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Continuing Global Financial Crisis

IMF Must Refocus Action Policies



Founder Chairman
Late Shri R.K. Prasad

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Dear Reader,

Greetings. Financial markets in advanced countries are passing through tough times. The problem has emanated from the US and percolated down to Europe. The emerging economies such as India are less affected because of buoyant domestic demand. But India will be hit in the long run because the US and Europe continue to be the ultimate export destinations for the country's products. It is in this context that Indian Finance Minister P. Chidambaram, called upon the International Monetary Fund (IMF), during its annual spring meetings in Washington, to revamp and refocus its action policies. The Indo-US Business, which keeps a close watch on the US economy and the implications of its impact on the global scenario as whole, carries in its cover story of the current issue, the full text of Chidambaram's speech. Of late, there has been a hue and cry about the global shortage of food and some countries, such as India, have become targets of criticism because of their policies of restricting food exports. The gravity of the situation called for a global debate. The Food and Agricultural Organization (FAO), United Nations Industrial Development Organization (UNIDO), and the International Fund for Agricultural Development have jointly organized a global conference in New Delhi recently, where Prime Minister Manmohan Singh called for a quantum leap in yields as an answer to the global food crisis. We carry a report. Indo-American Chamber of Commerce (IACC), and its various chapters across the country have been relentlessly pursuing various activities for boosting bilateral trade between India and the US. We highlight a seminar on Indo-US Aviation Cooperation and the opportunities that such an alliance could throw up for business communities of both countries. Entertainment is one area in which Indo-US cooperation is getting intensified year after year. This year, IACC mounted the biggest-ever delegation to the NABShow 2008, an annual event organized by the National Association of Broadcasters of the United States in Las Vegas in April. We carry a report. Promotion of tourism in India has always been a government responsibility. But the government of the northeastern state of Assam plans to involve private sector to promote tourism, especially eco tourism. We run an interview with the State Tourism Minister Rockybul Hussain. In another interview, Pradip Chopra, head of the PS Group that built scores of landmark buildings in Kolkata asserts that India has the potential to become a global economic power. We carry plenty of Chamber (IACC) news, besides the latest developments in the corporate world which have further widened the scope for Indo-US bilateral trade.

Wish you happy reading

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Continuing Global Financial Crisis

IMF Must Refocus Action Policies



In April 2008, Finance Minister P. Chidambaram led an Indian delegation to meetings with the International Monetary Fund (IMF) and the World Bank meetings in Washington. In his address to the International Monetary and Financial Committee, Chidambaram talked about the continuing financial crisis in the United States and Europe, which has led to a reversal of the global growth rate in 2008. The spillover will

certainly affect the emerging markets, he said. Chidambaram further pointed out that the rising fuel prices are adding to inflationary pressures. The sharp fluctuations in exchange rates are threatening to hit the stability of emerging markets and developing nations, he said. In order to tackle the global financial crisis, international agencies such as the Fund, should refocus its action policies, Chidambaram said. Following is the text of Chidambaram's speech.

The Global Economy and Financial Markets

We are meeting in Washington at a time when the global economy is in the midst of a financial crisis. We had drawn attention to the risks in the financial sector earlier, but the intensity of this crisis was unanticipated and is disturbing, particularly since the problems have emanated from one of the most advanced financial markets in the world. Moreover, it has also affected other advanced financial markets, particularly in Europe. The emerging market economies seemed to have been less affected by the initial impact of the turbulence. Since, the crisis is still unfolding, there are considerable uncertainties as to how the situation would evolve. It is therefore important for multilateral institutions including the Fund to continuously and closely assess the situation, and policy makers will need to exercise constant vigilance.

The immediate fallout of the financial crisis is reflected in a reversal of the robust trend of global growth during 2008. So far, the spillover to emerging markets and developing countries seems relatively contained mainly because of their limited direct exposure to subprime related securities. Buoyant domestic demand has sustained the growth momentum in many emerging markets and developing countries.

Notwithstanding the increase in trade volume within emerging markets, the spillover effects could soon be evident as the US and Europe continue to remain the main destinations for the final products from emerging

markets. There exist a number of imponderables at the moment. If apprehensions about the US recession turn out to be correct and the growth in euro area slows more than currently anticipated, domestic demand alone may prove inadequate to sustain growth in the emerging markets.

