturing a wide range of products such as sponge iron, mild steels, iron pipes, etc.

In the period 1991-2004, 243 new iron and steel units were set up in the state with a total investment of US\$ 1856.8 million. In the last three years (2002-2004), 108 iron and steel projects with a total investment of US\$ 414.3 million were implemented in the state. The easy availability of power, competitive rates of freight, close proximity to areas with natural resources relevant to the industry, and labour force traditionally skilled in operating iron and steel units are factors that have influenced the surge in investment in this sector.

Some of the key players in the field of iron & steel industry in the state are Steel Authority of India, Tata Metaliks, Bhushan Steel, Vesuvius India Ltd., etc.

In addition, the state government is taking a number of policies to improve and develop the iron and steel industries in the state. The focus of the policy would be to achieve global competitiveness not only in terms of cost, quality and product-mix but also in terms of efficiency and productivity.

The major thrust areas of the policy include: encouraging strategic alliances with buy-

back arrangements and dedicated export production through 100 percent export-oriented unit, encourage joint venture and equity participation, support basic and applied research in utilizing raw materials through partnership between steel and refractory producers, set up foundry and iron steel parks in the state.

Leather & leather products

West Bengal is one of the country's leading states for export of finished leather goods and accounts for almost 25 percent country's leather exports. There are around 540 manufacturing industries in the state producing leather goods. West Bengal Leather Industrial development Corporation provides market facilities for the leather products manufactured by small-scale industries located in the state.

The government of West Bengal has recently set up a state-of-the-art integrated leather complex on the eastern fringe of Kolkata spreading over 1,100 acres, where a large number of tanneries located earlier within the city precincts have shifted and new investment interest has been generated. The leading players in the sector include:

Bata India Ltd, one of the leading and the most popular shoe brands in the country. It sells around 60 million shoes and exports around three million footwear each year.





Khadim Group is another prominent player in the footwear industry in West Bengal and has 183 franchisee outlets across the country. A modern and design studio is under implementation and expected to be operational this year which will provide global design capabilities and design solutions to the manufacturers.

Key advantages for leather industry in the state:

- A strong tradition and skills related to the leather industry.
- Presence of world's second largest leather complex at Bantala spread over 1100 acres and meant to accommodate as many as 500 tanneries, 100 leather goods units and ancillary industries employing 50,000 people.
- Additional incentives and fiscal benefits available in the Calcutta leather Complex which has been designated as a Special Economic Zone (SEZ).
- Availability of cheap raw materials.
- Availability of plenty of water.
- Large market size around 20 percent share of the domestic market and 59.62 percent of the exports.

IT & IT Enabled Services

Information technology is one of the fastest growing sectors in the Indian economy both in terms of output and exports. West Bengal, though a late starter in the field of IT, but it has made a tremendous progress over the last



few years. Aggressive marketing and a series of initiatives have put West Bengal on the global map of IT expansion with some 233 companies employing more than 32,000 professionals. During the last five years, the industry has witnessed 70 percent growth in the state against the national average of 37 percent.

The state's vision is to be among the top three IT destinations in India by 2010 contributing 15 percent to the country's IT revenues. Almost all the major players of the world in this sector, like IBM, Tata Consultancy Services, Cognizant, PwC, Skytech, NIIT, HCL, Genepact, Wipro have set up their units in West Bengal while others like Satyam Computer, ITC Infotech, Infosys are already on their way to establishing software development units in the state.

In order to meet the surging demand for IT space some 13 IT parks are coming up that will create an additional 13.3 million sq ft. of built-up space. SEZ status has been obtained for the Kolkata IT park at Bantala while the government has planned for acquisition of additional land near the airport for over 300 acres which may house the third IT hub after Salt Lake Electronics Complex and New Town in Rajarhat which are the current hotspots for the industry. A number of towns such as Durgapore, Siliguri, Haldia are also emerging as suitable IT destinations with appropriate infrastructure in the





form of software technology parks.

Key advantages for IT industry in the state:

- A large pool of talent.
- Domain knowledge in financial service, insurance, manufacturing, logistics, creative arts etc.
- A low attrition rate of 10 percent compared to industry benchmark of 20 percent.
- One of the lowest cost of operations.
- Strength in physical infrastructure in terms of international telecom connectivity, physical and social infrastructure.
- Continuous supply of high quality power at the lowest cost in India.

Petrochemical and downstream industries

West Bengal accounts for almost 4.0 percent of India's production of petroleum products and 13 percent of country's polymer production. The production has almost doubled in the last decade. Crude throughput at Haldia refinery increased to 5.502 million tonnes and its capacity utilization increased to 91.7 percent during 2005-06.

The total number of downstream industries set up during the period from January 1998 to December 2005 stands at 773 out of which 705 are in West Bengal. Of the 705 units set up in the state 674 are small-scale units, 94 are medium scale units and 5 are large-scale units.

The growth of the petroleum sector has been very impressive both in terms of units set up and investments volume. The main reason for the recent growth of this industry is due to upstream and downstream industry linkages by the oil refining and petrochemical units set up in the state. The industry is due to receive a further fillip with the announcement of US\$1 billion gas pipeline project to bring natural gas in the state.

Some of the light bearers in this sector in the state are as follows.

Haldia Petrochemicals Ltd is India's second largest integrated petrochemical complex. Currently producing 1.5 million tones of polymer and chemicals, the company was set up with an initial investment of US\$ 1.2 billion and has grown significantly to its present turnover of US\$ 1.4 billion.

Mitsubishi Chemical Corporation, Japan's largest chemical firm and one of the world's top 10 chemical





companies has invested in purified terephthalic acid (PTA) plant at Haldia at an estimated cost of US\$355 million. Its capacity is 425,000 tones per annum. The company is presently going through an expansion costing US\$370 million which will increase capacity to 800,000 tones of PTA per annum.

South Asian Petrochemical Ltd is a subsidiary of Kolkata's Dhunseri group. It has set up a 140,000 tpa of polyethylene terephthalate (PET) resin plant with an investment of over US\$100 million at Haldia.

Petroleum industries are gradually gaining importance in the state. Realizing the potential of this sector, the West Bengal government has undertaken a number of policy measures for this sector. The major thrust areas of the policy include, invite and encourage private sector investment in these industries, set up petroleum & chemical investment region in the state to promote export, encourage foreign equity participation, and allow 100 percent FDI in the plastic processing and other related sectors.

Automobile and Auto Components Industry

West Bengal has traditionally been very strong in the engineering industries and has been an important manufacturing base in the past. West Bengal's Hindustan Motors was one of the pioneers by commencing production of vehicles in the state as far back as in 1948. Recently it has collaborated with Mitsubishi Group of Japan to diversify into a wide range of cars and manufactures everything related to automobile industry like tractors, trucks, and also luxury cars like Mitsubishi Lancer and touching a consolidated net sale of US\$ 233.47 million in the last financial year.

