



# INDO-US BUSINESS

THE NEWS MAGAZINE OF INDO-AMERICAN CHAMBER OF COMMERCE

July-August 2007

## Leveraging IPRs as Crucial Corporate Assets



THEME: LEVERAGING IPRs AS CORPORATE AND FINANCIAL ASSETS  
JUNE 15-16, 2007  
IACC

### Future Projections

striking future projections

- India's GDP will be higher than 8% until 2020
- India to become 2nd largest economy by 2050
- India will be a superpower by 2025

INDO-AMERICAN CHAMBER OF COMMERCE  
in association with  
DSK LEGAL

PRESENT CONFERENCE ON  
**INTELLECTUAL PROPERTY RIGHTS**

THEME: LEVERAGING IPRs AS CORPORATE AND FINANCIAL ASSETS

JUNE 15-16, 2007



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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. Today globalization is the buzz word for every country. India, a late entrant into the arena of economic reforms is trying to catch up with the developed world, through globalization of its economy. Globalization has brought into sharp focus the issue of Intellectual Property Rights (IPRs). As India's bilateral trade with major partner countries such as the United States is growing by leaps and bounds, the issue of IPRs has assumed far greater significance than ever before. IPRs play a crucial role in the promotion of bilateral trade and hence are jealously guarded by individuals, corporate entities, governments as well as concerned international organizations. The Indo-American Chamber of Commerce (IACC) has recently organized a conference on the theme of leveraging IPRs as corporate and financial assets. The cover story of the current issue of Indo-US Business details the conference proceedings. In a presentation at the same conference, Novartis Vice-Chairman and Managing Director Ranjit Shahani highlighted the importance of incremental innovations and how these benefit pharmaceutical companies. In another conference paper, Dominic Keating, a senior diplomat at the US Embassy in New Delhi, argued about the importance of data protection, especially in the pharma R&D industry. We carry both the reports in the focus section of the magazine. As Indo-US economic relations scale to a new high, the exchange of visits by business delegations from both India and the US have been on the rise. An IACC delegation led by the Chamber's President Deepak Pahwa recently toured the US to explore two-way investment and joint venture opportunities, especially in the small and medium sectors of both countries. We carry a report. The magazine also carries a write-up on the US multinational Pepsi's plans for acquisitions in the food processing sector in India to expand its portfolio in this country. The US aviation giant Boeing, which has bagged a \$11-billion order from Air India, is planning to invest about \$1.7 billion in acquiring goods and services from Indian companies. We report. IACC is hosting the 4th annual Indo-US Economic Summit from 18 to 20 September in New Delhi. We present a curtain raiser for the Summit, whose theme this year is, very appropriately, Building Strong Partnerships. Then there is plenty of news about the activities of various IACC chapters across the country. There is a feature on tourism in West Bengal, where the state government is aggressively promoting scintillating journeys on its waterways and the sightings of the Royal Bengal tiger. Besides these, the magazine contains its regular features as usual.

Wish you happy reading

**Satya Swaroop**

Managing Editor  
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## **From President's Desk:**

The Indian economy is entering a significant trajectory. Growth impulses continue to be strong. The official forecast is that annualized industrial and services growth rates are likely to be more than the previous year. Agriculture growth, though estimated to be modest, is likely to be better than what that has been clocked in the previous year. Hopes are alive that the fiscal 2007-08 might register a GDP growth over 9 per cent and may touch a double-digit figure. That would mean that India might join the league of China, where double-digit growth figure is a feature for quite sometime. It is also a fact that national income experts often discount the hyped growth figures that China claims since the accounting standards are not transparent and often at variance with the internationally accepted standards. But Indian accounting standards are in tandem with international standards. That way, perhaps, India may emerge as the nation that demonstrated the highest growth rate in the world.

But the flip side is that Indian growth bandwagon also camouflages certain basic infirmities of the economy. First, the underlying inflationary expectation triggered by the burgeoning combined budgetary deficit of the Centre and States coupled with supply constraints of the primary goods. Secondly, the runaway growth and excessive inflow of foreign investment can overheat the economy and according to some economists that is happening for certain. In segments like hospitality and even in IT, India is no longer

a low cost destination. Our room tariffs, even in budget hotels, are many notches higher than the prevailing rates in Southeast Asian countries. Thirdly, for buttressing the inflationary expectations, the RBI is following a cautious but tight money policy, that has vaulted the interest rates to 15 per cent or so, adversely affecting thousands of small and medium enterprises, which have very little options for alternative financing other than depending on the institutional sources. At the same time, triggered by investment prospects, SMEs are on an overdrive to expand and modernize as evidenced from the large indent for the capital goods both from domestic and international sources. Also, there have been some concerns expressed from political and non-governmental sources about lack of focus on inclusive growth and skewed income distribution.

Indeed, India has made big in the international scene and is perceived to be the growth engine that can further accelerate the growth process. But equally significant are the challenges. We have to create more employment to absorb the teeming millions, especially in the rural areas. Excitement and prosperity in select islands of prosperity could be a by-product of the reform process, but could be a breeding ground for discontentment among millions of people who are left out in the process. Government's job guarantee scheme should not be a short cut to provide livelihood and keep them at that level. There should be upward movement of such



groups to bring them in the mainstream. Their skill sets have to be developed to enhance the employability. Presently, we are upfront with a situation of manpower scarcity in the midst of increasing unemployment. Investment in quality education and primary health should witness a quantum jump.

India still continues to be reckoned as a destination, which has the highest appetite for absorbing foreign investment, perhaps next only to China. Despite the short term vicissitudes that we face on account of the excessive flow of foreign investment, we still require them in large quantum in areas like food processing, retailing, infrastructure

including aviation and airports, education and the list goes on. The Fourth Indo-US Economic Summit, which will be held in New Delhi on September 18-20, 2007, is focusing on these issues. It will be a rare meeting place for Indian and US businessmen to tap business opportunities in each other's country. Somebody has asked me how this Summit is different from the earlier editions or similar events held from time to time. Yes, we are discussing at the Summit not only investment in India by the US but also pacing up Indian investment in the US. That is a good differentiator and I feel, in good pace. It could also be a barometer of our strength and indicative of challenges ahead. ■



## Leveraging IPRs as Crucial Corporate & Financial Assets

Intellectual Property Rights (IPRs) are jealously guarded by individuals, corporate entities, governments as well as concerned international organizations. IPRs play a crucial role in the promotion of bilateral trade between two countries. National and international laws provide protection to IPRs under different categories such as patents, industrial designs, copyrights, trademarks etc. IPR safeguards constitute a crucial component in trade relations between India and the United States. Seizing the issue at the right time when Indo-US economic relations are at their best, the Indo-American Chamber of Commerce (IACC) organized, in association with DSK Legal, a conference on IPRs in Mumbai on 15 and 16 June 2007. The theme of the conference, leveraging IPRs as corporate and financial assets focused on issues, opportunities and challenges in the new economy.



The conference, as Minister of State for Industry Ashwini Kumar described it in his address, was a platform for bridging the gap between Intellectual Property producers and Intellectual Property users. Kumar's speech, read out in absentia by R.S. Julaniya, Joint Secretary in the Industry Ministry, who inaugurated the conference, pointed out that a strong and vibrant IPR regime played a crucial role in the sustainable growth of an economy and that the Indian Government had taken necessary measures to provide a congenial atmosphere for creation and protection of IP that would lead to employment generation and speeded-up economic development.

"Intellectual assets are increasingly seen as the principal source of value, productivity, and growth in all industrial economies. The corporate groups are keen to en-cash the emerging opportunities arising from the IPR assets in the wake of globalisation to convert them into beneficial gains to strengthen their market share in face of stiff competition," he said. Following are excerpts from the Minister's speech.

Laws governing IPRs with clearly delineated rights and privileges for the owners of IP and provisions relating to penalties for misappropriation provide necessary climate as well as inducement to invention and investment.

The current century is a completely new era for IPRs, with such developments as the general transition from the "hard" age to the "soft" age, from traditional technology to biotechnology and Nano technology, with more and more use of traditional knowledge and bio



resources for finding cheap and effective solutions to health problems. In fact the stage is now set for building consensus and bridging gap between 'IP producers' and 'IP users' to ensure effective transfer and dissemination of technology from developed nations to the developing nations. This meeting provides a very good platform to find suitable solutions to bridge the existing 'IP divide'. No doubt the "New IPR Deals" struck by the corporate groups would act as a sheet anchor to spur development and create jobs on a global scale. The development should not mean only increasing capacity for creation, and providing protection to the owners, of Intellectual Property Rights, but it must also secure transfer of technology through licensing at reasonable terms for manufacturers. It should meet the primary rationale of IP protection, that is, promoting societal development by encouraging technological innovation. The real development imperative must ensure that interest of IP owners is not secured at the expense of IP users and consumers. It must also aim towards eradication of epidemics like HIV/AIDS and other communicable diseases by ensuring access to affordable medicines. For realising this objective, we must continue to strive towards ensuring that the IPR system while promoting a culture where IP rights are respected, there is no overriding of societal values and fairness.

In the recent past, there has been a paradigm shift in the strategy of business corporations from closed to open models of innovation based on collaboration and external sourcing of knowledge. There has been significant increase in exploitation of intellectual property, particularly patents, by firms not only by developing and employing new inventions in new products, processes and services themselves, but also by licensing them to others leading to wider use. In such 'New Deals' IPR assets are being used as bargaining chips in negotiations, and as a means of attracting external financial resources from banks, venture capitalists and other sources. Recently, many firms have emerged successful in raising finances based on the IPR assets. For example, GIK Worldwide, a San Francisco based company, used its patents as collateral for raising US\$ 17 million. Similarly Michael Jackson was reported to have borrowed US\$ 200 million from Sony using the Beatles' catalogue as collateral. In most universities in the West, licensing pays for less than 5.0 percent of R&D costs and it has been reported to be as high as 20 percent at Stanford and Columbia universities.

These recent trends bring into focus the issue of efficient technology markets and effective IP valuation schemes. The need for efficient technology markets is becoming evident in the context of improving innovation processes





by facilitating exchanges of patented inventions (via sale or licensing) among private and public sector players. An effective IP valuation system can speed-up not only technology transfer, but also open up opportunities for exploiting IP as such.

Intellectual Property administration increasingly demands a modern and efficient delivery mechanism along with a shortened response time. Government of India is also alive to emerging challenges posed by the new developments on the existing IPR systems. Having modernised the intellectual

property legislations and regulations, we have embarked on a major modernisation programme for Intellectual Property Offices and has already spent over Rs.153 crores in the 9th and 10th plans for infrastructure creation, extensive application of information technology, human resource development through recruitment of technical manpower, specialised training and the creation of infrastructure in the various offices. In order to further strengthen these initiatives, a sum of Rs. 320 crore in has been provided in the 11th Plan. The object is to make IP offices able to provide services of global standards. This is proposed to be achieved by making Indian Patent Office an International Patent Searching Authority and International Preliminary Examining Authority and also by creating facilities for international registration of trademarks under the Madrid Protocol. In order to further complement its initiatives towards capacity building, human resource development and awareness and outreach activities, it is entering into bilateral cooperation arrangements with several countries.

We must see the recent amendments in IP laws and modernisation of IP administration in the right perspective as it would not only offer incentives for inducing innovations and provide right signals for inviting investment but also as an opportunity to turn Indian pharma industries into the knowledge driven industries and provide a platform for tapping the potential to create thousands of jobs for Indian workers, tremendous revenues for the government and substantial increases in India's exports. Indian industry must forge ahead by removing the self imposed fetters of old traditions and adopt emerging new technologies to make the Indian industry more competitive in the world market. Need of the hour is to be convert the opportunities into advantages by leaving behind the traditional approaches and adopting the best available knowledge for the prosperity and growth of the Indian industry.

In this conference, I see a galaxy of dignitaries representing various icons of IP community that have foreseen the emerging challenge and are willing to spare their valuable time to discuss the issues relating to leveraging IPRs as corporate and financial assets and frame an agenda for turning the tide of structural changes in the Indian economy towards advantage India. The deliberations in this



**Bollywood Actor  
Anil Kapoor  
delivering  
his speech**



Conference, I hope, would lead to setting out and involvement of a right plan for IPR to be used as policy tool to meet the increasing demand for utilising IPR assets for public benefit through commercialisation.