We have already seen increased volatility in equity markets in emerging economies. While debt flows to emerging markets continue, borrowing costs have gone up. Simultaneously some emerging markets are experiencing a liquidity spillover with substantial injection of liquidity by central banks in advanced economies. This has exerted upward pressure on exchange rates in these countries and has also given rise to excess domestic liquidity that engenders inflationary expectations.

Inflationary Pressures

Another worrisome development is the emergence of global inflationary pressures. While growth expectations have dampened, inflationary expectations have not. The deflationary impact of globalization seems to have run out with increasing wage and inflationary pressures. There is growing apprehension that financial stability concerns are distracting central banks in advanced economies from emerging inflation risks. Strong inflationary pressures are also evident from the supply side. Rising food prices are an increasing concern not only in developing countries but also in developed economies. This rise has been exacerbated by the



increasing diversion of foodgrains and other crops towards bio-fuels. Fuel prices continue to remain high and volatile. The confluence of these developments has implications for long term inflationary expectations. Policy makers and central banks will, therefore, have to carefully balance growth and financial stability considerations with the potential risks to price stability.

Amidst the turmoil, attention could easily get diverted from the continuing global imbalances. While the US current account deficit is projected to moderate, current account surpluses are getting concentrated in a few countries, further accentuating global imbalances.

Sharp Fluctuations in Exchange Rates

Already we have seen sharp movements in exchange rates of major currencies. This has implications for the orderly management of exchange rates by emerging market and developing countries which could have adverse consequences for growth and stability.

The current global scenario calls for policy action both by national authorities and international bodies like the Fund. It is important to restore the confidence in US financial markets so as not to let the credit squeeze deteriorate into a credit crunch. This calls for quick recognition of losses, recapitalization of solvent institutions and strengthening of regulation and supervision. We have taken note of the efforts of the US authorities to redress the situation. Other national authorities may also need to review the adequacy of their regulation and supervision of financial markets and institutions, focusing on ways to mitigate possible risks arising out of operations of entities that dominate cross-border flows and increase the transparency in their operations. The Fund, entrusted with the task of maintaining global financial stability, should work closely with other international bodies to address these challenges.

Quotas and Voice

A degree of credibility in the IMF's governance has been undoubtedly restored in the recent exercise in realigning quotas and votes. In Singapore, we identified the need to arrive at a simple, transparent quota formula that adequately captures the changing economic weight of countries in the world today. I believe that the current formula is a definitive step in that direction. While we may still have issues on how "openness" or "variability" should be measured, there is no gainsaying the fact that the current construction is a marked improvement over the previous five formulae which were opaque and complex.

The second round ad hoc increase in quotas is also a move in the right direction. While there can be arguments both for and against the adequacy of the rebalancing, it can be nobody's case that the marginal rebalancing achieved is either perverse or in the wrong direction.

That said, I need to reiterate that India views the current round of quota and voice reform as only the first step in a process that needs to be carried forward. We would welcome a periodic realignment of quota shares as the global economy gets re-structured over time. We would welcome fellow Governors endorsing a programme of reviews not linked to concerns of liquidity alone, as is the current practice.

New Income Model and Medium-term Budget

We welcome the significant forward movement on implementing the New Income Model recommended by the Crockett Committee, particularly the sale of the post-Second Amendment Gold and the creation of an endowment. I expect that this proposal will be endorsed by the national authorities across the membership of the Fund expeditiously and a significant source of steady income would be available without further delay.

In implementing the expanded investment authority, the Fund should establish sound policies and transparent procedures and avoid any perception of a potential conflict of interest. This is important given the Fund's unique position in the financial world as a confidential advisor to member countries with considerable access to privileged information.

We welcome the resumption of reimbursement of administrative expenditure related to the Poverty Reduction and Growth Facility (PRGF). We hope that the donor countries will honour their commitment and bear the cost of administration.

We are apprehensive that the failure to secure adequate support for the investment of quota resources will adversely affect the sustainability of the model. We would urge member-countries whose support is crucial for implementing this key element to be open to a review of this issue in the next two or three years.