Other automobile giants like Tata Motors have proposed to set up a small car manufacturing unit at Singur in Hooghly district. It will invest Rs. 10 billion to set up the unit which will be spread over an area of 1000 acres.

In addition Telcon, a subsidiary of Tatas is setting up an equipment manufacturing unit in Kharagpur. Others like Ashok Leyland have expressed their interest for setting up manufacturing units in the state.

Auto-components: The size of Indian auto-component industry was US\$7 billion in 2003-04 out of which US\$ 1 billion was exported. A McKinsey study estimated that India would produce US\$40 billion worth of auto-components by 2014-15, up by almost US\$30 billion from 2004-05. Both India and West Bengal will have a competitive edge in this sector because auto parts here cost around 25 to 30 percent less than in North America and Europe and 15 percent less than in South Korea and Mexico while the quality is being at par.

Realizing this huge potential in this sector, West Bengal has geared up with appropriate plans and policies to boost this sector. Also it has got certain inherent competitive advantages since the state is located in the heart of India's steel and manufacturing cluster.

Hindustan Motors has announced plans to invest Rs. 850 million to manufacture automotive forgings, stampings and castings. The company has got the nod of the West Bengal government to modernize and develop its facility at Uttarpara. An auto component SEZ has also obtained an approval recently and is scheduled to come up in the industrial belt of Kharagpur with private participation. Jetro, a division of the ministry of economy, trade and industry of the Japanese government, too has expressed their interest to set up auto component manufacturing units in the state.



Infrastructure

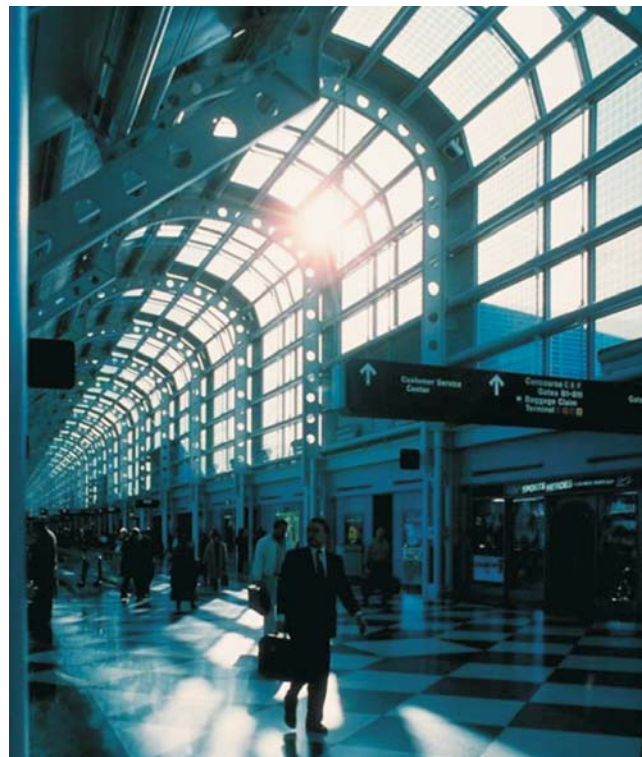
The state government has laid great emphasis for strengthening existing and building new infrastructure facilities to encourage more investments. The state offers a relatively developed physical and social infrastructure that is now attracting the attention of investors both domestic as well as international. In order to develop, upgrade and maintain infrastructure facilities, the government recognizes public-private partnerships.

Key initiatives for infrastructure



development

- The North South Economic Order developed with the support of ADB at a cost of US\$210 million with a view to link the southern ports of Haldia and Kolkata with the northern hinterland of the state.
- Entire stretch of NH-2 connecting Kolkata to New Delhi is being widened to 4 lanes
- Entire stretch of roads connecting Bengal with the North Eastern states and Bihar has been strengthened and improved.
- Under the JNNURM of the Centre, the state has taken initiative to come up with a Rs. 27 billion action plan for improvement of roads flyovers and transport system.
- An outlay of US\$ 60 million has been proposed to upgrade the Haldia port.
- The Kolkata port is also being modernized with an investment of US\$ 32 million.
- A proposal for setting up a deep sea port has taken up with the Government of India.
- Kolkata airport is being modernized with an investment of US\$ 30 million.
- The state government is actively engaged in making the existing airport at Coochbehar fully operational with the help of the Airports Authority of India.
- West Bengal's power infrastructure is the best in the



country with an installed capacity of 7616MW. A further capacity of 2400MW is under implementation.

- Kolkata, the state's capital offers more than 580Mbps of international satellite connectivity through VSAT & STPI and 2 satellite Earth Stations at Kharagpur and Durgapore.
- Additional satellite earth stations are being set up in Haldia and Siliguri.

The government has encouraged development of Growth Centres through the West Bengal Industrial Infrastructure Development Corporation. The infrastructure facilities provided in these Growth Centres include developed land, industrial shed, water supply, power, street lighting, internal drainage and sewage system. Other facilities such as telephone, banks, post office, fire station, police outposts, shopping centres are also being completed for the new Growth Centres. Till date WBIDC has established 12 growth centres across various locations in the state and three more are coming up shortly.

The government of West Bengal has also initiated creation of industrial infrastructure in the form of special economic zones which are specially delineated enclaves entitled to several fiscal and concessional incentives. At the moment, there are three SEZs operating in the state while several others have either been approved in principle or are in various stages of implementation. ■



Anshin Software On Expansion Spree



Anshin Software, based in Silicon Valley of California, is an end-to-end e-business software development company, which operates an offshore development centre in Kolkata. Besides, having specialized in design and implementation of software solutions for automating capital market's back-office operations and delivering large-scale, web-generation enterprise reporting systems, the company has also been delivering custom designed software solutions using new generation Java and Net technologies.

Anshin Software's Chief Executive Officer Arnab Debnath, who was in Kolkata recently, spoke to Indo-US Business about the company's future plans, present structure and some other related issues. Arnab is a software engineer from IIT Kharagpur and his last assignment was with Intel before he floated his own company. Excerpts.

When did you start this venture and what is your future plan?

The company was floated in 1998 but the business activity started in the subsequent year. We started with a project office in New York. The first development facility in Kolkata was started in the middle of 2001. Currently, we have around 200 professionals working as software developers in Kolkata. But we intend to increase the headcount of professionals as we go on expanding our business.

Will you set up a new facility in Kolkata?

Yes, we will set up a KPO (Knowledge Process Outsourcing) facility of our own in Kolkata. We are now operating from a rented space. After it comes up, we plan to shift to the new facility. We have been allotted half an acre of land from the West Bengal IT department. The construction is expected to begin early this year.

What about your present client base and how do you intend to strengthen and expand it?