## Wide-Ranging Participation

The theme of the Conference was **"Leveraging IPR's as Corporate and Financial Assets"** focusing on issues, opportunities and challenges in the new economy.

Well known experts from various industry sectors such as films, music, FMCG, pharmaceuticals, information technology, financial services, legal and judiciary made their presentations on legal aspects of Intellectual Property Rights. Mr. Deepak Pahwa, President, IACC delivered the welcome address.

The inaugural session was also addressed by Mr. Michael Owen, Consul General, American Consulate General, Mumbai and Mr. Anil Kapoor, a well known Bollywood Personality as Chief Guest and Guest of Honor. Mr. Mustafa Safiuddin, Partner, DSK Legal gave the Theme Overview of the Conference. Mr. Farokh Balsara, Vice President, IACC proposed the vote of thanks.

During the 2- day of the Conference, the following 7 Sessions were addressed by prominent advocates and corporate representatives.

Session 1: Indian Pharmaceutical & Bio-tech Patents.

Session 2: An insight in IP Enforcement regime Perspectives of Judiciary and ADR.

Session 3: Software & Databases Importance of IP Protection.

Session 4: New IPR Tax Issues (Panel Discussion)

Session 5: IPR in Foreign Investment Policy, Collaborative Projects & Domestic Brand Building

Session 6: Celebrity Brands & Entertainment.

Session 7: IP in M & A's, Valuation and Securitization of IP Assets.

The Conference was attended by over 180 participants representing, corporate world, law firms & advocates. The Conference provided a forum for exchange of views on various aspects of IPR related issues.

The event was covered by press and media including CNBC, Zee Business, DD News and Sahara TV. A DVD covering the entire recording of the two day proceedings along with presentations is being sent to all the participants.

DSK Legal, Procter and Gamble, ICICI Venture, Novartis, Samsika Marketing Consultants, Pinkerton, Richemont, Blue Dart were the sponsors of the Conference; e-Jurix was the knowledge Partner and CNBC TV 18 was the Media Partner. The conference was supported by IP Academy, Singapore.

The Conference was conceptualized, co-ordinated and organized by HO Mumbai staff and was appreciated by several participants and speakers in terms of organization, quality of speakers and the topics of their presentation. ■



A view of the participants



Ranjit Shahani

# Incremental Innovation Vital for Pharma Business

Ranjit Shahani, Vice Chairman & Managing Director, Novartis, presents a paper at the IPRs Conference on the topic of the Value of Incremental Innovation for Public Health, in which he argues how it adds further value to patents. In this context, Shahani raises fundamental questions about incremental innovations and answers them.

## What is Incremental Innovation?

"Incremental innovations are sequential developments that build on the original patented product and could be of tremendous value in a country like India. Therefore such incremental innovations ought to be encouraged by the Indian patent regime."

In many areas this is how innovation has happened...

- In the field of flight the only three "breakthroughs" were: • The original propeller engine flight machine
- The helicopter • The jet engine aeroplane

Similarly in land transport:

- The bicycle • The petrol engine motor car • The train

The pharmaceutical arena is no different.

- Incremental innovation is the major means through which significant benefit to the health of patients worldwide has been, and can continue to be improved.
- "Breakthrough" innovations are extremely rare, hugely difficult and oft times serendipitous in medical research.

## The Drug Development Process

1. R&D Intensity as a Proportion of Total Sales
2. R&D Costs are rising rapidly
3. Additional Industry Trends in R&D
4. Industry's Value Proposition Remains Strong
5. Major Achievements of Innovative Drug Therapy

## Why Incremental Innovation in Pharmaceuticals is Essential for Business?

Health Outcomes Better Quality of Life; Greater Longevity

- Pharmaceutical advances have increased longevity and productivity
- Incremental improvements enable individualised treatment of the elderly

## Faster Treatment

- Patients who fail to respond to one drug often respond to another drug in the same class. E.g. • Selective serotonin reuptake inhibitors (SSRIs) • Beta-blockers
- Calcium channel blockers

## Safety

Side-effects experienced in many drugs are eliminated. E.g.

- Second-generation antihistamines have significant improvements through reduced penetration of the blood drain barrier, with no anticholinergic effects and drastically reduced drowsiness.

#### Interaction with other drugs

- FDA has approved the first ever once-a-day AIDS treatment combining three existing drugs into one pill. This is a marked improved over original AIDS treatments developed in the 1990s.

#### Sub-population treated

- Reduced treatment costs
- Through increasing compliance, reducing hospital and physician visits and increasing worker productivity
- The sub-population which was not getting treatment earlier gets treatment

#### Patients Convenience

- Tailoring treatment to the patient
- By providing product alternatives that permit treatments to be tailored to individual patient needs

#### Productivity Benefits

- Increasing productivity through
- Reduced overall treatment costs
- Shortened or eliminated hospital stays
- Increased worker productivity and less absenteeism
- Reduced drug costs from increased competition among manufacturers

#### Releasing other healthcare resources

- Products that provide additional therapeutic benefit (notably a reduction in illness and death) arise from a series of incremental steps rather than a quantum leap. And over the years, medical science moves on a long way.

#### Tracking new diseases

Evolutionary progress in pharmaceuticals can take several forms. E.g.

- Introduction of a new medicine in an existing class
- New dosing or delivery forms
- New uses for existing medicines

#### What is Section 3(d) of the Indian Patent Act?



- “For the purposes of this clause, salts, esters, ethers, polymorphs, metabolites, pure form, particle size, isomers, mixtures of isomers, complexes, combinations and other derivatives of known substances shall be considered to be the same substance, unless they differ significantly in properties with regard to efficacy.”

- One of the fundamental problems with the clause as it is constructed is that a test, such as that of “efficacy,” is almost impossible to perform at a time when the patents are filed.

#### Need for Radical and Incremental Innovation

- The dramatic improvement in saving lives and health came about through both radical and incremental innovation.

- Pharmaceutical companies generate innovation in health needs by inventing new treatments for previously untreated health problems (radical innovation) and also developing new or improved uses for existing therapeutics (incremental innovation).

- The latter is crucial because the process of pharmaceutical innovation, just like any other innovative process, is built on constant improvements. This applies not only in biological sciences but also in physics, mathematics, engineering and about every human endeavour.

#### The Status of Current Medicines: Continuous Need for Medicines Innovation

Importance of Incremental Innovation for Development

- Incremental innovation generally result in better health outcomes
- by increasing efficacy
- reducing side-effects and/or making administration easier
- resulting in improved compliance and
- greater effectiveness

#### The Evolutionary Drug Innovation Process

Modern medicine would have been loser if...

- Analog research and development had not been carried out and new improvements not allowed to be protected by patents.

- Nitrates through transdermal patches
- Thalidomide
- Ciprofloxacin
- Vioxx
- Zelnorm
- Avandia??

#### Why is Incremental Innovation Good for Public Health?

- Reduced overall treatment costs
- Shortened or eliminated hospital stays
- Increased worker productivity and less absenteeism
- Reduced drug costs from increased competition among manufacturers

# Data Protection Boosts FDI, Pharma R&D



Dominic Keating

**Dominic Keating, a senior official at US Embassy in New Delhi, presents a paper at the IPRs Conference in which he has highlighted the benefits of data protection, especially in research-oriented industries.**

## What is Data Protection?

- Most governments require companies seeking to market new pharmaceutical or agricultural chemical products to submit clinical data that establishes safety and efficacy
- Clinical trials often cost more than \$800 million
- TRIPS Article 39.3
- Members, when requiring, as a condition of approving the marketing of pharmaceutical or agricultural chemical products which utilize new chemical entities, the submission of undisclosed information, ...shall protect such data against unfair commercial use. In addition, Members shall protect such data against disclosure...
- In general, "Data Protection" is the protection of test and other data for a limited period of time against unfair commercial use and disclosure

## What are the International Standards?

- United States

- At least 5 years of protection for NCE pharmaceutical products
- At least 10 years of protection for NCE agricultural chemical products
- All OECD members provide the same or more protection than the United States
- European Union requires its members to provide 6-10 years for new pharmaceutical chemical entities
- Canada recently amended their law from 5 years of protection for new chemical entities to a period of 8 years
- Trend in Asia 5 to 6 years for pharmaceuticals
- China, Japan and Korea all provide 6 years of data protection related to new pharmaceutical chemical entities
- Australia, New Zealand, and Singapore provide 5 years

## Case Study - Jordan

- Jordan implemented TRIPS and U.S. FTA provisions on data protection and intellectual property in 1999



- For period of 1999 to 2002
- 500 percent increase in FDI
- Exports to U.S. market increased by 300 percent
- Pharmaceutical exports by local firm increased by 30 percent to all markets

### Case Study Orphan Drug

- Need for incentives to develop medicines that treat rare diseases (e.g. Huntington's Disease, ALS, muscular dystrophy)
- U.S. Congress enacted legislation to address this problem that includes a seven year period of exclusive marketing rights for those companies providing test data to obtain marketing approval for a new drug
- Prior to 1982, only 34 drugs developed to treat rare diseases
- Within three years, 54 additional orphan drugs were under development and testing in the United States

### Benefits of Data Protection

- Incentive for R&D and generation of clinical data
- Promotes foreign direct investment in R&D and clinical trials
- Promotes domestic investment in R&D and clinical trials
- Introduction of new products to market
- Economic growth

### Reddy Report

- Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers was asked to suggest measures to be adopted in context of data protection provisions outlined in TRIPS Article 39.3
- Inter-ministerial Committee constituted on February 10, 2004 under Chairmanship of Secretary Reddy to act as a Consultative Group
- Report Released May 31, 2007
- Recommendations will be considered by Ministry of Commerce and Industry, Ministry of Agriculture and Ministry of Health

### Recommendations

- 3 years for agricultural chemicals (from date of first approval in India)
- 5 years for traditional medicine
- Indefinite transition period for pharmaceuticals
- 5 years after transition period (from date of first approval



anywhere in world)

- Safeguards
- Issues include the following:
  - Term of protection for agricultural chemical products
  - Transition period for pharmaceuticals
- Issues include the following:
  - Safeguards
  - Limiting the term of protection by patent term
  - Requirement to launch products in India within 6 months of marketing approval
  - Starting the term of data protection for pharmaceuticals with the date of first marketing approval anywhere in world
  - No protection for polymorphs / hydrates / solvates / isomers, salts, esters, metabolites, particle sizes, mixtures of isomers, complexes, chelates, mere admixtures or compositions of known substances unless they result in significant enhancement of the known efficacy of substance
  - No protection for data that has been previously published or publicly available

### • Conclusion

- There is a growing international recognition of the importance of data protection
- This is reflected in national legislation
- The many benefits of data protection are demonstrated by the Jordan experience and the Orphan Drug Act
- The recommendations in the Reddy Report should be carefully considered prior to implementation. ■

# 4th Indo-US Economic Summit: Building Strong Partnerships

18 - 20 September 2007, New Delhi



The Indo-American Chamber of Commerce (IACC) is holding its fourth Indo-US Economic Summit from 18 to 20 September 2007 at Hotel Le Meridien in New Delhi on the theme of "Building Strong Partnerships. While US-India Business Council is the co-organizer of the Summit, Pricewaterhousecooper is its Knowledge Partner.

During the last three years, the Indian economy has witnessed a robust growth of more than 8%. In 2006-2007, the economy grew by 9.4 percent the highest ever in 19 years, confirming that the Indian economy has shifted to a higher growth trajectory. India is now a \$ 1 trillion economy. In 2006-2007, Foreign Direct Investment (FDI) flows were the highest ever at \$15.7 billion FDI exceeded portfolio flows for the first time in recent history. Outward direct investment from India also exhibited a significant rise to US \$8.7 billion during April-December 2006 from US \$1.9 billion a year ago due to few large cross border acquisitions by Indian Corporates. Forex reserves have crossed \$ 200 billion. India is, thus, witnessing an uninterrupted economic growth..

At this time, the Indo-US relationship is also undergoing a remarkable transformation and a positive shift in bilateral relations is taking place. There is a considerable degree of expectation not only between the two countries but in different parts of the world regarding this development. Both countries are engaged in discussing a wide range of activities trade, energy, environment, science and technology, agriculture and defence. It is in these exciting times that IACC is organizing its 4th Indo-US Economic Summit: Building Strong Partnerships.