The crisis in resources was an opportunity to refocus and reprioritize the activities of the Fund. I expect that the substantial expenditure reductions that have been proposed are in line with the broad strategic direction outlined in the Managing Director's statement on the medium-term budget and the Fund's capacity to deliver on its core mandate and to tackle any future crises is not compromised. The Fund should also now be able to shift



its attention away from internal process issues to addressing the issues affecting the global economy.

Surveillance

I welcome the emphasis on multilateral perspective in bilateral surveillance and the efforts at improving the analysis of linkages between the real economy and the financial sector. Recent events demonstrate that in globalised financial markets, systemic risk to the financial sector could emanate from advanced financial markets. Hence, I suggest that the Fund gives greater focus to the financial sector in its bilateral surveillance of advanced economies. The Fund should also develop a common understanding of operational issues in implementing the 2007 Surveillance Decision in an even-handed manner.

Crisis Prevention

Keeping in view that the current financial turmoil has emanated from advanced markets, I welcome the extension of vulnerability exercise to include advanced economies. The Fund should expedite the discussions on the design of a new crisis prevention instrument that could be made available to emerging market economies that seek such support.

Role in Low Income Countries

The clear recognition that the Fund is not a development agency is overdue. In working with low income countries, the Fund needs to focus on its core competencies and recognize that it does not have a lead role and it has to co-ordinate its efforts with other international agencies that focus on low income countries.

Developments in the Constituency

Let me now turn briefly to some key aspects of developments in my constituency. In India, GDP growth driven by domestic demand remains robust thus far, though it moderated somewhat to 8.4 percent in the third quarter of 2007-08. While inflationary expectations remain contained, headline inflation rose above the projected tolerance level of 5.0 percent recently reflecting higher food, fuel and other commodity prices, particularly metals. The overall external trade and current account situation is evolving as per expectations. However, strong capital inflows and their volatility continue to pose significant challenges to macroeconomic management. Financial market conditions are generally stable, though equity markets have exhibited greater volatility mirroring global trends. Revenue collection remains buoyant and fiscal marksmanship has improved. Fiscal targets set in the fiscal responsibility legislation are being met. We remain

committed to economic reforms and conduct of macroeconomic policy to enable continuation of the growth momentum with stability.

The Bangladesh economy performed well during 2006-07 with GDP growth of over 6.0 percent, moderate inflation and balance of payments surplus. The economy, however, suffered a major setback from natural disasters of flood and cyclone in the later part of 2007. Consequently, the overall adverse effect on GDP is likely to be 0.7 percent in 2007-08 with direct budgetary cost of relief in the order of 0.6 percent of GDP. The most significant adverse impact would be on the balance of payments which were already under pressure from high world oil and food prices as well as a slowdown in garment exports. The authorities appreciate the understanding shown by the international community and would like to thank the Fund for extending Emergency Assistance of about US\$217.7 million. In implementing the relief and recovery program, the authorities remain committed to improving the fiscal position, allowing monetary policy to maintain reasonable price stability, and making progress towards MDG targets.

Sri Lanka's economy continues to maintain its growth momentum, and real GDP growth is projected at 7.0 percent in 2008. Manifesting the benefits from high economic growth, the unemployment rate in 2007 dropped to a record low of 6.0 per cent. Fiscal deficit and public debt to GDP ratio continue to improve and export growth remains robust. Overall surplus of the balance of payments and foreign reserves improved further. However, inflationary pressures have emanated from high and rising oil and commodity prices. The tight monetary policy measures are expected to bring inflation down to near single digit level by end 2008. A noteworthy development in 2007 was the establishment of the Inter Regulatory Institutions Council with the mandate for monitoring and co-coordinating the work of multiple regulators, specially with regard to supervision of financial conglomerates. Further, Basel II was implemented in January 2008.

Bhutan has undergone a historic political transformation to a parliamentary democracy with elections having been held for the first time in March 2008. This wisely-managed transition has been completely peaceful and orderly. With the coming on-stream of Tala hydro-electric project, Bhutan's real GDP growth during 2007 peaked at 18 per cent. Growth is now expected to return to the recent trend level. The current account of the balance of payments is in surplus and foreign exchange reserves remain comfortable. ■



Challenges of Climate Change

Poor Nations Need More Financial, Technology Aid

Finance Minister P. Chidambaram, in his address at a meeting of the World Bank, touched the complex issue of climate change, tracing its root cause to many decades of unsustainable development in the West. The rich nations must offer their poor counterparts both financial and technological aid in order to help them contain the effects of climate change, he said. Following is the text of Chidambaram's speech.