Currently we have five clients with us for whom we are working. They are all top-tier companies from the US, Japan, Hong Kong and Singapore like Toshiba, Hitachi, Goldman Sachs, etc. Our motto is to create a positioning with the existing clients and then go for attracting new ones. We will take up some aggressive business development initiative very soon. First, we will try to foray into the European market. It is a big market. We are also very keen to develop our domestic client base in India and Asia. We will try to do some marketing and sales activity here. Already we are in talks with a few domestic companies. This apart, we will focus on the US and Japanese markets for business development.

Can you elaborate on your company's latest innovations?

We have recently devised a product called 'reporting solution'. The software has been developed in our Kolkata unit. We have



just started the sales and promotional activity for the product. It will be very useful for companies both domestic and overseas. I am very bullish about it and I hope it would generate good business for us.

What was the company's export figure in the last financial year?

We don't go by the financial year. In the calendar year 2006, our export figure, in a provisional estimate, was to the tune of US\$6 million. But we have a registered a growth rate of 25 to 30 percent. This could again rise significantly as we plan to target the domestic market for capital market solutions and enter a new vertical like telecom to offer web-enabled, flexible and scalable solutions.

What are you doing for brand promotion?

We have started doing it of late. In the last Infocom event held in Kolkata, we participated as one of the sponsors. We are also sponsoring a few events of information technology and we intend to do it more regularly in future.

Recently a trade union termed as West Bengal IT Employees Association for the IT sector has been formed in the state with the support of CITU? What is your view on this development?

This is indeed a negative development. I don't believe in unionism. Unions only create disruption. I don't feel that any software development company exploits their employees. There might be some small BPO companies who do not pay their employees what they deserve. I think that the union can raise that issue. Otherwise, union, in

Apollo Group plans cancer hospital in Madurai

Apollo Hospitals Group will set up a \$5 million cancer hospital along with the California-based Comprehensive Blood Cancer Care Institute.

The Group has signed a Memorandum of Understanding with the partner, and the project will take shape in six months, Preetha Reddy, Managing Director, Apollo Hospitals, has said recently. She was speaking at a conference on Southern Prosperity Through Enhanced Economic Development (SPEED), organised in Madurai by the Confederation of

Indian Industry.

Madurai was chosen, she said, as it had the talent, and the need for a comprehensive cancer treatment facility in the region.

"As per the agreement, Apollo Group will provide infrastructure support like equipment, while the expertise in cancer care will come from California," she said.

Ms. Reddy, who spoke on 'medical tourism and its potential' and the initiatives needed to promote investment in southern districts, said Apollo Speciality Hospitals in Madurai would be expanded owing to the growing demand. It would be made a 500-bed hospital.

As for the urgent steps needed to promote health tourism, she said flight connectivity was a major issue. What Madurai wanted most was an international airport so that foreigners could be tapped for tourism and treatment. Many foreign patients complained of the way in which they were handled at airports. "The potential in the health sector could be explored if bottlenecks were removed," she said. ■





A Tale of Two Destinies



Tulsi Tawari

US & India Bound In Knowledge Bond

By Tulsi Tawari & Satya Swaroop

Economic development through exchange of goods and services, i.e., business, must have existed ever since man began to experience 'growth in human-efficiency' achieved by creative collaboration. This is how man learned value of creating surplus-time beyond making a living. Thus began pursuit for individual aspiration.

Man's creative thinking then set him on the path of exploration to understand the secrets of nature that baffled him. What we see today, all around us, the wonders of immense technologies is naturally a cumulative result of creative application of human mind.

The irony of our times however is - that caught in the web of complexities, generally deliberate, man remains utterly confused between what he does and what he really wishes to do. How few really attain 'freedom of time and mind' to understand and pursue their true aspirations?

The answer perhaps lies in

this dilemma:

Whatever is desirable and purposeful continues to remain unviable and whatever is viable is not always desirable.

There was a time in the ancient past when human beings had only one choice: work for the whole day for food and maybe little more. Thanks to individuals who thought beyond: in search of knowledge! Gradually, man has discovered nature's hidden principles and achieved ability to do much more work in tiniest fraction of his time. For instance, less than five percent of population is producing enough food for all in the US. And now, with the advent of communications revolution in general, and internet technology in particular, man has no finite bounds. The irony however is: the key issue for most people in all nations is still the same ancient one, i.e. making a living!

**Building Knowledge-driven Societies:
An Initiative of
Entrepreneur-India & New Media**



Where and how all the human-efficiency created by science and technology is getting lost? The world as it exists today, only a few people by chance or rare conviction are able to work towards exploring and fulfilling their dreams, the rest remaining in the rut of survival, physically or else mentally. Is it possible that we live in a world where individuality is suppressed and crushed through organized manipulations of one or other kinds?

For instance, the September 13, 1999 issue of The Wall Street Journal ran an article. A section of the article read: "For all the talk of mutual funds for the masses, of barbers and shoeshine boys giving investment tips, the stock market has remained the privilege of a relatively elite group. Only 43.3 percent of all households owned any stock in 1997, the most recent year for which data is available, according to New York University economist Edward Wolf. Of those, many portfolios were relatively small. Nearly 90 percent of all shares were held by the wealthiest 10 percent of households. The bottom line: That top 10 percent held 73 percent of the country's net worth in 1997, up from 68 percent in 1983."

"Global wealth, global connections, and technological capabilities have never been greater. But the distribution of these global gains is extraordinarily unequal", says the World Bank's development report of 2000-2001.

Interestingly, the problem of growing 'inequality' and 'divide' is not nation-specific, rather evenly applicable to the entire world population (whether developing or developed). The divide exists among nations, as well as among people living in one nation:

A) Among nations: the average income in the richest 20 countries is 37 times the average income in the 20

poorest countries, doubled in the past 40 years.

B) Within any nation: for instance, the richest 10 percent of people earned 30.5 percent of total income in the USA, 30.4 percent in China or 33.5 percent in India during 1997/98.

Does anyone really believe that those who earn and possess major part of wealth are doing any superior work than the rest of the people? So no wonder, when Jeff Faux, the then President of Economic Policy Institute of US, attempts to draw our attention in his article, Three Things Learned, published just after the September 11 incidence about

illogic in relationship between quality of work one does and money one earns from:

A teacher in New York City schools starts at \$30,000. A brand new securities lawyer starts at \$120,000. Does anyone believe that this represents sensible priorities? And does anyone believe that the firefighters who marched into that inferno did it for money?

Could it be possible that there exists fundamental problems with the principles and structures around money that facilitate exploitation in the garb of freedom and justice? Is understanding and correcting the confusion that exists in our methods and systems is beyond our collective wisdom? Could it be that greater money is possessed by those who do not necessarily create wealth rather simply find a way to transfer to themselves?