## The Summit will provide a forum for:

- Exchange of views on various aspects of business between India and the US, including investment opportunities in India and the US;
- Establishing one-to-one business contacts;
- Enhancing understanding of business opportunities between India and the US;
- Exploring new investment and diversification opportunities; &
- Opportunity to network with business leaders and policy makers,
- Senior representatives from Indian and US

Administrations Multilateral and bilateral bodies CEOs of Indian and American Corporations Business Houses and Entrepreneurs Banks and Financial Institutions Public Sector Undertakings, Academia, Consultants, Infrastructure Developers and Users, Legal Experts, Technocrats

The Summit will cover the following topics during the day-long sessions on 19 and 20 September 2007.

## FARM TO RETAIL

The Government of India is fully alive to the significance of the farm sector and accordingly, the focus is on putting agriculture on a growth path of around 4.0 percent per annum against the less than 2.0 percent average achieved in the last few years.

The agriculture sector needs diversification, modern marketing, cold chain management and private sector linkages. While India is the world's second largest producer of fruits and vegetables, only 2.0 percent of the produce is processed. As per a recent study on the food processing sector, the turnover of the total food market is approximately \$70 billion, out of which value added food products comprise \$ 22 billion. The Government has been encouraging FDI and joint ventures for food and agro processing industry and 100 percent export-oriented units are being encouraged. The Summit will focus on the opportunities in the food chain post harvest including cold chain management, food processing and retailing.

## MEDICAL AND HEALTHCARE SERVICES

India's economic growth is generating a growing demand for quality health care. The absence of matching delivery mechanism poses a challenge and presents a great opportunity as well.

Healthcare, a \$35 billion industry, is expected to grow to \$ 75 billion in the next five years. The private sector today accounts for over 80 percent of the spent. The Government of India is engaging the private sector in delivery mechanism to achieve desired goals and improve upon macro health indicators. A wide-range of Public Private Partnerships (PPPs) have been initiated.

## EDUCATION MANAGEMENT

A major problem faced by industry today, particularly in

the manufacturing sector, is non-availability of technically qualified people. The demand for such skilled manpower far exceeds the supply. "Managing Education" by providing requisite education and skills is the need of the hour.

In the words of Prime Minister Manmohan Singh, "we will need to ensure far greater availability of education opportunities at the higher education level so that we have not just a literate youth but a skilled youth, with skills which can fetch them gainful employment. As our economy booms and industry grows, I hear a pressing complaint about an imminent shortage of skilled employees. As a country endowed with huge human resources, we cannot let this be a constraint".

## INFRASTRUCTURE

A sound and efficient infrastructure is the key to growth. The Indian Government has accorded the highest priority to development of infrastructure by engaging private players in infrastructure projects. PPPs are being recognized as the key to raising resources for investment in the infrastructure sector. Infrastructure sector alone needs an investment of \$ 320 billion within the next five years. Investment in infrastructure is less than 5.0 percent of GDP and this needs to increase to 8.0 percent by 2011-12. An investment of \$ 48.9 billion is required

for the highways, \$15 billion for airports, \$11.1 billion for major ports while minor ports call for an investment of \$ 4.5 billion to upgrade them to international standards. These sectors provide new opportunities for PPPs. The real estate market in India is fairly nascent, but the opportunities are large. As investments in infrastructure sector increase, the real estate will boom. Government allows 100 percent foreign equity in this sector which has fueled its growth.

## MANUFACTURING

Liberalization and globalization have provided unprecedented opportunities for the growth and expansion of the industry in general and the manufacturing sector in particular. India is emerging both as an attractive manufacturing location as well as a market for manufactured items. Indian labour possesses advance technical expertise that enables India to become a primary sourcing and manufacturing base for hardware electronic manufacturing and knowledge and design based manufacturing and center for R&D services. India has competitiveness in high-end manufacturing. The economy will witness a hardware manufacturing boom in electronics, IT and telecom sectors. Major global players have already committed large investments in the manufacturing sector. ■

# Inaugural Carbon Markets India meet to be held in Mumbai from 24 to 26 Sept '07

**Carbonmarkets India**

The Inaugural Carbon Markets India conference will be held from 24 to 26 September 2007 at Hotel Taj President in Mumbai. The two-day business networking event will facilitate interaction between the world's leading carbon consultants, brokers and financiers and Indian businessmen. The highlight of the event will be an in-depth one-day pre-seminar that will provide project developers with the expertise and knowledge to successfully enter the carbon market.

The Carbon Markets India conference is organized by Greenpower Conferences in association with Indo-American Chamber of Commerce.

The event brings together the who's who of India's carbon markets including senior experts from Reliance Industries, Gujarat Fluorochemicals, Oil and Natural Gas Corporation, GTZ, Emergent Ventures, Ernst & Young, Indian Sucrose, RuMeth International, Rabobank, Triveni Engineering and Industries, Vestas Wind Systems and TUV South Asia. A Project Developer/Host Subsidised Scheme is available to encourage some of the CII's 6300 major Indian businesses to attend the event and enter the Carbon

Market by hosting greenhouse gasses (GHG) mitigation projects.

### Key Reasons to Attend:

- An opportunity to learn from 35+ carbon experts and project hosts
- Develop new carbon credit revenue streams
- Learn how to develop successful CDM projects
- Meet some of the world's largest carbon credit buyers
- Meet specialist carbon bankers and project financiers
- Learn & share real practical experiences
- Join the carbon market success story and sell carbon credits now

### Key Topics Include:

- A Global CDM Overview & Vision for the Future of Carbon Mitigation in India
- Project Development & Verification
- Project Financing
- Carbon Project Case Studies Large Scale
- Carbon Project Case Studies Small Scale
- Carbon Buying Considerations From Carbon Funds to Industrials
- Future Developments & Uncertainties



# IACC Delegation Visits US to Explore Investment, JV Potential

A 15-member delegation led by Indo-American Chamber of Commerce (IACC) President Deepak Pahwa along with Prem Behl visited the United States from 24 June to 3 July 2007 to explore opportunities for investments and joint ventures in US and India in diverse areas.

The objective of the visit was also to meet US Government Officials and Governors of various states, multiplier organizations; promoting trade between Washington.

The delegation included representatives the two countries and increasing the visibility of the Chamber.

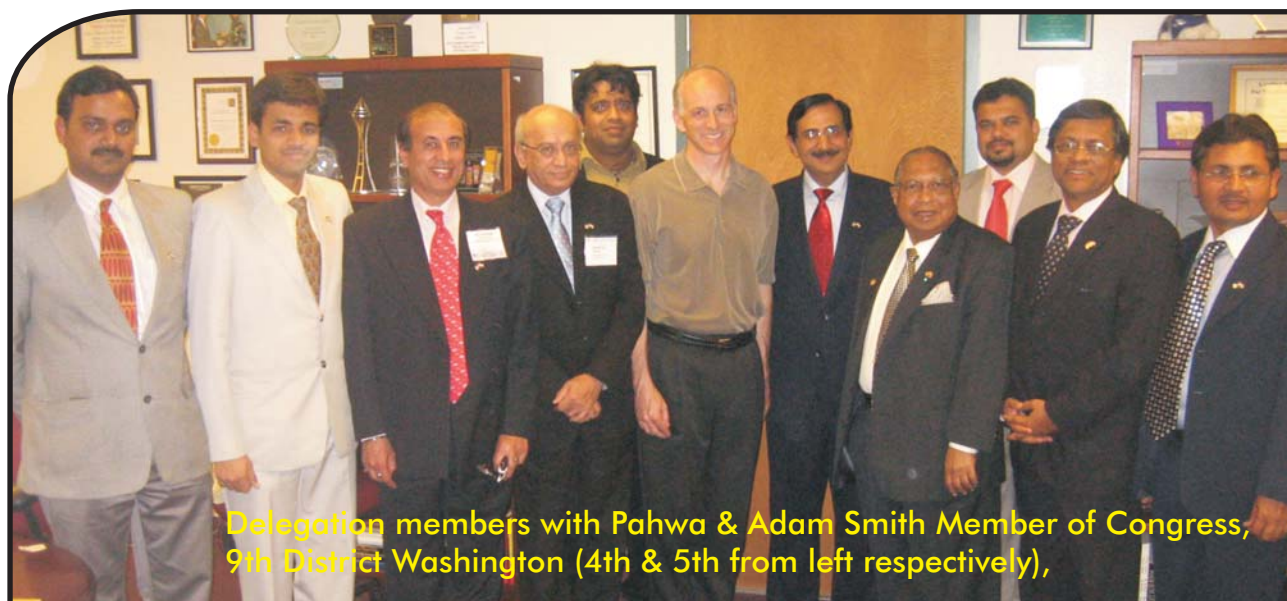
The delegation visited Columbus, Ohio; Washington, D.C; Boise, Idaho; and Seattle, from large, medium to small size companies, which are members of IACC. .

During the visit, the delegates met Banashri B Harrison, Minister (Commerce), Embassy of India, Washington D.C.; Ambassador Douglas A.Hartwick, Assistant U.S. Trade Representative; David Bohigian, Assistant Secretary of Commerce for Market Access and Compliance; Governor Christine Gregoria of Washington; Governor C.L. "Butch" Otter of Idaho; Sam Reed, Secretary of State in Washington; Adam Smith, Member of Congress, 9th District Was



A presentation by Deepak Pahwa

hington; Ms. Holly Vineyard, Deputy Assistant Secretary, International Trade Administration, Steven Schoeny, Acting Deputy Director, Ohio Department of Development, Ms. Deborah Scherer, Assistant Director, International Trade Division of State of Ohio, Idaho and



Delegation members with Pahwa & Adam Smith Member of Congress, 9th District Washington (4th & 5th from left respectively),



**Delegation members with industrialist Mukesh Ambani**

India Chamber of Commerce etc. The delegates also participated in US-India Business Council Annual Summit and had the opportunity to network with senior members of USIBC. The Summit was addressed by Secretary State Ms. Condoleezza Rice; Carlos M Gutierrez, Secretary of Commerce; Ambassador Blackwell from the US and Kamal Nath, Minister of Commerce and Industry; Ambassador Ronnen Sen, Mukesh Ambani, Habil Khorikiwala, S.P. Hinduja, Naresh Goyal, and other high profile industrialists from India.

The delegation also participated in International Trade's Annual Senator Conference with the Theme "Choosing India or China" in future for trade and business followed by one-on-one meetings.

The delegation was very well received and recognized in all the places. At a special meeting the delegates were invited and a Certificate of Recognition from Columbus City Council was handed over to the President. The

others.

The delegation had also visited several manufacturing plants, ports of Tacoma and Seattle. One-on-one meetings were arranged for delegates in all the cities besides net-working with Indian communities and several organizations such as Federation of the Indian Chambers of Commerce and Industry (FICCI), Indo-American Friendship Forum, and National US



**Delegation interacting with Sam Reed, Washington Secretary of State**



**Dinner meet at Indo - American Friendship Forum (IAFF)**

delegation was invited for dinner hosted by Governor C.L. Butch at his residence and lunch hosted by Sam Reed, Washington Secretary of State in his office.

On the whole the visit of the delegation was very successful in achieving its objectives. The delegates were very pleased with the one-on-one meetings and opportunities to interact with high profile people from the Government and Industry. We have also received a proposal from the City of Columbus and Columbus Sister Cities International to add Ahmedabad as a sister city which is being followed through the Gujarat Branch. ■

# Waterways Give W. Bengal New Dimension as Tourist Destination



VIVADA, India's largest inland waterways company, started its operations in West Bengal to boost the state's tourism by giving it a new dimension. Our Special Correspondent **Subhajit Bhattacharya** meets the company's Executive Director **R. Sushila** for a brief tete-a-tete on how successful VIVADA is today, its future plans to further develop the state's tourism industry. Excerpts.

## Tell us about your company...

Vivada Inland Waterways started with business oriented transportation. We are mainly used to transport oil within India and our business is based in West Bengal. So just four years back we started this new venture and stepped into the domain of tourism.