I am delighted to be present here and compliment the Bank for its initiative to take the Bali process forward. We all have a shared responsibility to think through the complex challenges of climate change and come up with fair, equitable and imaginative solutions.

No discussion on climate change can be taken forward without underscoring the deep inequity in the causes and impacts of climate change. The developed world has caused the problem with many decades of unsustainable development process. But it is the poorer countries that will be worst affected. The devastating climate impacts will undermine livelihoods and the way of life of millions of people and, undo many decades of development. Given their responsibility for causing the problem, the developed world has two clear obligations: to massively reduce their GHG emissions, and to provide new and additional financial and technological help to the developing countries to manage mitigation as well as adaptation efforts.

What can the Governments of developing countries do to accelerate the process of adaptation? Governments can start working on key vulnerabilities like "climate proofing" of public infrastructure investments, food security, water resources and pursue policies to incentivize private actions towards energy efficiencies.

India's GHG emissions are among the lowest in per capita terms. They will, of course, inevitably increase as we endeavour to remove poverty and provide basic needs to all the people. Our Prime Minister had categorically declared that even while pursuing development goals, India's per capita GHG emissions will always remain below the per capita GHG emissions of developed countries.

India has unilaterally taken significant steps to meet the

challenges which include measures to promote clean technology, review the fuel emission and efficiency regulations, mass transport systems, encourage the use of gas, building sustainable Greenfield cities. A Prime Minister's Council on Climate Change has been set up. A quick analysis showed that our Government has spent 2.6% of GDP during 2006-07 on adaptation-related activities. We propose to bring out our National Action Programme on Climate Change shortly. Further we are also going to establish a permanent institutional mechanism to play a coordination role to explore and implement ideas on climate change and to take on the important responsibility of advocacy.

Global action on climate change will require building trust between developed and developing countries. There must be trust about the neutrality of processes or institutions through which agreements are implemented, money is disbursed or disputes are resolved. Climate justice must inform all efforts at international cooperation in this field. The solutions should include fair burden sharing and measures to realize sustainable patterns of consumption and production. The UN Framework Convention on Climate Change should be the only basis for a global compact, anchored as it is in the well-established principle of equity and common but differentiated responsibility.

Whether it is Hurricane Katrina; perennial rivers going dry; huge ice-shelves breaking apart in the Antarctic; the threat to the Himalayan glaciers; un-seasonal rains, or dramatic changes in the migratory patterns of the Siberian cranes, each of these events is a constant reminder of the urgency for taking action. Let us join hands and I assure you, India is and will continue to be a responsible and conscientious citizen of the world. ■



Quantum Leap in Farm Yields Vital to End Global Food Crisis

Prime Minister Manmohan Singh believes that a sharp rise in productivity can be the answer to global food shortages. In a speech delivered at the Global Agro-Industries Forum in New Delhi recently, he calls for a quantum leap in agricultural yields. Following is the text of the Prime Minister's speech.

I am delighted to be here at this very important gathering of those focused on agriculture and related industrial development. I compliment the Food and Agricultural Organization, the United Nations Industrial Development Organization and the International Fund for Agricultural Development for coming together and working with those engaged in improving the livelihood of farmers of India and the rest of the developing world. I am very happy that our Ministries of Agriculture, Food Processing, Commerce & Industry are associated with this very important Global Forum.

At the outset, I would like to say that I am deeply honoured and humbled by the Agricola Award conferred on me. I am aware of the commendable work done by many of its earlier recipients. This award, I take it, is a recognition of the work done for the development of agriculture and of our farmers by a vast number of agencies and individuals in our country. As I accept this very prestigious award, I reiterate our government's and our nation's commitment to the promotion of the welfare of the entire agricultural community. A progressive increase in agricultural productivity and incomes is essential both for the removal of mass poverty and for creating an expanding market for industrial products. It is our sincere desire and effort to take Indian agriculture to a new level of knowledge-based development; a development that is inclusive, a development that is equitable, a development that is environmentally sustainable and a development that is regionally balanced. It is our goal to ensure both livelihood security and food security for all our people, paying particular attention to the needs of small and marginal farmers.