Money does not exist in nature. It is creation of human ingenuity to provide wheels to the process of barter otherwise limited within small villages. Money is meant to measure value-added growth. However, it seems that intellectual corruption has destroyed the sanctity of money by scheming subtle instruments of transferring money without adding any new wealth, thus defeating the very purpose for which money exists!

The challenge and hence opportunity before the new breed of business and policy leaders therefore, is to ensure that the sanctity of money is recovered in a way that greater value-additions bring greater incomes. Otherwise, with all the economic progress, the societies in every nation would continue to remain bonded in artificial circles of survival since greater part of capital is allowed to transfer towards non-wealth creating



initiatives instead of empowering those initiatives where knowledge could create abundance of wealth and prosperity for all concerned. The question is:

"Whether what is desirable for fulfillment of every individual will be allowed to become viable or what appears beneficial to satisfy the ego of a few would only matter, even if undesirable or harmful."

In the history of mankind, there never has been a moment as decisive as today. People from different nations are beginning to feel and know each other, at arm's length in truest sense. The barriers of languages disappear when people begin to trust each other. The process of expansion of village-boundaries, that started with the invention of wheel, thousands of years ago, has finally reached the ultimate boundary, what we now call globalization.

Future leaders no longer can afford to think about supremacy of one nation over another, rather how to make this world a place, as caring as mother's womb for all its citizens. Although all nations have their roles to play USA and India representing two distinct and complimentary characteristics, have a unique destiny together.

While people from all nations have done their bit, world economy and business is primarily being driven by American leadership, for the past several decades, for better as well as for worse. Grappling with cold wars with Russia and wondering about the prevailing conflict-ridden world, this is how John F. Kennedy, the great leader of the 20th century, expressed his anguish and concern:

"The greater our knowledge increases, the greater our ignorance unfolds."

The past century has seen the two sides of the man: one, of bringing devastation through man-made wars, two, of finding new frontiers in knowledge through science & technology.

In his 1962 speech given at Rice University in Houston, Texas, President John F. Kennedy reaffirmed America's commitment to landing a man on the moon before the end of the 1960s. Although he did not live long to see with his own eyes, but the whole world saw Neil Armstrong set the first foot of man on the moon on July 20, 1969! Such was the power in this worthy vision, that created greatest synergy and goodwill among human minds across the world. Man can take up a worthy challenge and make it happen, we have already experienced. At the time, making that decision was not



easy. Doubting Thomases were skeptical what purpose it would serve to invest \$ 10 billions in a decade. But as JFK could foresee ...

"The growth of our science and education will be enriched by new knowledge of our universe and environment, by new techniques of learning and mapping and observation, by new tools and computers for industry, medicine, the home as well as the school."

Today's all major advances that we see all around us, whether in computers, in communications, in weather prediction, in healthcare, in all sectors of economy, owe a great deal of progress to that one decision: Man-on-the-Moon, that Americans rallied behind. Greater and greater amount of work can be done in lesser and lesser time. But behind this success lies: commitment and conviction of the whole nation working as one TEAM towards a collective goal, without thinking about individual benefits alone. Return on Investment on \$ 10 billions of US \$ 1960s would probably be highest ever made in the history of mankind. This is how the hidden power of human minds unfolds for wealth creation.

The USA has become a chosen destination for all people including those of science & technology from the world over. Great leaders like Abraham Lincoln, John F. Kennedy, and others, have championed against all odds, the cause of freedom and equal opportunities for all of the society. With thrust given to individual's performance and reward, US has constantly been attracting talent from all other nations. With continuing flux of migrants spread over the entire landscape, the US has the rare distinction of becoming a melting pot of the world, at present time.

Yet, there has been something lacking in American approach. Why is it that an average American family is not emotionally stable? Is the drive for individual's independence in contradiction to being a part of a harmonious family? Was it always like this in America or somewhere some error has happened that has led the nation this way?

It is quite ironical that the US which believes in individual's independence of supreme value in its own society, fails to live up to this very principle when it comes to act as one independent nation in the group of several such nations. Why so, is the real question.

Respected by world scholars as a cradle of civilization, India's age-old mystic culture continues to charm a western visitor, in the midst of all forms of contradictions

and chaos, coexisting side-by-side. While US, with all its prowess, is caught with fears of insecurity and distrust to such levels that each individual is scrutinized as potential bomber, India continues to hold self-inspired peaceful gatherings of millions of people, year-after-year.

Thanks to the deeper analyses of life by ancient social scientists, India has preserved the knowledge of coexistence as greater truth, despite all kinds of conflicts around during thousands of years. This is what most outsiders may feel as the vital undercurrent in Indian lives, irrespective of apparently contrasting characteristics. With her conviction to values of non-aggression and self-control, India has duly earned the distinction of being a nation where people from diverse cultures and faiths found home to coexist, with affection and respect. India has proven to be a melting pot of the world since older times.

The ideal approach in achieving a prosperous and happy life for all individuals in a society, is possibly to develop the ability of combining the following two abilities with appropriate discipline:

- **Economic Independence empowering individual's dynamism**
- **Emotional Coexistence in matters of relationship-building**

For any society, emotional-coexistence remains the hidden foundation under the ground, on which the dynamism of independence can build tall towers of individual aspirations. It is unfortunate that Indian society of recent times, gifted with such strong base from their ancestors, failed to empower individuals for excellence. In comparison, the US people have demonstrated the dynamism of individual aspirations by building castles practically in the air, even without having as sound a base of family values as Indians are blessed with. Imagine what both societies could learn from each other.

Stronger the foundations, greater the stability would be, and vice versa. India represents the that foundation of coexistence whereas USA has demonstrated its ability to empower individual-dynamism. In their own interests and the world as whole, both these countries, who share and cherish individual freedom and expression as the greatest virtue, have a unique joint-role and opportunity to play a historic role in shaping the future era for all.

The challenges that world face today are the making of the man himself. Whether the issues of environmental



degradation, social-unrest, broken families, growing economic exploitation ... on and... on. The undoing of the mistakes made therefore is within the power of man. At the root of most ills that world faces today, there appears to be a common denominator: maximization of personal gains at the cost of whole. Nations wanting to succeed at the cost of other nations. Organizations wanting to succeed at the cost of nations and environment. Individuals wanting to succeed at the cost of other individuals and organizations they are part of. The key problem faced is that of finding a new order... where all people can have opportunities to grow without hurting others or the environment. Is it beyond human ingenuity? is the question.

In every nation and society three forces are always at work: 1. creative and positive, one that brings about scientific innovations and growth in human efficiency 2. negative and political, one that destroys all the work of positive creations in the arrogance of feeling superior 3. complacent masses, being swayed by a dominant force, currently by the negative one. The challenge that the world faces to day is one of positive and creative

leadership, a dynamic demonstration of intellectual integrity.