**Why did VIVADA choose West Bengal as its**

**destination when people are moving away from the state because of lack of resources and encouragement from the government?**

Actually, as I have told you earlier, our business is mainly based here. So we think we know the place very well, we know the people very well. So we saw that hardly any body is enjoying water based entertainment here. But in states like Kerala and Maharashtra waterways based tourism had already started long back. And if you ask me about resources, I would say the Ganges is the largest river and there is rich cultural heritage associated with it. So we took the first initiative to do some thing about that, We borrowed a small cruise boat from the West Bengal Tourism Department called Eklavya and started with day cruising with 150 passengers.

**When you first started what kind of infrastructure you have tried to use because tourism is a new field for you people also, and how much you think you are successful today? .**

Though we are new to tourism but we started off with a very professional approach, because we always have the urge from the very first day to give the boarders the best





experience of cruising, we worked with highly trained and professional guys who are best in the business .

I think after four years we can boast our success , we started from the scratch. Now that the millennium park has come up, we are using it as a place where we can exhibit our cruise. We are also coming up with some wonderful projects which will definitely give a new taste of adventure to the people of kolkata..

**People have a common belief that cruising is a very luxurious thing and how you would you propose to remove this mental blockage?**

I don't believe in this kind of thing. Because, the perception of luxury defers from person to person. I would say its not luxury because the kind of ambience which you will get on a cruise you can never get in any other place. On our part, our best efforts are to keep the price within the affordable limit. We are also coming up with different

kind of small and big cruise where the price will vary on the basis of the touring and timing, For example, we have a three days and two nights tour to Sunderban, We have another two small cruise trips, We also came up with a 30-minute cruise trip for Rs 35. We just tried to give the people a feel of cruising through this small trip, We are also coming up with kanooying and speed boats which one take for rent and can drive on the Ganges .

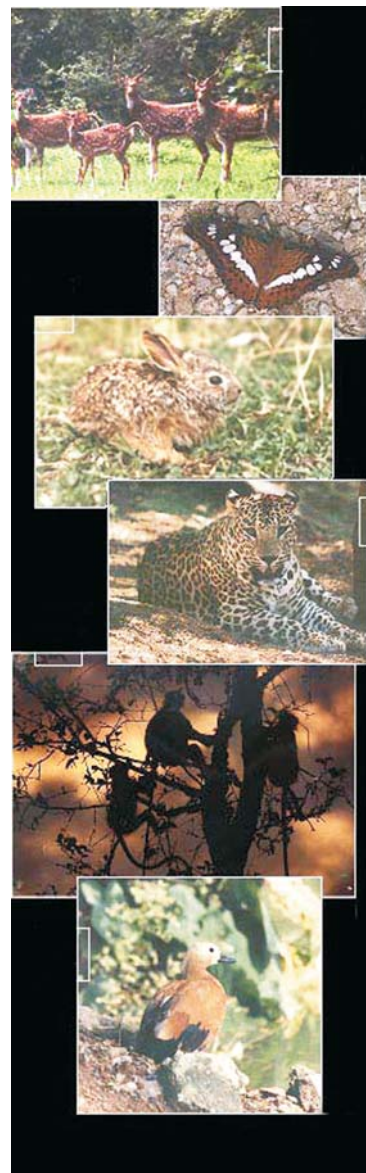
**How much help did you receive from the state government? And to what extent do you think this kind of ventures will help West Bengal tourism?**

On the monetary front, we haven't received any help and we don't expect it even. But obviously in other matters we have received a lot of help. On development of tourism, I would like to tell you that one company can't change the face of a particular state. But all the big companies concerned with tourism and are doing business in West Bengal must join hands and come under one umbrella to turn the state into a wonderful destination of tourism. This will attract tourists from abroad and within India because I think West Bengal has immense potential which we can be exploited very well, But for this obviously, the state government has to give their best to turn this kind of big dream project into reality.



**Tell us something about your new vision and ventures**

We have quite a few plans which we are trying to implement as soon as possible. We are also trying to come up with a BAJRA style cruise which will give the boarder a taste of old kolkata. And our vision is to turn West Bengal into a wonderful tourist destination. ■





# West Bengal launches website to help entrepreneurs

The government of India's eastern state of West Bengal and chairman of the West Bengal Industrial Development Corporation Ltd (WBIDCL) formally launched a redesigned website of west Bengal industrial corporation ([www.wbidc.com](http://www.wbidc.com)) on 17 July 2007 at the 5 Council House Street.

The function was attended by West Bengal's Industry & Commerce Minister Nirupam Sen and Principal Secretary C&I department Sabhyasachi Sen & Shri Debashish Som MD, WBIDC.

The main purpose of this site is to provide a clear picture about the scope of investment in West Bengal, the state government's policies. It also provides a format through which entrepreneurs can get information about the procedures through which they can easily complete the initial formalities of setting up an industrial unit.

The Website also contains the important policies acts and the various incentive scheme provided by the State Government. It gives an idea about the organizational infrastructure of WBIDC, and briefs about the role of this government body and its tireless endeavor to develop the state's industrial scenario and also gives background information about the projects completed and undertaken by WBIDC.

Sen thinks at this stage when the state of West Bengal is turning into an industrial hub, then this kind of tools will obviously help entrepreneurs to acquire an edge over their competitors.



## Expats' Entry Made Tough By Bureaucratic Hurdles: IACC Study

# Severe Shortage of Skilled Manpower Looming Large

A recent study undertaken by Indo-American Chamber of Commerce (IACC) has revealed that India Inc. is facing an acute shortage of skilled manpower necessitating drafting of specifically skilled persons from abroad in future. However, due to the existing stringent work laws for expatriates, the procedure to secure the work permit is extremely complicated. The absence of the right skills and talents could gear Indian Inc towards a major manpower crisis and have major repercussions on production and quality. Furthermore, the constant surge in Foreign Direct Investment (FDI) and Foreign Institutional Investors (FII) investments has exacerbated this shortage of talent in the Indian market.

The economic boom has resulted in India becoming the new hub for the jobs market, generating approx 11.3 million net new jobs per year on an average, which in comparison is much higher than the 7 million in China, 2.7 million in Brazil and 0.7 million in Russia, says IACC study.

According to a NASSCOM report, the number of technology jobs is slated to reach 1.7 million by year 2010 end. However, another NASSCOM report reveals a very bleak reality - only one out of four engineering graduates from India have

technical skills, knowledge of international business practices, fluency in English language and proper networking abilities to be employable.

Headhunters are more than willing to share their tale of woes as well they are flooded with CEO mandates but closing them has become more challenging by the day. The dearth of talent is more marked in the middle to top rungs.

"The time is ripe for India Inc. to admit that it is moving towards a major crunch in manpower supply. India Inc. needs to take stock of the situation and gear towards a global war for talent. The West provides a huge pool of resources that India can easily tap into. More and more foreigners are also looking for jobs in the Asian continent on the account of the jobs cuts, outsourcing and the high taxes in the Western world. India provides a huge potential for foreigners in such a scenario" said IACC President Deepak Pahwa.

Expatriates are less common in India than in most Asian countries, except for top positions, with the pharmaceutical, hospitality and airline industries among the leading companies that most often hire expatriates. Nationwide, up to 30,000 expatriates are believed to be working in India. That's a fraction of the 100,000 foreigners working in China, and even more in Hong Kong and Singapore, the Asian destinations of choice for expatriates, came out in IACC report.

The bureaucratic hassles are the biggest gripe among expatriates. "I had to struggle for five days at the Foreigners Registration office to get my permit,"





individuals with a portfolio of soft skills including the right attitude, commitment to learn, teamwork, communication, client relationship management, customer services, business acumen, problem solving and achievement orientation skills, to operate on a global platform in a fast paced environment.

- The growing numbers of joint ventures requires transfer of know-how

says an expatriate who asked not be identified. "It makes us feel we are not welcome here." Expatriates who plan on living in India for a long time have to register with the local Foreigner's Registration Office within six months of arrival and the process is much criticized, long drawn out and frustrating.

In addition, work visas are generally tied to a job, thereby preventing most foreigners from moving easily from job to job on the same permit. The basic problem remains the stringent incoming procedure for expatriates.

IACC takes a look at a few industries where specialized skills are required:

- There is a growing need within the BPO/technology industries for soft skills trainers culture, language and accent. According to a survey by Evalueserve, over 1.6 lakh foreign language professionals will be required by the Indian BPO industry by 2010. Not more than 40,000 Indians with foreign language skills will qualify to meet this requirement.

Therefore, India has to source around 120,000 international multilingual professionals. This demand is expected to create a ripple effect. For every job created for a foreign language professional, two new jobs will be created for Indian English-speaking professionals. Therefore, an additional 3,20,000 jobs for English-speaking Indian professionals will be created by 2010, according to the IACC report

A KPMG report released recently reveals that there is a major soft skills gap that calls for immediate attention. A number of services' organizations are looking for

and expert manpower but due to the complicated web of laws pertaining to work permits in India, project based hiring becomes really difficult. "A foreign national working in India specially in a heavy duty industrial project like infrastructure or manufacturing requires him to stay at the site during the entire project completion period. However, due to the work laws applicable for expatriates, an expert has to make multiple short trips to the site, which obviously increases the cost and duration of the project while at times compromising the quality of work as well." said Pahwa

- Triggered by the recent amendments in patent laws, the Indian pharma industry is on the verge of exponential growth. Most companies have now refreshed their R&D initiatives and introduced new projects supported by state-of-the-art laboratories.

The expansive demand-supply gap for R&D talent in the country is driving Indian pharma companies to lure mid-career expatriates to head their research divisions. Expatriates bring about exposure to superior high-end research, which is useful to India and which was not being done here because of financial and technological constraints. They also acquaint companies at home with the legal and regulatory processes followed abroad. Expatriates are returning to take positions in Indian drug firms, but it's still only a trickle.

It is clear that there is a pressing need for expatriates to work in some key sectors in India. The government, in a true progressive spirit, should provide a single window clearance and simpler work permits to these expatriates as the next step forward. ■



# Is the Export Target Set in the Trade Policy Feasible?

By Mr Deepak Pahwa,  
President, Indo-American Chamber of Commerce



Export competitiveness is a function of a few variables, like exchange rate, strength of infrastructure, domestic inflation, interest rate etc. In an economy like India, which is getting increasingly globalized, external factors like direction of global trade will have its impact on the export. Global trade is not showing any slowdown so far, though many are talking about a possible recession round the corner. Interest rates are moving northwards in most of the countries, including the developed ones, perhaps excepting Japan and China. Greenback is steadily getting depreciated in terms of other global currencies mainly because of the huge current account deficit currently estimated to be upwards of US \$850 billion- that the US is facing. The overvalued dollar is now being depreciated to shore up the export competitiveness of the US. Rupee has appreciated against dollar considerably in the recent days. Since 90 per cent of India's trade is dollar denominated, it is having an impact on the Indian export. Indian exports, which are price elastic, are being priced out. Secondly, rupee realization of the exporters and BPOs has gone down at least by 10 per cent in the last few weeks, because of the steady appreciation against dollar.

Significantly, a parallel process is also taking place in the Indian economy that has led to rupee hardening. Capital inflows into the country in respect of foreign direct investment, portfolio inflows, private transfers, remittances, flow of invisibles like proceeds of software exports, hedge funds through brokerages etc have gone up considerably. Since we do not have a free float of rupee, RBI intervention to keep the value of rupee within manageable limit, is taking place from time to time. Intervention is mainly through a complex process of sterilization wherein money supply is augmented to maintain the rupee -dollar parity. This leads to an inflationary pressure and to contain the inflation, the Government has to follow a tight money policy by

increasing the interest rates and other measures to suck out the excess liquidity. This is the peculiar situation, which we are facing now.