India has had a long association with each of the



international organizations present here today. We owe a debt of gratitude for your contribution to improving the lot of our farmers and enhancing our food security. India's Green Revolution would not have been possible without the active cooperation and support of several international organizations as well as some major developed countries, such as the United States of America. The Green Revolution was a great symbol of international cooperation inspired by the noblest of objectives.

There was a time when it used to be said that India lived a ship-to-mouth existence. There was a time when we were critically dependant on food imports. Our farmers were hard put to survive even one bad monsoon. All of that was barely 40 years ago. The Green Revolution has enabled us to become largely self-sufficient in foodgrains.

Today, we are at the beginning of what may well be a new phase in our agricultural growth trajectory. We are once again faced with a situation where rising demand for foodgrains and other food items is running into supply constraints both domestically as well as internationally. This is a phenomenon, I believe, that is not unique to

India. Similar pressures are being felt across the world in many other countries. The world as a whole is faced with a situation where rising demand for food is not being met with a similar supply side response. Further, the situation is becoming more complex due to the alternative uses being developed for food crops - I refer here to the growing demand for bio-fuels. Owing to galloping oil prices, bio-fuels are being seen in many quarters as attractive substitutes for imported hydrocarbon fuels. Some see them as a greener alternative, although there may be more than one view on that. Many countries are actively promoting the development of bio-fuels. It is particularly worrisome that the new economics of bio-fuels is encouraging a shift of land away from food crops. What this has done is that for the first time, there is a direct linkage between oil prices and food prices. Food markets have got interlinked to oil markets, making food policy - making extremely complex as well as uncertain.

Given this scenario, there is a persistent feeling that the first Green Revolution has run its course. Modern technology has certainly widened the options available to our farmers and planners. Yet, the world seems to be facing the prospect of food shortages and rising food prices. I believe that in the near future, this is going to be one of the most urgent challenges of our times. Therefore, it is important that the world community tackles this problem head-on. We need a Second Green Revolution. We need new technologies, new organizational structures, new institutional responses and, above all, a new compact between farmers, technologists, scientists, administrators, businessmen, bankers and consumers. The global community and global agencies must fashion a collective response that leads to a quantum leap in agricultural productivity and output so that the spectre of food shortages is banished from the horizon once again.

We in India too, are deeply concerned about rising commodity and food prices. Sharply rising food prices

can slow down poverty alleviation, impede economic growth and retard employment generation. The global economy can also be hurt by this process. We in the developing world will of course be seriously hurt by it. Efforts to promote reforms and more open economies would be derailed in the face of persistent food shortages and rising food prices. In most developing countries, food prices are the kingpin of the price structure. A steep rise in food prices will make inflation control more difficult and can thereby hurt the cause of macro-economic stability. The constituency for economic reforms, so necessary to stimulate economic growth, would also diminish. Pressures would mount for restrictive trade practices.

It is my belief that we cannot react to such a situation by returning to an era of blind controls and by depressing agriculture's terms of trade. That will hurt the welfare of our farmers as well as the long term growth of the economy as a whole. The non-farming economy cannot prosper on the back of an impoverished farm sector. Hence, we need creative and imaginative solutions that increase agricultural productivity, that increase farm incomes, that increase food production and, at the same time, also contribute to greater purchasing power in the hands of the poor.

We are also worried that climate change and global warming may have a harmful impact on land productivity and water availability. We need concerted global action to grasp the impact of climate change on agricultural production world-wide. We need more equitable, efficient and rational systems and institutions for the utilization of scarce water resources. The first Green Revolution by-passed dryland farming. We need now new technologies and new production regimes for rainfed and dryland agriculture.

I sincerely hope that this conference will come forward with new ideas for a new social compact that will enhance food security and, at the same time, enhance farmers' welfare.



Our Government has taken several initiatives in the past four years to address some of these challenges. We have focused on improving rural infrastructure through a national programme of Bharat Nirman. We are implementing a globally pioneering national rural employment guarantee programme. I understand that many countries and international institutions are studying this programme to replicate it elsewhere in the developing world. We have launched a National Food

Security Mission to meet the immediate challenge of raising food output. We are also engaged in revitalizing agricultural research and extension programmes. We have launched the National Agricultural Development Plan with a special focus on increasing public investment in agriculture.