The sustained prosperity of society depends upon which of the following two principles are adapted by policy-makers and business leaders in day-to-day activities:

1. Commerce-driven Knowledge (i.e., what is viable is not necessarily desirable): This is where one can earn great personal profits without necessarily adding fresh wealth. Transfer of wealth (ToW) dominates creation of wealth (CoW).
2. Knowledge-driven Commerce (i.e., what is desirable becomes viable): This is where personal profits always come from contributing fresh-wealth in the economy.

In the new world ahead, no one nation in the world or no one individual in a city is a superpower, the only winner. All are going to achieve their firsts, in fields of their natural aptitude. Like in a symphony orchestra, every instrument can have moments of its own climax, and yet very much remain a loyal-member of the whole group for all the time. This is how we can hope to achieve the identity of self and yet be in harmonious coexistence with others. ■

India launches fund for small cities' development with US aid

The Indian Government has launched a Rs. 395 crores (\$ 88 million) Pooled Finance Development Fund for city infrastructure, designed with assistance from the US Agency for International Development (USAID).

The Pooled Finance Development Fund will allow small and medium-sized Indian cities to access capital markets for investment in essential municipal infrastructure services, especially water and sanitation. It will also provide credit enhancement grants to state financial institutions to borrow from the market.

Addressing the participants of the national workshop on the Pooled Finance Development Fund in Chennai, jointly organized by the Indian Ministry of Urban Development and USAID, US Consul General David Hopper said: "Pooled bond financing has great potential in India. In the US we have seen how such financing can contribute to developing infrastructure. The US has considerable experience in bond financing

and using revolving funds to improve water supply and sanitation."

Hopper further said, "We hope that the Government of India's Pooled Finance Development Fund will assist Indian cities augment and expand water services. We hope that US experience continues to be valuable to the Fund's operations."



USAID, under its bilateral Financial Institution Reform and Expansion project, helped the Indian government develop the Pooled Finance Development Fund using US state-level bond banking experience. The Fund will assist small and medium cities in developing innovative ways to finance their infrastructure needs. ■

Number of Indian students highest in US

For the fifth consecutive year, India has been the leading country of origin for international students studying in the United States, US Ambassador to India David C. Mulford has said recently.

The first-time enrollments at US graduate schools by Indian students were also up by 30 percent, Ambassador Mulford said while announcing the findings of the Open Doors 2006 annual report on international student exchanges at an event honouring International Education Week.



Launching the US Educational Foundation in India's celebrations to mark the November 13-17 International Education Week, the Ambassador Mulford said student visas were a top priority for the US Embassy in New Delhi and the US Consulates in Chennai, Mumbai and Kolkata. "We ensure all legitimate students get visa appointments in time to report for their classes in the US," he said.

He said that 32 percent more Indian students received visas in between October and

He said while Open Doors 2006 reported that the total number of Indian students had declined slightly this year, the result of more Indian students completing their degree requirements and returning home. Overall, students from India remain the largest community of foreign scholars in the United States and the number of first-time students increased sharply. The number of American students coming to India for studies rose substantially this year, with India entering the top 20th list of destinations for Americans studying abroad for the first time.

September 2006 than in the same period in 2005, compared to a 10 percent increase between the same months in 2005 and 2004.

"Indians and Americans see the value of academic exchanges to cement our future relationship," said Ambassador Mulford. At the same time, he said US students are receiving India-based training through internships at India's most reputed academic institutions and corporate entities. ■

No issuance fee for non-immigrant US visas



US Ambassador to India David C. Mulford has announced recently that the US Government has eliminated the US \$50 reciprocal issuance fee for all nonimmigrant visas for Indian citizens, effective, 9 November 2006. The result will be a 33 percent reduction in the cost of obtaining a visa.

"I am pleased to announce this reduction in charges," said Ambassador Mulford. "I hope it encourages more Indian business people and tourists to travel to America."

Visa applicants will still be required to pay an application fee of US \$100 at a designated HDFC bank branch prior to scheduling a visa interview. Last month, the Embassy and Consulates General implemented procedures eliminating the visa appointments backlog for Indians who plan travel to the United States. Appointments are currently available for nonimmigrant visa applications at all US consular offices in India. ■



US co seeks tie-ups in India's \$100-bn civilian N-reactor business

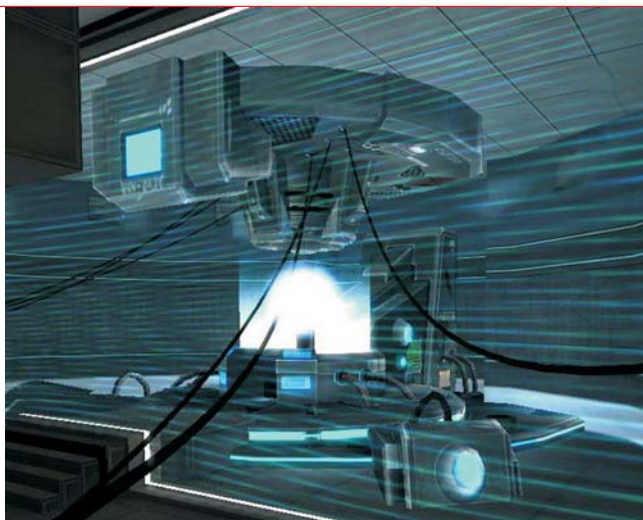
US-based Thorium Power Ltd, a nuclear fuel technology developer, is in talks with Indian companies, including state-owned Nuclear Power Corporation of India Ltd and NTPC Ltd, to firm up partnerships to offer its proliferation-resistant, low-waste fuel technology.

The company, which was part of the US delegation visiting India to explore opportunities arising from the Indo-US civilian nuclear deal, is hardselling the use of its technology by India's civilian nuclear reactors for achieving key non-proliferation targets.

Thorium Power's President, Seth Grae said that India has the potential to build at least 60 reactors of 1,000 megawatts each.

"At an estimated \$2billion per reactor, the potential for business crosses \$100 billion... Over and above this, there are business opportunities arising out of fuel supply and servicing contracts," he told reporters during his recent visit to India.

Grae met with Indian Commerce and Industry Minister Kamal Nath, Power Minister Sushil Kumar Shinde, and Minister of State in the Prime Minister's Office Prithviraj Chavan, during his visit. He also met the top brass of state-owned NTPC and some of the country's private sector firms that are waiting in the wings to enter the nuclear sector. Buoyed by the response from the current



visit, Grae plans another trip to India shortly to take forward discussions.

"India is already working on a plan to build dozens of new reactors in the coming years and the vast majority of these reactors will be designed to use thorium fuels. We have found a lot of interest among all segments of the nuclear community here in the proliferation resistant, low-waste fuel technology that Thorium Power offers," Grae said.