The pertinent question is whether the appreciation of the rupee likely to continue for long? Rupee hardening against dollar may continue for some more time. But that may not necessarily lead to decline in the exports. First and foremost reason is that a sizeable percentage of our exports is import led. With rupee appreciation, imports become cheaper and the manufacturers can leverage that benefit to make good of the erosion in the price competitiveness on account of hardening. Second, FDI inflows into India are record high. This trend is likely to go up in the coming years and a substantial chunk of this investment will go into the SEZs and manufacturing enhancing the volume of exports from the country. Thirdly, it is expected that the inflation, which is ruling slightly over 6 per cent, is likely to slide on account of the supply- side revamp being contemplated by the Government not alone for the primary goods, but also for the core intermediates like cement, steel etc. Once the inflation is under check, say hovering between three and four per cent, RBI may relax its grip on the interest rates. That would make the exporters to source goods for export purposes at a lesser cost. Significantly, continued slide of the greenback will force the exporters to reduce the dollar denominated trade exposures and to increasingly go for other currencies like Yen, Euro, Pound etc, which demonstrate more strength than dollar these days. Also, the systematic effort of the Government to liquidate the dollar holdings by relaxing the investment criteria, both in manufacturing services and stock and bonds can soft land the rupee to an optimal exchange rate vis-a vis dollar. Therefore, the present steep appreciation of rupee is a passing phase and it will have minimal or nil impact in the medium and long term. ■



## West India Council

### Indo-US Education Partnership Vital to Further Forge Economic Ties

- Ambassador Karen Hughes

Ambassador Karen Hughes, Undersecretary of State, Public Affairs/Public Diplomacy, has said that partnership in education between the US and India is vital for further forging relations between the two countries. She was speaking at a luncheon organized by the Western India Council of the Indo-American Chamber of Commerce (IACC) in honour of a visiting higher education delegation from the United States on 26 March 2007 at the Taj Mahal Hotel, Mumbai.

The US delegation comprised presidents of six universities, representing the best in American research, teaching, and training institutions led by Ambassador Hughes.

Ambassador Hughes was accompanied by Thomas Farrell, Deputy Assistant Secretary of State Dr. Mark A. Emmert-President, University of Washington (Seattle, WA), Dr. Margaret B. Lee - President, Oakton Community College (Des Plaines, IL), Dr. John M. Lilley -President and CEO, Baylor University (Waco, TX), Dr. James L. Oblinger - Chancellor, North Carolina State University (Raleigh, NC), Dr. Eileen Wilson-Oyalaran-President, Kalamazoo College (Kalamazoo, MI) and Dr. John J. Bowen- President, Johnson and Wales

University (Providence, RI).

The purpose of the luncheon was to facilitate networking opportunities between the delegates and IACC members for exploring business opportunities in the education field. It provided an excellent platform for Indian entrepreneurs to forge alliance with these reputed universities.

Ambassador Hughes said that "India is already the number one country in the world in sending students to the US for higher education and we want to build on that great tradition and expand partnerships and linkages between our institutions for the benefit of the next generation of Indians and Americans. America wants to open its doors even wider to students from India, and we want more young Americans to travel to India to study and learn."

"I see this educational delegation to India as a part of furthering the international dialogue our world needs

and we invite your participation. I encourage you to do all you can to reinforce our efforts here in India by supporting scholarships, internships, mentoring opportunities. The U.S. has the capacity to host many more students than we currently do. Our goal is to make an American education possible for every international student who wishes to study in the U.S. and to substantially increase Americans studying here," she said.





## An Evening of Exciting Fare at US I-Day & I-ACE Awards Fest

The Indo-American Chamber of Commerce (IACC) celebrated the 231st anniversary of American independence at the NCPA, Mumbai, with the sizzling theme "**Broadway to Bollywood**" providing an evening of exciting fare.

Michael S. Owen, U.S. Consul General, was the Chief Guest of the event and all the celebrities and guests were welcomed by Atul Nishar, Regional president, IACC.

Boman Irani, who presented the proceedings, kept the audience in splits with his act. To add to the jauntiness, Terence Lewis Contemporary Dance Company



showcased a scintillating act accompanied by sizzling Neha Dhupia and Shweta Salve, with medleys from Hollywood and Bollywood.

Conceptualized and hosted by the IACC, the event also recognized Best US Companies in India by honoring them with the Indo-American Corporate Excellence Awards.

**The 2007 Indo-American Corporate Excellence Awards (I-ACE) winners were:**

- Best U.S. Company in India in the field of Technology, Communications & Entertainment - **Microsoft Corporation**. Jim Cunningham, Commercial consul Chairman accepted the award behalf of Microsoft India.
- BEST U.S. Company in India in Financial Service Sector - **JP Morgan Chase**. Dominic Price, M.D and Senior Country Officer India and Sri Lanka received the award
- BEST U.S. Company in India in the field of



Manufacturing & Other services **UPS**. Phirojshaw Sarkari, Managing Director

- Overall Best American Company operating in India - IBM, India. Hitesh Shah, Head industrial sector **IBM India** received the award

Also, the patronage and contribution of our sponsors namely Hexaware Technologies, Onward Technologies, DSP Merrill Lynch, IT People, Citibank saw the unprecedented success of the event.

The evening grew more exciting with some amazing lucky draw prizes. The Bumper Prize was sponsored by British Airways who gave away two complimentary tickets from any point in India to any point in the US on the British Airways Network. The other prizes were premium gift vouchers and free stay packages sponsored by JW Marriott, Taj Mahal Hotel and Aza Designer Boutique.



Guests, comprising of members from Visa section of the US Consulate, US joint venture companies in India, celebrities, crème de la crème of Mumbai, industrialists, business leaders, experts and media attended this grand event. ■



## Pune Branch

# Session on 'BEP Facility & Visa Guidelines' to Help SMEs

The Pune Branch of the Indo-American Chamber of Commerce (IACC) organized an interactive session on "BEP (Business Executive Programme) Facility & Visa Guidelines" at Hotel Le Meridian in Pune. Nick Parikh, BEP Manager, US Consulate, Mumbai, who was the speaker for the evening, highlighted the significant potential and benefits of the BEP. The interactive session was followed by Networking 'Cocktails and dinner'.

The event was attended by various member companies of IACC, like Cummins, Kirloskars, Daimler Chrysler, Suzlon Energy, Sunguard Offshore Services, Synechron Technologies, UGS, Sybase, Kanbay Software and Johndeere Technology Centre among others and was sponsored by Fleetguard Filters Pvt. Ltd. and Praj Industries Ltd.

Speaking on the occasion, Shekhar Agharkar, Chairman, IACC, Pune said, "BEP is an effort undertaken by IACC with the approval of the US Consulate to provide



assistance for obtaining US visas. It enables business visits to the US planned at a shorter notice and in a better manner, thus opening doors for the Indian Corporates to greater chances of fulfilling business commitments & assignments such as: meeting principals or clients follow up on product or service provided or imported, training assignments etc. with US counterparts through more reliable travel plans to US. This will especially help SMEs (Small and Medium Enterprises) for traveling to US. The chamber is primarily focused to help SMEs and is, also, admitting members from the moffusil area of Maharashtra such as Nashik, Kolhapur, and Aurangabad etc.

While speaking on the support from the US Consulate, Agharkar further added, "The US Consulate also releases additional slots for earlier appointments, occasionally which can benefit the visa applicant through BEP."

## IACC Pune Membership Zooms



IACC, Pune did exceptionally well in the year 2005-06, with almost 50 percent increase in its membership. This was attributed to better service to members through business facilitation meets for members with their US counterparts. The Pune branch arranged more than 50 business meets with the delegates of the visiting US delegations to India in last 15 months. BEP service will be a significant addition in services to its members. ■



## Gujarat Branch

### Use of IT in Knowledge Management for Business and Industries"

The Gujarat branch of Indo-American Chamber of commerce (IACC) organized a round table meeting on 'Use of IT in knowledge Management for Business and Industries' by Dr. Martin Grossman on March 30, 2007.

"Getting right information at Right time is knowledge," Dr. Grossman said. Members were treated to case studies, recent IT developments in the US and how these could help India in the future.

Dr. Grossman stressed the need for developing management measurable systems that provide right information to the public. Besides IACC members, a number of IT students attended the meeting, which was followed by breakfast.

#### How to incorporate a company in US?

How to incorporate a company in the United States and transfer people to work there? The IACC Gujarat Branch turned this question into interesting seminars in Ahmedabad (24 February 2007) and Rajkot (March 9, 2007).

Sudhir Shah, an eminent advocate and expert on visa formalities in the US addressed the seminars on how to incorporate a company in the US and transfer people to work there. He explained the criteria and the formalities to get L-1 visa for the US. With the spurt in Indo-US two-way trade and investment, golden opportunities are up for grabs for businessmen. He also provided solutions as to how a corporate could have its employees' placement in the US through L-1 visa.

#### Interactive session with US delegation

IACC Gujarat branch organized a one-to-one meet with visiting a US delegation comprising: (i) Mr. Bob Yousefian - Self employed businessman and Council Member, (ii) Mr. Albert Abkarian - President, Omni Continental Trading Group, Inc., (iii) Mr. Ajit Mithaiwala Chief Administrator of Advanced Development & Investment, Inc. and (iv) Dr. Amit Desai Active Member of Indian American Friendship. Council. Members were happy to know the possibility partnership/association in the fields of construction, steel, hospitality, personal care, textile machinery, etc.

#### Availability of BEP facility

The IACC Gujarat Branch announced the availability of the BEP (Business Executive Programme) facility to its Gujarat Members by the American Consulate. The facility hitherto available only to large companies that send large number of their employees/officials to the US is now being made to mid-size and small companies through the Chamber. The announcement was



Round table meeting on Use of IT in knowledge Management for Business & Industries by Dr. Martin Grossman on 30-3-2007.



BEP Announcement by Ms. Susan McFee, Vice Consul, on 10-4-2007

made by Ms. Susan McFee, Vice Consul, American Consulate General (Mumbai) on 10 April 2007 in Ahmedabad. After announcement, the members had interactive session also with Ms. McFee and the programme was followed by Dinner.

#### All about US visa

The IACC Gujarat Branch organized a luncheon meeting on 23 May 2007 on the topic - Every thing you wanted to know about US-Visa-at Ellisbridge Gymkhana in Ahmedabad. Peter Kaestner Minister Counselor for Consular Affairs and Consul General from New Delhi, enlightened the members regarding correct method for getting US Visa. He also explained in detail the BEP programme and conveyed that very large number of persons were waiting for getting Visa for USA. And now its good time to get Visa through BEP.



## North India Council

# Sustainable Energy Vital to Ensure India's High Economic Growth Rate

- Pranab Mukherjee



Union Minister for External Affairs Pranab Mukherjee has said that secure and sustainable energy sources are vital for ensuring India's high economic growth rate and enable the country to address the developmental challenges.

"We need to tap all sources of energy and keep our options in this regard open. It is an appreciation of this need that is at the heart of the India-US civil nuclear understanding and the larger energy dialogue which focuses on oil and gas, coal, power, energy efficiency, renewable energy and new technologies", Mukherjee said while delivering the Inaugural address at a conference organised by the North Indian Council of the Indo-American Chamber of Commerce (IACC) in New Delhi.

Following are excerpts from Mukherjee's speech at the conference, whose theme was 'Business in and between India and the US-Legal and Regulatory Framework.

The recent upsurge in India-US relations has caught everybody's attention. Developments over the last few years, including the landmark reciprocal visits by Prime Minister Manmohan Singh and President Bush within the space of eight months in 2005-2006, have unfolded the full extent of the transformation underway between the two countries. There is a considerable degree of expectation and excitement, not just in New Delhi and Washington, but in different capitals around the world. The agenda that the two countries are engaged in today is an impressive one, covering a wide range of economic and trade objectives, energy and environmental concerns, science and technology collaboration and defence and security cooperation.

It is no wonder, therefore, that the strategic partnership between the two countries has truly matured into one of considerable substance.

However, behind all of this and away from the public eye, there has been a quiet but steady consolidation of many other vital aspects of our relationship, especially in our trade, investment and economic cooperation, the

high technology and S&T cooperation, the energy dialogue,

and cooperation in agriculture. These are also aspects of our partnership that have important developmental implications for us and where we feel the India-US partnership can be leveraged to fulfill some of our national development objectives. In that sense also, one must appreciate the full extent of the unique turn that this relationship has taken.

The US is today India's leading foreign investor and our largest trade partner. We are now the fastest growing export market for the US with our bilateral trade growing by over five times in a period of 16 years from a modest \$5.6 billion in 1990 to \$31.92 billion in 2006. While the balance of trade has been in India's favour with Indian exports to US growing in excess of 16 percent last year to stand at \$22 billion, US exports to India have also picked up in recent years. In 2006, they stood at over \$10 billion, almost 26 percent higher than the previous year's figures. In fact, over the last five years, US exports to India have doubled. Of course, we feel that a further easing of high technology restrictions on India can help narrow the trade deficit further and we remain engaged with the US to achieve this objective as a priority.