I believe that farming is increasingly becoming an unviable business proposition for many rural households. Small and marginal farms have become an unviable proposition. We therefore need to make farming viable at this scale. Otherwise, it would be virtually impossible to reduce rural poverty and distress. Indian agriculture is built on the foundation of small, household based farm holdings. IFAD has been a helpful partner and I compliment IFAD's efforts in this direction. But I would like to see greater and wider engagement, especially in providing long-term solutions to the problems faced by small and marginal farmers, particularly for poverty alleviation, for risk mitigation and access to finance. Collectivisation, corporatisation and land consolidation through land alienation are neither possible, nor socially desirable. We cannot therefore wish away the existence of economically unviable farms. On the other hand, we must find ways in which farmers can benefit from economies of scale in certain farm operations such as provision of farm inputs, credit and marketing support while retaining family-based small holders. Advances in technical and related progress can have a major impact on the productivity and well-being of small and marginal farmers.

Institution building, capacity building, empowering farmers through investment in their capabilities, are the kind of interventions we must seek. Even in promoting agri-business and agro-industries, we need a model that can combine the economics of small farms with the economics of mass production and modern marketing. We need to focus on the economics of farming operations as a whole, not of individual crops alone.

I sincerely believe that some of the solutions to the problems of Indian agriculture are to be found outside agriculture. In the long run, we have to reduce the pressure of population dependent on agriculture. Industrialisation has historically provided new avenues of employment to rural folk worldwide. In a labour surplus economy like ours, we need labour-intensive industrialization to absorb the surplus workforce from rural areas. It is in this context, that agro-processing increases farmers' incomes and provides off-farm employment opportunities. Agricultural modernization and rural development must, therefore, walk hand in hand with rural industrialization.

The potential for agro-based industrialization, especially labour intensive industrialization, is truly enormous. We in India wish to promote agro-industries and offer people living in rural areas new avenues of employment close to the place they work and live. However, unlike in the West, where much of this was highly mechanized due to labour shortages, we need labour using technologies. In many developed countries, the strategy of food processing and agro industry was focused essentially on increasing farmers' incomes without a focus on generating rural employment. In a labour surplus economy like ours, we need solutions that increase producers' incomes but also generate new employment opportunities. The food processing sector must have these objectives in mind.

I am convinced that the welfare of our farming community as well as the livelihood of farmers and agricultural workers will be better ensured through higher investment in rural infrastructure and in agricultural development. Farmers and workers seek incomes, not subsidies. They seek markets and employment, not hand-outs. While some subsidies are useful and helpful, especially when targeted to those in distress, what our rural households seek is higher investment in land development, in water

management, in seed technology, in output storage and in marketing. They also seek investment in rural infrastructure. Investment therefore is the key to development. We need much greater global and national effort to increase investment in rural areas in developing world, in agriculture and agricultural technologies, in farm and off-farm economic activities.

I believe, this must be the focus of FAO, IFAD, of the World Bank, UNIDO and of all Governments and donor agencies. I hope we can all work together to make this possible. ■



India Infrastructure Facility Off to Promising Start



The Export Import Bank of the United States has recently approved eight Indian Financial Institutions (FIs) for financing facilities totaling \$2.2 billion under the India Infrastructure Facility.

The Facility provides for medium and long-term financing of guaranteed, dollar loans to Indian borrowers, where Ex-Im Bank's primary source of repayment will be one of the eight FIs. The support covers 100 percent of commercial and political risks. Rupee financing for local project costs is also available for up to 30 percent of the value of the U.S. exports. Fixed interest rate options are available under Ex-Im Bank direct and guaranteed loans.

Financing tenors of up to 10-years are available for balance sheet transactions, 12-years for power project financing, 14-years for greenfield project finance and 15-years for environmentally-beneficial projects including drinking water, waste treatment and renewable-energy projects.

The Facility will allow for expedited process of approvals at Ex-Im Bank, with medium-term approval requests generally available in 10 business days and long-term approval requests to be secured in approximately six weeks.

All use under the Facility must comply with Ex-Im Bank and the Organization for Economic Cooperation and Development (OECD) Policies and Guidelines, including Ex-Im Bank's Environmental Procedures and Guidelines.