The company, which designs nuclear fuels, obtains patent protection on these fuels, and coordinates fuel development with commercial entities and Governments, hopes to offer licensing agreements for use of their fuel processing technologies.

Thorium Power has proliferation-resistant nuclear fuel technologies that can be used in reactors to achieve important non-proliferation goals and hence Indian companies might find useful, he said. ■

Marlabs to expand in India, invest Rs 100 cr on building campuses

Marlabs Inc, a US-based technology services and solutions provider has said it will invest over Rs 100 crore to set up its facilities in India. The company is planning to set up campuses in Bangalore as well as in Mysore, besides opening a global training and development centre in Mysore, Marlabs India, a wholly-owned subsidiary of Marlabs Inc,

Head Global Delivery Sunil Nambiar told reporters recently that the headcount in India would also be scaled

up from the current 400 to over 2,000 in the next three years. The \$75 million Marlabs Inc would undertake huge expansion in the domestic market and is betting big on India to fuel its growth globally, he added.

"The company has acquired land and secured necessary approvals for its projects and construction is scheduled to commence soon," Nambiar said adding that investments in India would be funded through internal accruals.



Motorola chooses India for setting up sixth design studio



Close on the heels of announcing a manufacturing facility in India, telecom major Motorola has said it is in the process of setting up a design studio in Bangalore, its sixth in the world. "The purpose of the design studio is to understand the market and then use it to influence the global design strategy for mobile handsets," said Ignacio Germade who heads Motorola's UK and Singapore Design Centres.

The studio would focus on research to gauge consumer likes and market requirements for mobile handsets. The studio in India, one of the company's high growth markets, is Motorola's sixth such studio globally after Beijing, Seoul, Chicago, UK and Singapore.

Germade said that Motorola worked on a single design strategy for similar markets. While products are "influenced" by a specific region, it could be deployed beyond the region as well.

Elaborating on the role of the proposed studio, Germade said, "In the case of low-cost MotoFone, we had brought our research teams to India to do the user research. With the new studio in place, such research can be driven from India." The MotoFone has features that are unique to India including a dust-resistant key pad, a display that is visible in bright sunlight, e-ink screen and longer battery life.

Earlier this year, Motorola announced its intent to set up a manufacturing facility near Chennai with an initial investment of \$30 million (Rs 135 crore), with plans to ramp it up to \$100 million (Rs 450 crore) within a year.

According to Germade, India is a huge growth market, and the manufacturing and the design studio will help tap the market better. He said Motorola had not only built momentum but also raised the bar for itself with the launch of the famous Motorola Razr. "You can surprise people only once. Razr is an innovation in the technology space to the extent that it has now become iconic. We will work on its variations, but it's a good reference which we will use for some time."

Germade, who is also responsible for Motorola's industrial and interface design for the EMEA and South Asia regions, said that in handset designs, the company's focus in 2007 will be on colour, finish and refinement of materials.

"There's a strong need to make products with which people can connect better. Colour connects with consumers emotionally and as the industry matures, customer expectation from phones will rise further," he added. ■

Marlabs India is setting up separate practices for Oracle Applications and business intelligence. The company's BOT-based ODC for Epsilon Interactive is growing as well, he said. "Indian operations will also shoulder increasing responsibility for MCOCentral, Marlabs's flagship product for the healthcare vertical," he added. The professional services arm of Marlabs Inc would be expanded in two phases - growth of its domestic customer base and of its share of the global revenues," Nambiar said. ■





US-headquartered watches and accessories brand Fossil Inc has entered into a joint venture with Rajesh Exports to manufacture and market its brands in India and jointly develop



jewellery lines for the global market.

Fossil has also acquired fashion jewellery brand OysterBay. Rajesh Exports had taken over the retail assets of OysterBay recently and converted OysterBay standalone stores into Laabh Jewellers outlets as part of its Rs 450-crore retail venture. But the OysterBay brand is now being given a fresh lease of life through Fossil.

The 50-50 joint venture with Rajesh Exports will be called Fossil India Inc and Vasant Nangia will be the Managing Director of the new company. While Fossil will source jewellery from Rajesh Exports, Fossil's brands will also be sold in Rajesh Exports' retail stores. Fossil's watch portfolio include the brands DKNY, Fossil, Diesel, Emporio Armani, Burberry, Zodiac, Adidas and Michele. The deal also entails manufacture of Fossil brands in the country with Fossil planning to set up a manufacturing base in India soon. Preliminary studies regarding the location of the unit; the size of manufacturing and the brands to be made are yet to be decided. It will be decided once the new customs duty structure is announced in the Budget, said Rajesh Mehta, Chairman, Rajesh Exports.

Fossil has its own manufacturing facilities in China and Switzerland. "The joint venture will also jointly create a range of designs in jewellery to be offered to global markets through the established network of Fossil," said Mehta.

Fossil in India venture to make watches, fashion jewellery

Mark Parker, Senior Vice-President, Fossil Asia Pacific, said he was excited about India, as it is "going to be the driver of Asia and will overtake China soon."

With the OysterBay brand in its kitty, Fossil will roll out new-format OysterBay stores from 2007. The stores will sell all the products of Fossil - watches and fashion accessories. Plans are on to take the OysterBay brand to the global markets as well - Asia Pacific and North America to start with. Meanwhile, the first phase of Rajesh Exports' retail venture is nearing completion with 22 Laabh Jewellers stores. Another 100 retail stores under the name 'Shubh Jewellers' will be opened by April 2007. Rajesh Exports is also looking to open Shubh and Laabh stores abroad. ■

Cybermedia buys 49 pc PSI stake

CyberMedia has acquired 49 percent stake in US-based Publication Services Inc (PSI) through its wholly owned US subsidiary CyberMedia India PLC.

According to a press release issued by CyberMedia, the company has an option to acquire 100 percent interest in PSI within three years. PSI, with a 50-member strong team and FY 06 revenue of \$ 2.7 million, provides a wide range of book and document production services for publishers. Its clients include McGraw-Hill, Cambridge University Press, Harvard University Press, Elsevier Science and Oxford University Press.

Pradeep Gupta, CMD and CEO of CyberMedia, said: "We are excited about our partnership with PSI. Together, we can embark on a faster growth path in addressing the content



outsourcing market with a highly experienced and quality driven team. This is the next step in CyberMedia's advent towards going global." ■



WEST INDIA COUNCIL

IACC's Interactive meeting with Consular Chief over breakfast

Indo-American Chamber of Commerce (WIC) organized an Interactive breakfast meeting with Glen Keiser, Consular Chief and Ms Amanda Zafian, Vice Consul, US Consulate General, Mumbai on Friday 15 December, 2006.