In the area of foreign investment too, US foreign direct investments since 1991 has been more than \$5.5 billion, accounting for more than 13 percent of the total FDI in the last 15 years. Besides, Foreign Institutional Investment from the US has also been on the rise over 1/3rd of the FIIs are from the US. What is notable is that foreign investment is no longer a one-way street. Reports of overseas investments by Indian companies, including through acquisitions, have become routine. In fact, Indian investments abroad last year matched investments made in India and a number of Indian business groups, such as the Tatas and Mahindras, are increasing their footprint in the US.

Even before the July 2005 visit of the Prime Minister, the



two Governments had begun to focus on a reinvigorated economic partnership. A decision was taken to re-energize our economic dialogue that would focus on key areas that required high-level attention. The results are there for all to see. India and the US signed an open skies treaty that is set to have effect in areas much beyond the aviation sector alone. It is not just impacting on figures of aircraft procurements, but is also reflected in tourism figures. An agreement with the US Trade Development Agency in February 2005 to facilitate infrastructure investment has led to the USTDA partnering or promoting activities in areas such as patent training, agricultural biotechnology, cold chain system improvement, aviation cooperation, coal bed and coal mine methane clearinghouse and in oil and gas sectors. In the area of agriculture, we are implementing the bilateral

## AKI & CEOs Forum

Agriculture Knowledge Initiative which is premised on our experience of green revolution and the compelling need to revive that process to redress the imbalance in this sector which has not kept pace with overall growth of the Indian economy. Last, but not the least, the Indo-US CEO's Forum is fulfilling a vital role in providing practical recommendations on removing bottlenecks and bringing about policy changes that would bring the desired transformation in the way we do business with each other.

Given the fact that both countries are knowledge economies with very strong technical and scientific manpower, high technology naturally underpins almost everything that we have started together in the past few years. The US is India's largest technology collaborator and the High Technology Cooperation Group, a private-public partnership focusing on the key areas of biotechnology, nanotechnology, information technology and defence technology, is charged

with working towards facilitating and easing licensing restrictions in respect of India. As a result, from 24 percent of total U.S. exports to India requiring a license, we have today a situation where less than 1 percent of US exports have to be licensed. An important development in this area was also the signing of an S&T Cooperation Agreement in 2006. The Agreement has an IPR protocol that will help redress, along with India's Patent Act, the imbalance in patent generation within India.

Space is another important area where our skills and comparative cost advantages can benefit both sides in partnership. Apart from cooperation on space science, earth navigation and space education, we have an agreement that will allow two US instruments to be included in our Lunar Mission Chandrayaan-I demonstrating the tremendous potential in this area.

## Secure & Sustainable Energy

A very important aspect of all that we do together in the economic sphere is our dialogue on energy. Secure and sustainable energy sources are vital for ensuring India's high economic growth rates and enable it to address the developmental challenges of the poorest of its citizens. We need to tap all sources of energy and keep our options in this regard open. It is an appreciation of this need that is at the heart of the India-US civil nuclear understanding and the larger energy dialogue which focuses on oil and gas, coal, power and energy efficiency and renewable energy and new technologies. The benefits are already visible. India became a partner in the US-led international FutureGen near-zero emission power plant research project in April 2006. The US has also supported India's participation in the Integrated Ocean Drilling Programme, which we are likely to join shortly. In non-conventional energy, the focus has been on the development, deployment and commercialisation of technologies for sustainable and renewable fuels. In civilian nuclear energy, India joined the ITER fusion energy research project with the support of US and other key partners. These efforts are complemented by the participation of India and the United States along with Australia, China, Japan and ROK in the Asia-Pacific Partnership on Clean Development and Climate that seeks to provide technology and market solutions to energy requirements while meeting environmental challenges.





## Varanasi Branch

### Session on Reaping Benefits from New Foreign Trade Policy - Focus Product & Market Scheme

The Varanasi Branch of the Indo-American Chamber of Commerce (IACC) in collaboration with PHD Chamber of Commerce & Industry, New Delhi and Konrad Adenauer Foundation, Germany, organized an interactive session on the topic, "New Foreign Trade Policy" with special emphasis on Fiscal Benefits on Focus Product & Market Scheme on 18 June 2007 at Hotel Taj Ganges.

PHDCCI's Honorary Advisor and former President of Crompton Greaves Ltd., C. M. Krishna was the main speaker. Members of IACC (U.P. Branch), Varanasi, members of various business associations, eminent citizen and media persons participated in the seminar.

Welcoming the participants and guest of the Session, Chairman of IACC, Varanasi said that in view of globalisation and liberalization of the economy, there is an urgent need today to pay adequate attention to those products and markets which can generate large employment. It has been realized by all concerned that in spite of India's very satisfying growth rates in exports, there remained a large number of countries, particularly in the developing world, to which our exports were alarmingly low while our competitors have been wooing these markets aggressively.



This recognition led to the formulation of 'Focus Market and Focus Product' scheme. Raman said that it is a matter of great satisfaction that efforts were being made to boost India's exports.

C.M. Krishna presented his views in detail on the "Annual Supplement to the Foreign Trade Policy 2004-2009". Explaining the twin schemes of Focus Market and Focus Product, he said that these schemes are being introduced with the understanding that our national export strategy should focus not only on neutralizing duties and levies but also on providing additional stimulus to (a) promote export of products having large employment potential and (b) penetration of strategic markets by Indian products. These schemes provide incentives to export of those products which have high employment potential in rural and semi urban areas. Great emphasis has been put to promote rural and agro products in Foreign Trade Policy 2004-2009. Vishesh Krishi and Gram Udyog Yojana has been launched to promote employment generation in rural and semi-urban areas.

A number of features have been added in the 'Served from India Scheme' to meet the requirements of services exports. One of the salient steps taken by the government is the contention that we should only export goods and not the taxes and duties thereon. One of the important features of the new trade policy is exemption/remission of service tax on services rendered in India and utilised by exporters.



Puneet Raman, Chairman of IACC Varanasi



## South India Council

### Tamil Nadu Branch

## Indian Exports to US: Key Aspects of Product Testing & Quality Certification

A seminar on Product Testing and Quality Certification-Focus Indian exports to the US market was held on 27 March 2007 at Hotel Savera, Chennai. The speakers at the seminar were Chandrakumar from Underwriters Laboratories Inc. (UL), Bhupalam Ajit from DNV India Pvt Ltd, and Shyam Sundar from SGS India Pvt Ltd. R.Anand, Chairman of IACC-TN, welcomed the participants and introduced the speakers at the meeting.

The seminar focused on three industries - engineering components, Food & Agro Products, and Textiles and Garments). Chandrakumar made a presentation on engineering components, like the conformity assessment system, the quality standards for the engineering sector, the requirements for the certification etc., he also added the advantages for the quality certification for engineering components exports to the US market.

Bhupalam Ajit from DNV India Pvt Ltd, explained about Quality Certification on the food & agro products, such as safeguarding life, property, and the environment, core competence, management system certification .product certification, assessments and solutions, research and



Product Testing and Quality Certification-Focus Indian Exports to the US Market was held on 27th March '2007 at Hotel Savra, Chennai.

(From Right) Hiren Sha, Vice-Chairman, IACC-TN, Bhupalam Ajit, Station Manager, DNV India (Pvt) Ltd. S. Chandrakumar, Sr. Project Engineer, UL India Pvt Ltd, R. Anand, Chairman, IACC-TN, Ravi Sundaram, EC Member, IACC-TN, D. Shyam Sundar, CTS-Manager, SGS India Pvt. Ltd, D.V. Venkatagiri, Regional Secretary, South India Council-IACC.

innovation, food and safety standards etc., further he discussed with new challenges to the US food supply, minimize microbial food safety hazards of fresh-cut fruits, and vegetable, and the advantages for quality certification on food and agro products.

Shyam Sundar, from SGS India Pvt Ltd, elaborated on Product Testing and Quality Certification needs on the textiles & garments sector, such as the standards and the Quality Management Systems, inspection methods in the areas like yarn, fabric, garment and home textiles etc. He also explained about the quality certification advantages for exporting textiles & garments to the US market.

Sandeep Singh, Technical Services Manager from Cooper Bussman India Pvt. Ltd, Puducherry, and Ms. Radha Ramabadrnan and Palanivelu from Intimate Fashions, Chennai, shared their experiences about the Quality Management Systems, Quality Standards and Certifications etc., in their organisations

All the presentations were very informative and the audience interacted well with the speakers. About thirty members participated in the seminar.



## IACC-SANMAR Indo-US Business Award Presented to Flowserve

The Tamil Nadu Branch of the Indo-American Chamber of Commerce (IACC) organized a function to host the first IACC-SANMAR INDO-US BUSINESS COOPERATION AWARD was held on 11 April 2007 at Hotel Taj Coromandel, Chennai. The Award was presented to Flowserve Corporation, USA. The chief guest for the event was David T Hopper, Consul-General, Chennai. R.Anand, Chairman of IACC-TN, in his welcome address said the Award was expected to propel further the growth of business with the US and recognize successful Indo-US joint ventures.

Consul-General Hopper said that 'a combination of good infrastructure, efficient governance, and more importantly availability of talented manpower, has made South India one of the best destinations for American businesses.' Americans realized the benefits of doing business with India as it was emerging as a fast growing economy, he said, conferring the first Indo-US Business Cooperation Award on US based Flowserve Corporation.

N. Sankar, Chairman Chemplast Sanmar Ltd, said Indo-US relations in general and business relations in particular were set to grow manifold. The award would be open to individuals and institutions for contributing to the growth of Indo-US business.

Lewis Kling, President and CEO, Flowserve Corporation,



R.Anand, Chairman IACC (TN) and N.Sankar, Chairman the Sanmar Group, presenting the IACC-Sanmar Indo-US Business Cooperation Award to Lewis Kling, President and CEO, Flowserve Corporation, USA. David Hopper, US Consul General, Chennai, Hiren Shah, Vice Chairman, IACC and Rangaswamy, President, L & T are also in the picture.

accepting the award, said that Flowserve recognized the growing potential of India as an ideal business partner and would look to enhancing its operations in the country by employing more people.

K.V.Rangaswami, Sr.Executive Vice President, Larsen & Toubro Ltd, felicitated Flowserve Corporation. Flowserve has been associated with India through some of their predecessor companies, as a joint venture partner with leading industrial houses, such as L & T, Sanmar Group, Microfinish etc., More than 200 members participated in the event. ■

## Kerala Branch

## Indo-US Ties Stronger & Deeper Now

The Kerala Branch of the Indo-American Chamber of Commerce (IACC) organized a lecture on 'An Overview of Developing Indo-U.S. Bilateral Relations' addressed by Dr. Stephen F. Dachi on 4 April 2007 at Cochin.

Dr. Dachi is a Foreign Policy Specialist and international consultant who served as a diplomat in the U.S. Foreign Services for 30 years.

Addressing the participants, Dr. Dachi said that bilateral relations between India and the US were "much more meaningful and deeper than ever before. This is a unique relationship envied by many others," he said. He said that every country decided its foreign policy with its national interests in view. He spoke also on the emerging strengths of India in the global context.

Frederick Kaplan, Consul, Public Affairs Department, U.S.



Dr. Stephen P. Ffishi addressing IACC-Kerala members on Indo-US bilateral trade. On his right- C.P. Sebastian, Chairman, IACC-Kerala On his left, Frederick Kaplan, Consul, Public Affairs Dept. U.S. Consulate, Chennai & Dr. Lee Dachi

Consulate, Chennai was also present on the occasion.

Besides IACC members, there were a large number of others were present to hear Dr. Dachi speak about Indo-US bilateral relations. C.P. Sebastian, Chairman, IACC-Kerala welcomed the gathering. ■



## Karnataka Branch

### Seminar on Unleashing Women's Power

The Women's Business Council of the Indo-American Chamber of Commerce (IACC) organized a conference in Bangalore on Women Leader's Centrestage. Sponsored by Motorola India, Lakme and Van Heusen Woman, a dazzling line-up of Women Leaders made up the Curtain Raiser on Women's Day. They included Kiran Mazumdar Shaw, Chairman & MD Biocon Ltd, Vinita Bali- CEO & MD, Britannia Ltd, Rohini Nilekani-Founder Chairperson Aroghyam and Ranjani Ranganath - Senior MD, Global Development Centre, CISCO Systems.