These financing facilities will support individual purchases of U.S. goods and services to be used in Indian infrastructure projects. An Indian buyer of U.S. goods and services should approach either an approved FI or one of

Ex-Im Bank's Master Guarantee Agreement (MGA)-holding banks to access funding under the Facility. Ex-Im Bank's MGA-holding banks currently active in India include the following: ABN Amro • Barclay's • BNP Paribas • Citi • Deutsche Bank • HSBC • ING • JP Morgan • M&T Bank • Societe Generale • Standard Chartered • TD Bank • UPS Capital • Wells Fargo HSBC Trade Bank

On April 16, 2008, Ex-Im Bank approved a \$29.4 million long-term loan guarantee to support multiple exports of U.S. medical, building and office equipment and services for the construction of Bhopal Medical College in Bhopal, India.

The transaction was structured under Ex-Im Bank's Medical Equipment Initiative and is the first to be authorized under the Bank's \$2.2 billion India Infrastructure Facility that supports U.S. exports to Indian projects in sectors such as power and renewable energy generation, oil and gas development, small aircraft, airport development and health care.

Ex-Im Bank's financing support for the Bhopal Medical College Trust is guaranteed by Punjab National Bank in New Delhi, one of eight Indian financial institutions participating in the India Infrastructure Facility.

The facility enables the Indian banks to provide their guarantees, thereby expediting processing of Ex-Im Bank-backed medium-term and long-term financing for Indian buyers of U.S. exports. Financing provided under the facility is denominated in U.S. dollars. FLY-IND-16 May 8, 2008. ■



Rs 5,000 crore for Port Expansion Projects

The Indian Ministry of Shipping and Surface Transport is launching 10 major expansion projects in 2008-09 at an estimated investment of Rs 5,000 crore. About 60 percent of this investment will be for the Chennai mega container terminal, expected to cost around Rs 3,100 crore.

The sudden deluge of projects, which are to open for bidding under the public-private-partnership (PPP) route this year, is on account of the government's plan to enhance port capacities significantly by 2011-12.

According to the National Maritime Development Programme (NMDP), the government plans to invest over Rs 55,000 crore between 2005 and 2012 to meet its objective of raising capacity from 383.7 million tonnes to 615.7 million tonnes.

The slew of projects planned for the current fiscal is in contrast with the previous years. Earlier, only one or two projects were commissioned every year. All projects in the pipeline will now be commissioned on

a build-operate-transfer (BOT) basis and will have both public and private participation.

Expansion projects are being taken up at eight major ports Paradip, Vizag, Chennai, Tuticorn, Cochin, New Mangalore, Goa and Kandla in 2008-09.

As Paradip is located close to India's major iron ore and coal mining belt, the plan is to add two new deep draft berths. Separate berths are planned for both iron ore and coal shipments.

The government plans to set up a mechanised iron ore handling facility at the New Mangalore port. Shipments of iron ore and coal are expected to see a 70 percent rise at Indian ports between 2005 and 2012, according to government estimates.

Two separate cargo terminals are to be developed at Vizag for liquid and bulk cargo. An international cruise terminal at Kochi, a multi-purpose cargo berth at Kandla and a bulk cargo berth at Goa are also on the cards. At Tuticorn, Berth Number 8 will be converted into a container terminal. ■

Reliance Strikes Realty Deal with US Giant Vornado

In what could mark its foray into the real estate and hospitality sectors,

Reliance Industries has sealed a \$1-billion joint venture with the New York Stock Exchange-listed Vornado Realty Trust to set up a real estate fund that will develop a network of mega malls and highway shopping centres in India.

These shopping complexes will not only be meant for Reliance Retail (RRL) but also others. Reliance is also in talks with the Canada-based Four Seasons Hotels and French group Accor to set up hotels at some of its properties in Mumbai and Ahmedabad. An RRL spokesperson, however, declined to comment.

The joint venture with Vornado is Reliance's fifth global partnership in three months the other four being with Marks & Spencer, Vision Express, Miss Sixty and Office Depot. However, the latest partnership is important as it would deal with real estate acquisition and management, which is crucial for the viability of any retail company.