Addressing IACC members, Keiser said the Consulate had received IACC's application on becoming a member of the Business Executive Program (BEP). The BEP is designed to facilitate US-Indian business relationships by streamlining the visa application process for qualified business travelers. The objective through this programme

is to support Indian Businessmen to get visas in a timely manner and facilitate their visit to the US for business purposes.

Keiser said that the aim and focus area this year would be to streamline the entire visa issuance process. This has been achieved to a great extent in Mumbai and Delhi. Visa applications can be made online on the website and the same could be availed of within a week's time. He congratulated his entire team for their support in making this aim a reality and assured that with the opening of the new office at Bandra Kurla Complex which will enable to have additional manpower and space support will definitely help in the aim to issue visas within reasonable timelines.

Atul Nishar, President, West India Council (IACC) earlier welcomed both Keiser and Ms Amanda and presented them floral bouquets at the start of the meeting, held in Taj Mahal Palace & Tower, Mumbai.

WIC committee members and a few industrialists interacted with both the officers and had a valuable interactive session. ■



IACC hosts Greater Seattle Business & Trade Mission

A 32-member delegation from Trade Development Alliance of Greater Seattle lead by US Congressman from House of Representatives Jim McDermott and Washington State President for US Bank Kenneth M Kirkpatrick visited India from 24 November to 6 December, 2006.

IACC, along with Hemant Sonawala, Past President of IACC and Chairman Hinditron Group of Companies hosted a networking cocktails and dinner on November 27, 2006 at the Malabar Club in Mumbai.

IACC members interacted with representatives of Boeing,

Microsoft, Commissioners of Ports of Tacoma, Seattle and Everett; Attachmate, University of Washington, Bandwidth Advisors and other members of the delegation.

Bill Stafford, President, Trade Development Alliance of Greater Seattle said, "India is a significant current and future trading partner for our region, with Washington exports to India exceeding \$ 400 million. Top export commodities from Washington State to India are transportation equipment, computers and electronic products and wood/paper products."

Many small to medium sized companies from the Greater Seattle region have significant business interest in India and some are already actively doing business with the country. The Greater Seattle region has a large professional Indian community in industries such as software and aviation. More than 140,000 Indian Americans live in the region.

"This follow-up mission will continue to establish and foster business and trade relationships between India and the Greater Seattle area," Stafford said. ■





PUNE BRANCH

Interactive meet at Annual 'Fellowship Nite'

Members of the Indo-American Chambers of Commerce, Pune Branch, celebrated their 'Annual Fellowship Nite' on 19 December 2006 at Hotel Le Meridien, where they interacted with US Consular Chief and acting Consul General Glen Keiser from Mumbai.

Glen Keiser apprised the audience of how the US Embassy achieved the amazing sea change in visa appointments bringing wait period down to as less as 6 days. He, also, encouraged the Pune Branch to interact further for membership under BEP for the benefit of its members. He assured to look into this positively from his side.

Raghavendra Ponshe, the outgoing Chairman of IACC, Pune Branch, while handing over the charge to Shekhar

Agharkar, the new Chairman for 2006-07, presented a synopsis of the concluding year's activities and achievements. He highlighted the focus area, namely SMEs, which benefited from 30 odd business get-togethers arranged by the Branch during the year. Other important activities are as follows.

Two Pune companies, which joined the IACC delegations visiting the US received support from the Pune secretariat. Liaison with Virginia firms and authorities resulted in direct business exchange between Pune members and their counterparts in the US. Close cooperation was also established between the Pune Branch and the US Commercial Consuls. The branch achieved a record 50 percent growth in membership besides 100 percent renewals.

Ponshe made a special mention of the untiring efforts of Prafull Mokashi, the Executive Secretary in accomplishing various activities. Agharkar took the audience through the IACC vision and mission and put down goals with a target of 50 percent growth in membership, business meets for the SMEs and working closely with the US Consulate for the benefit of members.

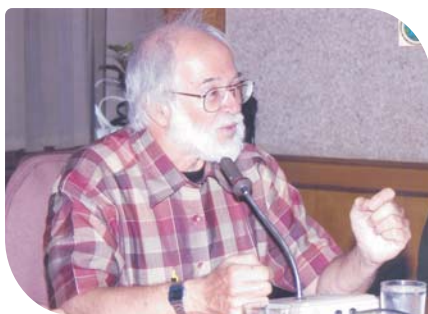
The evening celebration was well attended by about 90 members representing the broad cross section of industry in Pune. The members had substantial opportunity to personally interact with Keiser at the event, which was attended by media persons. ■



Shekhar Agharkar greets Glen Keiser

GUJARAT BRANCH

Lecture on "Doing Business In USA"



IACC Gujarat Branch organized a lecture and interactive session jointly with Gujarat Institute of Civil Engineers & Architects on "Doing Business In USA" by Robert McCollom, Management Consultant from Kansas, USA (Specialising in the

field of stone industry & construction sector) at Gajjar Hall, Ahmedabad on December 6, 2006. The delegates of IACC &

GICEA were delighted to listen to the latest happenings in the stone Industries and the demand for architects in the US. The lecture was well received and appreciated by members, and other guests and was followed by Networking & Refreshments.

Seminar on How to Incorporate a Company in US

On December 1, 2006, Indo American Chamber of Commerce & Exim Club jointly organized a Seminar on "How to Incorporate a



Company in USA and Transfer People to Work There A Road to American Dream” at Hotel Taj Residency, Vadodara.

Dr. Sudhir Shah, a renowned advocate and expert on the visa formalities of the US was the keynote speaker. With Indian companies globalizing their operations, they must

aspire for business development in the US. He provided solutions for how a corporate can have their employees' placement in the US through L-1 visa.

Breakfast meet on “Lean Thinking: Organizational Fat to Fitness.

IACC Gujarat Branch organized a breakfast meeting on the topic of “Lean thinking towards leanness: Organizational Fat to Fitness on 21 November, 2006. The Speaker, Jayanth Murthy, Director, Kaizen Institute for India and African operations, told the members that lean thinking was a process of identifying and systematically eliminating fat within an organization. This would lead to better organizational health, greater flexibility as fat elimination reduces cost, defects and bureaucracy, he said. Lean thinking is gaining huge momentum globally and is applicable to manufacturing, service industries and government. ■

KARNATAKA BRANCH

Pennsylvania Trade Mission explores tie-up opportunities

Indo-American Chamber of Commerce (IACC), BCIC and Pennsylvania's Trade Office in Bangalore jointly organized a meeting with Pennsylvania Trade Mission India led by Dennis Yablonsky, Secretary Department of Community and Economic Development, Commonwealth of Pennsylvania, on 17 November, 2006.

Eight Pennsylvania companies participated in the Mission and met with several Indian counterparts to explore possibilities of collaboration.