This being WBC's maiden event, Priya Chetty Rajagopal, gave a quick update to the 100 men and women present on the Council's plans as well as the need to focus on women leadership issues by corporates today. Increased globalization had put such pressures on the economy that companies had to be innovative in approaching this 50 percent population for middle and senior leadership positions. Gender diversity is a key issue for many companies who not only see it as a socially responsible perspective, but one that adds direct impact on the profits and bottom line.

What followed was a delightful discussion-moderated by IACC National Women's Business Council Chairperson Priya Chetty-Rajagopal-peppered liberally with anecdotes, arguments and advice for every woman and man. For every stereotype presented, these leaders showed a way to break it! Priya Chetty- Rajagopal, VP, Stanton Chase Intl gave the background of the WBC, some of



(From Left to Right) Ranjani Ranganath, Senior Managing Director, Global Development Centre, Cisco India. Vinita Bali, CEO & Managing Director, Britannia Industries Limited. Rohini Nilekani, Chairperson, Akshara Foundation. Priya Chetty Rajagopal - Chairperson, Womens Business Council, IACC & Vice President, Stantonchase International.

the initiatives planned, in addition to introducing and underlining the relevance of the topic 'Women Leadership'

The seminar was very well appreciated by the audience and also brought in interest from companies like IBM, Motorola, CISCO etc to join hands with the IACC Women's Business Council for future Women Oriented Events. Each participant was then handed tokens from Lakme India and Van Heusen Woman. ■

### US Business Visa Update Program

The IACC Karnataka Chapter organized a seminar on US Business Visa Update on 25 May 2007 at Hotel Taj West End, Bangalore, where Peter Hancon, Consul and Non-Immigrant Visa Chief, US Consulate Chennai, addressed the participants. Hancon informed the members that the pre-screening process of the applicants at the US Consulate in Chennai would now be done at the Gate itself so as to avoid long queues and the waiting

period of the applicants. The Consulate is also looking at finger printing all ten fingers of visa applicants as against the two fingers prints being followed currently.

The US Consulate at Hyderabad would start functioning in 2008 and that would reduce the number of visa applicants in Chennai hence providing more dates to applicants from Bangalore. The interactive session was very well appreciated as Hancon clarified all queries and problems faced by members in applying for various categories of visas. ■



(From Left to Right) Peter Hancon, Consul and Non Immigrant Visa Chief, US Consulate, Chennai, Soumitra Sana, Chairman, IACC, Karnataka



(From Left to Right) Michael Phulwani, Attorney at Law, Vasanth Kini, Vice Chairman, IACC Karnataka, Henry Liebeman, President and Co-Fouunder American Life Inc.



## Workshop on 'Working Effectively Across Cultures'

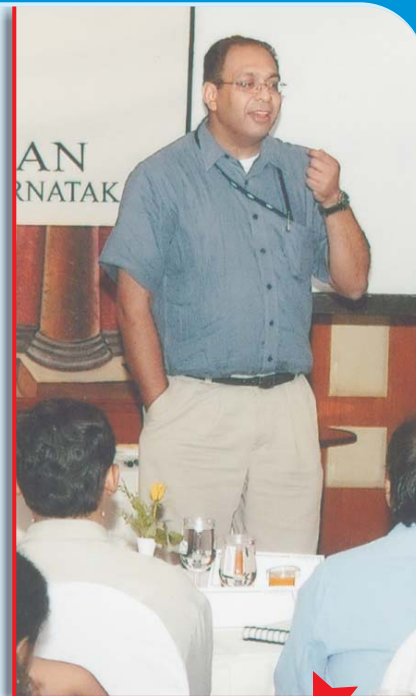
The Karnataka Chapter of the Indo-American Chamber of Commerce (IACC) organized a one-day workshop on "Working Effectively Across Cultures" on 13 June 2007 at Hotel Le-Meridien, Bangalore.

The faculty for the workshop was Vinay Kumar, Managing Director, ICMI Studies Pvt Ltd, Bangalore.

### The key topics covered included:

- Understanding the culture and its implications on the workplace
- Using technology across cultures
- Understanding the impact of culture on communication mediums
- The change in perception across cultures
- Decision-making, Handling conflict, giving and receiving feedback
- Language challenges, Understanding American colloquialisms, American English
- Living and working in the US - Business etiquette for travelers to the US
- Reviews of what Indian businesses need to do in order to be competitive in a culturally diverse environment

Kumar also discussed various case studies, which were very beneficial to the participants. The workshop gave the participants a better understanding of the cross-cultural differences between India and the US.



Vinay Kumar - Managing Director, ICMI Studies Pvt. Ltd.

## Celebrating US I-Day, Bangalore Style



(From Left to Right) Priya Chetty Rajagopal, EC Member, IACC, Soumitra Sana Chairman, IACC Karnataka & Vasanth Kini Vice Chairman - II - IACC Karnataka



The American Citizens Celebrating American Independence Day with the IACC

The Karnataka Chapter of the Indo-American Chamber of Commerce organized the American Independence Day Celebrations on 4 July 2007 at Hotel Taj West End.

The Taj West End was all decked out in red, white and blue for the day to get into the spirit of celebrations as more than 150 IACC members of the Karnataka Chapter came together for some nostalgia, networking and patriotism.

The guests list was a virtual who's who of the IT and ITES industries, apart from those of the financial sector and a large number of American Citizens. The cocktails started early in the evening with the spirit (literally) embracing everyone. And if good company was not enough, Harvest Moon, a talented group added theatrical flavor to the whole evening by playing all-American music.

In an effort to make the evening as authentic as possible, the food was as authentic as you could get on a 4th of July holiday anywhere in America.

The star sponsors for the evening were Sandalwood Highstreet Residential Consultants Pvt Ltd. The lucky draws prizes were sponsored by Apple, Motorola, Rodeo Drive, City In|p, Services and many more. The evening was well appreciated by the members of IACC as well as the American Citizens who were present in Bangalore on that day.



## Verifying Employee Background Effectively in Indian Work Place

A presentation-cum-discussion on 'Employee Background Verification in the Indian Workplace' was held at Hotel Royal Orchid Central in Manipal Center on 22 May 2007 under the aegis of the IACC Karnataka Chapter in coordination with Footprints Collateral Services Pvt. Ltd, a NASSCOM member and ISO 9001:2000 certified background verification service providing company.

Col. Vijay Reddy, director of Footprints conducted an informative and interesting discourse on the entire gamut of employee background verification in the Indian workplace, a very 'live' topic today. The presence of some unfortunate trends in the Indian work place that are a direct result of centuries of subjugation to foreign rule was aptly highlighted by the speaker.

Every resource is analyzed and examined to determine its suitability to the purpose it is intended to serve. The human resource, the most important of all resources must be subjected to a similar scrutiny, hence the need for employee background verification.

"There is a dire need for the government to come up with legally mandated statutes relating to personnel and work force issues in order to support and

safeguard the operational interest of companies" said the Colonel.

There is an immediate need for this practice in India keeping in mind the Surging economy, the presence of MNC's in India and the continuous rise in certain alarming trends such as presentation of fake CV's, misinterpretation of facts in CV's, quoting of inflated salaries and dishonesty in specifying achievements of an individual.

700 years of oppression, the divide and rule policy, inequality in society, unstable neighbors, higher salaries are some of the many causes that have led to existing insecurity, low self-esteem, misplaced loyalty, resorting to "Alternate Methods" for everything, lack of trust and institutional inadequacies.

Companies must obtain as many details as possible of their employees without impinging on their privacy. The accuracy in filling the application forms must be verified. A company should adopt practical procedures to suit the Indian environment.

"Back ground verification is not a fault finding exercise, but a Fact finding mission "



(From Left to Right) Priya Chetty Rajagopalan, EC Member, IACC , Col. Vijay Reddy, Director, Footprints Collateral Services. & Mahesh Srinivasan, MD, Seation India Pvt. Ltd.



## Pepsi Looks for Buy-outs to Expand India Food & Wellness Portfolio



**F**or the first time, acquisitions are set to play a dominant role in PepsiCo's India growth plans. PepsiCo Inc chairman & CEO Indra K Nooyi has told the India team to push hard for buyouts in milk-based beverages, juices and convenience foods this year to build the wellness portfolio.

Since PepsiCo worldwide generates \$5 billion surplus cash every year, there's no limit on the number of acquisitions and the amount that it would pay as long as they add value to the portfolio. The India office has begun work on this and is in the process of identifying potential targets and making their shadow profit & loss accounts, a top source said.

Ms Nooyi, an old hand in mergers and acquisitions, built the company's health and wellness portfolio by leading the PepsiCo team that acquired Quaker Oats in a \$13.8-billion deal as well as Tropicana juices.

Since there aren't any mega food & beverage companies to be bought in India, Pepsi India and its snack food sister company Frito-Lay are looking for what Ms Nooyi describes as 'tuck-in acquisitions'. This essentially means buying individual brands which could be region-specific or national with strong brand equity and reach.

The soft drink company is also looking for alliances with milk co-operatives to jointly explore milk-based drinks, such as cold coffee, lassi and milk shakes. When contacted, the Pepsi India spokesperson said he would not comment on market speculation.

The M&A strategy is in line with what PepsiCo is doing in other markets to cater to shifting consumer choices.

PepsiCo acquired three juice companies and one chips company in the past 10 months in the US and Ukraine. Its latest acquisition early last month was Ukraine's leading juice company Sandora LLC for \$542 million, which gave PepsiCo

a much-needed base in central and Eastern Europe.

Pepsi has made only two acquisitions in India so far, the last being Uncle Chipps, which it bought seven years ago for around Rs 10 crore. Though the budget this time is several times more, it remains to be seen how many takeover candidates actually sell out.

Dabur's Real the market leader in juices with annual sales of Rs 240 crore has been pursued by suitors, including Coca-Cola, but the owners are not ready to play ball. "We have no plans to sell. Real is an important growth driver for us," said a top Dabur official.

Another potential candidate Frito-Lay could be looking at is Haldiram's, a dominant player in snack foods after Frito-Lay. "I cannot comment on it right now. Let it (Pepsi) come with an offer and then we will see," Haldiram Manufacturing Company director Pankaj Agarwal said.

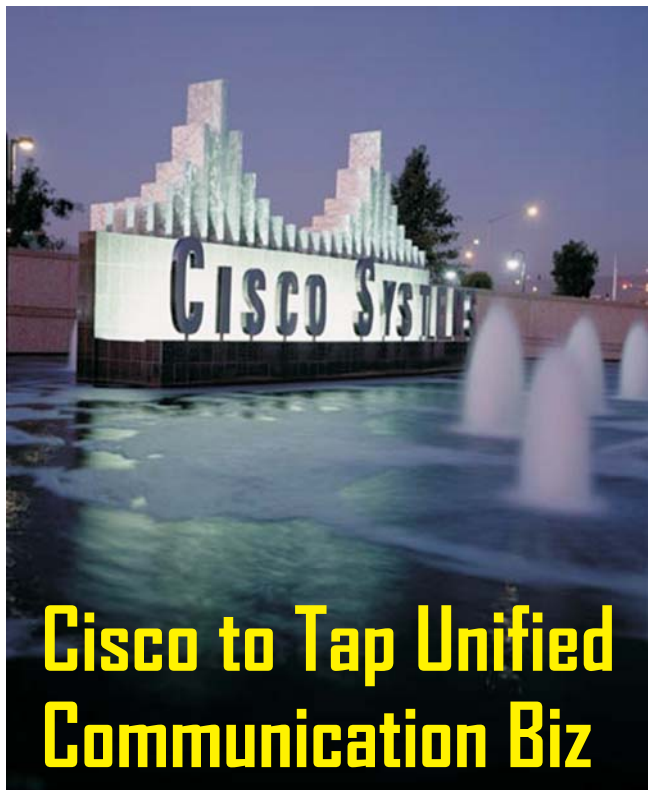
A top industry source said inorganic growth in new product categories is the only way forward for soft drink companies in India to push for growth.