The goal of the Department of Community and Economic Development is to foster opportunities for businesses and communities to succeed and thrive in a global economy, thereby enabling Pennsylvanians to achieve a better quality of life. Headed by Yablonsky, the Department ensures growth and development in businesses and

communities across Pennsylvania.

India is Pennsylvania's 19th largest export destination. The key products include machinery, computer and electronic products, metal manufacturing, Chemicals and minerals and ores.

Seminar on US GAAP & Training Solutions For Dynamic Corporation Environments

The Indo-American Chamber of Commerce, Karnataka Branch, in Association with New Horizon & Morgan International organized a customized half-day seminar on 'An Overview of US GAAP & Training Solutions For Dynamic Corporation Environments' on 8 November, 2006 at Hotel Royal Orchid Central, Bangalore.

New Horizons India P. Ltd. and Morgan International presented the premier session on: 'Training Solutions for Today's Dynamic Corporate Environments.'

The symposium offered the opportunity to learn about cutting edge training solutions, presented by experts in each field of knowledge and associations with the highest credentials in the area of vocational technical training from the US in addition to a brief comparison between the US GAAP and the Indian GAAP. These organizations offer extensive experience in preparing corporate candidates for elite US designations and providing them with the right tools to efficiently meet every day challenges in the workplace. ■



Ms. Priya Chetty Rojagopal, EC Member IACC addressing the Pennsylvania Trade Mission



Workshop on Customer Value Management

Indo-American Chamber of Commerce, Karnataka, in co-ordination with Customer Value Foundation, organized a one-day workshop on "Customer Value Management" (CVM) by Gautam Mahajan on December 20, 2006 at Hotel Le-Meridien, Bangalore.

Gautam Mahajan, an internationally acclaimed expert on Strategy, General Management and Globalization and President of Inter-Link Services Pvt. Ltd., an International Consulting Firm addressed the participants at the workshop.

Soumitra Sana, Chairman IACC Karnataka Branch, said "Workshops such as these would help companies understand the consumer behavior patterns and how they can create differentiation over their competitors. It helps clarify what goes into the purchasing decision of consumers"



Billed as first organized effort in the city to put across the nuts and bolts of this innovative strategy across the corporates and other managerial talents, CVM has an expanding number of votaries across the world, IACC through CVM is trying to make companies understand that their customers purchase or re-purchase goods and services they perceive add more value than competitive offers. It is this embedded added value perception that is the 'Cause' that drives long-term customer loyalty.

Mahajan, who was also the faculty to the Orientation Program said, many companies attempted to measure the effect - Customer Loyalty - without adequate attention to the cause. The usual approach is to measure 'Customer Satisfaction' through 'C-SAT' studies. These are typically done in showrooms/ hotels/aircraft/ in homes at installation etc. However, there is no established connection between Customer Loyalty and Customer Satisfaction. A 'satisfied' customer need not necessarily be loyal, and a 'loyal' customer may not be 'satisfied'

Mahajan listed some of the companies, which have used Customer Value Management and achieved outstanding results. These are: Disney, Coca Cola, Tata, Birla, Castrol, Key insurance companies and banks, energy companies, retail, lubricants, fertilizers, steel (SAIL), Whirlpool, HP etc. ■

SOUTH INDIA COUNCIL

Seminar on 'Doing Business with the US'

Indo-American Chamber of Commerce, Chennai, organized a one-day seminar on 24 November, 2006 in Chennai on the topic of "Doing Business with USA" where Michael Kraus, Attorney, M/s. Smith, Gambrel & Russell,



(From Right) Hiren Shah, IACC Vice-Chairman, Michael Hartmann, Michael Kraus, Anand, Chairman, IACC-Tamil Nadu Branch, D. V. Venkatagiri, Regional Secretary, IACC South India Council

Atlanta, USA, delivered the key note address on "Legal Aspects of Operating a Foreign Business in the US".

Michael Hartmann, Director - Corporate Development, Transatlantic Sales, LLC, Atlanta, was another important speaker who delved the subject of "Marketing and positioning your business in the US".

Promod Kumar, Partner, Ernst & Young, Bangalore, briefly explained the "Outbound investments from India into the US Market"

Representatives from Teledata Informatics Ltd, Land Marvel Animations Studios Ltd, Sundram Fasteners Ltd and OBSI Technologies Ltd. and other member companies of the Chamber shared their experiences of doing business in the US market. ■



NRI's Artistic Quest: Uma Chhatrapati holds

Solo Show in Mumbai 19 to 25 February, 2007



She is an extraordinary combination of achievements for an individual. Uma Chhatrapati is a doctor, dancer and painter and her accomplishments in each of the three fields have been well recognized. Dr. Uma Chhatrapati will be holding an Exhibition of oils on canvas - abstract & figurative paintings from 19 to 25 February, 2007 at Museum Gallery in Kala Ghoda, Mumbai. Her dramatic ability to connect one form of art into another weaving blissful pieces of work in oil seems rather enchanting. Inspirations have been taking vent through her since childhood and she has used different mediums to express the same.

As a doctor Uma Chhatrapati practiced in the field of rehabilitation and attained her Masters in the US. She owned private practices in New Jersey, USA and Mumbai. She was a columnist newspaper on health related topics. She has written over 20 articles on rehabilitation and health.

Trained as a Kathak dancer from age five Uma Chhatrapati pursued her dance with her eminent guru Ms Rohini Bhate Nrityabharti

Dance Academy till 1980. Having returned from the US she further pursued her dance search with eminent guru Ms. Sitara Devi from 1991-94.

In art, Uma has passed her government art examinations with accolades and dabbled in water colours, acrylic, oils etc. Oils was her very comfortable medium all along.



Uma's art is mainly abstract and figurative using rhythm and colour as her primadonna. She evolved with her solo shows and has seen a dramatic transformation into cubism very distinctly visible in her paintings on the goddesses Durga and Saraswati et al. Her exploration further enfolds cubism into holistic abstractions.

Uma's spiritual search got deeper as she was inducted into siddha yog the kundalini its majestic mysticism in the human body. Uma's adventure with the human body became even more intrigued. Art therapy; colour therapy, group meditation with Siddha healing and its healing powers on patients continued to be her field of interest.

Uma has had 18 solo shows in the city of Mumbai at eminent galleries since 1996 and continues to let the higher energy guide her as she trots along. She has shown at the Jehangir Art Gallery, Gallerie Leela, Bajaj Art gallery and Alliance Francaise in Mumbai.

Her collections are with the Taj Group of Hotels, Hinduja Group, NaTourGmbH- Switzerland, Mercedes Benz, G.E Application-Hong Kong, RCI India, Studiomaster-UK, Johnson Controls, Esso Asia Pacific, Airline Interiors, Grundig Collections. Golden Eric Crafts-Israel, Several Private Collections in India and abroad.

For further details visit www.umaarts.com