If they were to depend solely on fizzy and flavoured drinks in their respective portfolios, the growth is likely to be in single digits and that too only if the weather is conducive and NGOs don't train their guns on them. Not surprisingly, cola companies are hedging risks by entering wellness and new-age segments that can be had throughout the year. ■

## Secova Plans Second Facility

**S**ecova eServices, a US-based human resources and benefits management company with offshore development centre in Chennai, will open its second facility in the city. The 26,000 sq ft new facility at DLF IT Park will have a capacity of 400 seats and operational by October, and the company plans to increase its employee strength to 400 from 300 by December, according to Venkat Tadanki, co-founder, Secova.

It offers services in the areas of health and welfare benefits administration ranging from enrolment (both online and through call centres), healthcare advocacy and life event management. Annually, Secova processes over 80 million eligibility records, almost \$1 billion in healthcare premiums, and manages over 450 vendor relationships, he said. ■



## Cisco to Tap Unified Communication Biz

As IT spending by India Inc continues to show a 27 percent growth year-on-year, Cisco Systems is looking to boost its unified communications (UC) business in India and cash in on the increased spending. An UC system integrates wired, wireless and mobile devices to create a secure solution for the entire organization regardless of an employee's location.

Piggy-backing on recent major acquisition such as Audium, Meteros and Webex, the networking equipment manufacturer aims to increase its UC business by over 40 percent in India, according to Cisco Systems senior director (voice technology group) Manjula Talreja. The company has identified verticals such as banking and financial institutions, retail and ITeS for achieving this growth, backed by an aggressive acquisition strategy.

"With regards to our India strategy, it is one of the fastest growing markets for the company, along with China, Russia and the Middle East. We are aggressively looking at banks and financial institutions, along with ITeS and retail sectors to be the high growth areas for Cisco's unified communications business in India," said Ms Talreja.

Explaining more on the India strategy, Ranajoy Punja, vice president - business development (advanced technologies), Cisco India and Saarc said that for the PSU banks the deal size may be smaller than other

industry verticals but there is advantage in addressing their IP communication demands as more banks are increasing technology spending. On the other hand, retail is still emerging in India, but there is still huge opportunity as most of the companies in this space are starting with a clean slate for IT spendings.

This means that it is very easy for Cisco to bypass legacy solutions and go aggressive in implementing newer IP technologies in this sector. The company is known to be currently piloting its UC solutions in foreign banks and Indian ITeS companies. Indian enterprises are expected to invest Rs 8,974 crore on IT in FY08 - an increase of 26 percent when compared with the FY07 expenditure of Rs 7,123 crore, according to research firm IDC.

According to Cisco, the market for unified communications is expected to be \$50 billion worldwide by 2010 growing from the present \$25 billion. The company hopes to target revenues of \$10 billion by the same period, according to company officials. The company is also said to be in talks with Indian software integrators for its UC business. "At present, we have host of global IT partner companies such as IBM or SAP having presence in India, but increasingly we are also looking at partnering with strategic local companies for application integration as these players have the knowledge about local market demands," said Punja. Other major UC vendors include traditional enterprise telephone systems providers like Avaya, Mitel and Siemens, as also Microsoft.

Moreover, along with organic growth, the company says that it is also equally aggressive on its growth through acquisitions. "The coming year would see major acquisitions in Cisco's UC business. Size is really not an issue for us as we are looking at companies that help in filling gaps in the value chain when we go to market with our IP communications solutions.

India too would be on the radar as target companies would also be based on different customer requirements in different geographies," Ms Talreja said. Cisco is piggy-backing its UC initiative on its recent acquisitions including the likes of its \$28 million of Texas based IP communications technology provider Meteros and \$20 million acquisition of Voice XML provider Audium. It also recently acquired Webex, an online communications solutions provider for \$3.2 billion to be integrated into its UC platform offerings.

Earlier last year, Cisco's president and CEO John Chambers had announced an investment of \$1.1 billion and triple the company's workforce in India to 6000 employees over the next 3-4 years. ■

## Hartford Pays Rs 90cr for Rights to Market Meta-Insure in US

In a deal valued at about \$20 million (Rs 90 crore), US-based Fortune 100 Company, the \$27-billion Hartford Financial Services Group, has acquired exclusive rights to market Kolkata-based Metalogic Systems' proprietary software Meta-Insure in the US.

The deal with Hartford for Meta-Insure is for five years and includes payments for selling rights, maintenance rights, and royalty for the software as well as usage by third parties. The deal terms include implementation of projects by Metalogic. The projects, however, will be executed by Trumbull Services LLC - a Hartford group company.

"This \$20-million arrangement will offer us a ready source of revenue from the US. It will also create a market for Meta-Insure. As part of the deal with Hartford, Metalogic has the first right of refusal for any project that it may be able to execute in relation to implementations," said Dasgupta, Managing Director of Metalogic Systems. He is a Kolkata-based technocrat and founder of Metalogic.



Meta-Insure is an proprietary insurance software tool that enables generation of customized software applications for property and casualty insurance in the US. It refers to property insurance, liability insurance and reinsurance. The software enables tracking of issued policies or managing it,

paying an agent's commission or paying up the insured. It can take care of aspects like policy administration, premium cycle, claims management and reinsurance.

Interestingly, Metalogic Systems is also in takeover talks with three insurance software development companies in UK. "Turnover of these companies is roughly \$40-50 million and we intend to acquire only one among these. Talks with one is at an advanced stage and we intend to close the deal by October," said Dasgupta. He, however, declined to name the company or the sum involved in acquiring it.

Meanwhile, the acquisition in UK will provide Metalogic Systems a ready base in British Isles. Explaining, Dasgupta said "The Company we are acquiring in the UK will offer us a ready client-base to tap. Since these companies already operate in the insurance space they already have a fairly large client base that we will tap once the acquisition is through."

In a parallel development, Metalogic has initiated a project to make its insurance software Meta-Insure suitable for potential clients in Japan. "The project is likely to be completed in the next few months following which we will start marketing the product in Japan. We are also looking at markets in Europe," Mr. Dasgupta said. ■

## Maharashtra to get \$200 million FDI in realty

The Maharashtra government's industrial infrastructure arm MIDC will jointly develop an integrated township with a New York-based realty firm Vorando Realty Trust at Hinjewadi on the outskirts of Pune.

Hinjewadi is known for housing some of well known IT companies like Infosys, Wipro, Oracle, IBM and others. Voreando will invest \$200 million on the township which will be developed over the next five years.

The project will be developed jointly by MIDC and Vorando and a special purpose vehicle has been floated to execute the project - Vorandeo-Hinjewadi Township Pvt Ltd.



The shareholders agreement was signed by Rajiv Jalota, CEO, MIDC, Maharashtra, India and Michael Fascitelli, President, Vornado Realty Trust, USA at New York on Monday, on the sidelines of Maharashtra Investment Forum's two-day meet. ■

## Boeing to Buy Indian Goods, Services Worth \$1.7 Billion



**B**oeing, which has bagged orders for 68 aircraft from Air India worth over \$11 billion at list prices, will invest \$1.7 billion to buy goods and services from Indian companies.

The US aircraft manufacturer has already agreed to create a Maintenance, Repair and Overhaul (MRO) facility in Nagpur as part of its India commitments following the Air India order, besides set up a pilot training programme by funding some existing flying schools.

"The biggest piece is our commitment to India of \$1.7 billion as part of this deal where we will buy goods and

services from companies in India," Boeing's Senior Vice President (Sales) Dinesh Keskar said.

"It is going to create a lot of potential jobs in India and at the same time transfer technology. We are working with quality companies in India like Infosys, Wipro, Satyam, HCL and we are also continuing to work with Hindustan Aeronautics Limited," he said.

As Boeing rolled out its new B-787 'Dreamliner', the company's first new model in 13 years, Air India said it had chosen the aircraft as its work-horse keeping in mind concerns of economics and environment.

"We didn't actually choose Boeing as such. We chose the aircraft," Air India Chairman and Managing Director V Thulasidas said.

The B-787 made "better business sense" and the choice of engines was "actually a major step" in increasing fuel efficiency and savings, besides making flying eco-friendly.

Air India's order consists of 23 777s, including eight 777-200LR (Longer Range) Worldliners and 15 777-300ERs (Extended Range), and 27 787-8 Dreamliners. Air India Express, will receive 18 next generations 737-800s. ■



## US-India CEOs Forum to meet in New York on September 24

**T**he next meeting of the India-US CEOs Forum is scheduled to be held in New York on September 24, 2007. Finance Minister P. Chidambaram, Commerce and Industry Minister Kamal Nath and Deputy Chairman of the Planning Commission Montek Singh Ahluwalia, are likely to participate from the Indian government side.

US Treasury Secretary Henry Paulson, US Commerce Secretary Carlos Guterrez, USTR Susan Schwab, and Assistant to US President for Economic Policy Allan Hubbard, are likely to participate from the US government side. A number of members of the CEOs forum from both countries will attend the meeting.

The CEOs Forum was created under the India-US Economic Dialogue by taking 10 CEOs each from both countries during the visit of Indian Prime Minister to the US in July 2005. CEOs Forum is Co-Chaired by Ratan Tata, Chairman of Tata Group from Indian side and William B. Harrison Jr., former Chairman & CEO of JP Morgan Chase, on the US side. ■

## Wipro & IdeaS in Deal to Provide Solutions to Hospitality Industry

**W**ipro Technologies has announced a partnership with Integrated Decisions and Systems Inc (IDeaS), provider of enterprise pricing and revenue optimization solutions to address customer solutions and market opportunities in the hospitality and leisure industry.

According to the partnership, Wipro and IDeaS would deliver pricing, forecasting, and optimization solutions for the Hospitality and Leisure Markets. The partnership would enable both Wipro and IDeaS to leverage each other's customer base and expertise, Wipro said in a statement.

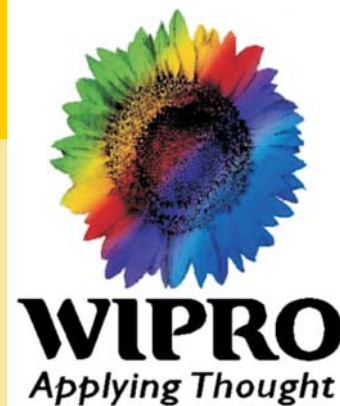
Manoj Punja, senior vice president, Wipro Technologies, said, "IDeaS adds a new dimension to revenue optimization through a unique combination of domain expertise and innovation to offer measurable incremental results to customers."

Joseph Martino, senior vice president, IdeaS, said, "The combination of Wipro's infrastructure, delivery

methodology and IDeaS intellectual property and domain expertise create an opportunity to solve complex problems previously not available to the industry."

Wipro's Travel and Transport practice has implemented over 125 projects in the last five years. In transportation Wipro has developed Centers of Excellences' focused on domain Areas like loyalty management, customer experience, RFID, TMS, WMS, SCM, Demand management and Sarbanes Oxley compliance.

IdeaS are headquartered in Minneapolis, Minnesota. The company maintains global technology, support and sales offices in North America, the United Kingdom, Europe, Australia and Asia. ■



## Momentive to Invest US\$ 20 Million in Chennai

**U**S-based Momentive Performance Materials Inc (formerly GE Advanced Materials) will pump in \$20 million in a Greenfield manufacturing facility and a technology centre for application development at Orgadam near Chennai.

The new manufacturing facility, which will be located in Sipcot Oragadam Industrial Growth Centre, will triple the silicone production capacity in the region, according to a company statement.

"The new plant reflects Momentive's long standing commitment to customers in India and south Asia. It will augment our existing capabilities to better serve customer needs for high quality speciality materials and supports our customers' growth in India," said Ian Moore, president and chief executive officer-Europe, Middle East, Africa and India Momentive.

The new manufacturing unit, which will produce a full range of silicone

products, is expected to become operational by the second half of 2008.

The plant design and engineering integrate the most efficient process and product technology capabilities that exist among the various Momentive plants around the world. Momentive has 25 manufacturing units across the globe.

In January, the company said it would set up a new unit considering the strong growth in India over the last few years in the backdrop of the boom in automobiles and telecom sectors.

Momentive has been growing at a rate of over 30 per cent in principal markets like India over the last few years.

The company caters to automotive, telecom, construction and textiles in India. Its clients include Hyundai and tier I telecom manufacturers like Foxconn. ■