Most retailers are bleeding because they have acquired properties mindlessly to cash in on the consumer boom. While some like RRL and AV Birla Group have the staying power, others want quick returns, which are clearly not coming through.

the group's big-buck real estate foray may also see it tapping a synergistic foray into hospitality. "The group is looking at the possibility of setting up hotels to take advantage of the excess floor space index (real estate space) available at some of its existing properties," a source explained. But it is learnt that the group has not yet taken a final call on the hospitality project, given the vastly different skill sets required for the same.

At Mumbai's Bandra-Kurla Complex, Reliance is developing an integrated project, including corporate offices, shopping mall and five-star hotels, on a 25-acre plot. However, it is not clear



whether the real estate joint venture with Vornado would extend to hotel projects, even though the US realty major has an asset like Hotel Pennsylvania in its portfolio.

Reliance, which was averse to global partnerships in the past, has now adopted a more pragmatic approach to form joint ventures with the world's best to capitalise on their domain expertise and brand power. Since the group is a green horn in retail and has never dealt with a consumer business on such a large scale, it wants to learn the systems and processes from experienced global companies so that it can apply them on its own retail venture.

So, Reliance didn't think too much when it had to relent majority control to global apparel and food company Marks & Spencer. Even in its JV with Vornado, Reliance may be a minority player, but the shareholding structure could not be confirmed.

Sources said the real estate assets of Reliance Retail will now be parked with this realty fund, thus transferring a high cost base from the retail company's balance sheet. With this, the fund becomes the official real estate supplier to RRL, a role hitherto performed by the Mukesh Ambani-backed Urban Infrastructure Opportunities Fund and others.

Vornado, the \$14-billion market cap company, develops and manages retail properties and office spaces in Washington and New York. In India, it is likely to give the much-needed push to RRL's expansion plans, which have slowed down in recent months. It will also develop seamless malls, which will house global brands with which RRL is signing up joint ventures.

It is believed that besides this particular project, the Reliance-Vornado JV will look at catering to other retailers and corporate houses. Vornado-owned and managed malls in the US have Wal-Mart, JC Penny and Macy's as anchor tenants and the same could happen in India, with the realty fund offering space to multiple retailers. The JV is close to appointing an independent CEO but he is unlikely to be from Reliance. ■

'India has potential to become world leader'

Pradip Chopra is the Founder-Director of the PS Group which has built more than 80 landmark buildings in Kolkata and has recently launched its 100th project; Chopra is also the Regional Chairman of Export Promotion Council for SEZ and is a member on the Governing Board of CREDAI. Special Correspondent **Subhajit Bhattacharya** spoke to him about his group's future plans and the current realty scenario in West Bengal.



Tell us about the background of PS group and the changing realty scenario in West Bengal

The PS group started 22 years ago. We started in Kolkata as a very small company on a very small scale. We used to make just about one building in two years. But over time and with the constant effort we have grown to be a large construction house. Now in two years, will have completed about 100 projects. We have around 25 projects in Kolkata alone. We also have projects in Pune and Madurai. With time the realty scenario has also changed. The bank loans are very easily available also the living standard and also the people's purchasing power has increased a lot. So the demand in the realty market has accordingly increased. Recently we have completed a project where we have about 2000 flats out of which 1000 have been handed over to the customers. Previously only retired persons had the capacity to buy flats but nowadays we can see the young generation has the equal purchasing power to buy flats. So by this we can understand that the market has changed a lot.

What do you think about the resurgence of Bengal and to what extent this phenomenon is going to help the state's realty industry?

I don't think that it is the resurgence of Bengal alone; at the same time it is the resurgence of India as a country. Though Bengal has started late but we are very sure we are going to catch up very soon. It is very true that if Bengal develops then definitely the sectors like realty will also benefit from it. As the IT sector is booming so the realty is also getting good scope to develop itself. So you can say that it is a complimentary thing.

As a Governing Board member of CREDAI and also being part of the Bengal's realty industry for a long time what are your future plans and projects?

First, we should work on the existing land sealing laws. We have seen that getting land in Bengal is a major problem; the redtape is also very much present; the documentation procedure has to be faster. The

procedural delays ultimately lead to a rise in the price of the property and at the end the customer has to pay for it. So I would suggest that we have to implement new laws in case of land acquisition so that everything should go in a smooth and proper way.

The realty market of Bengal is extending in a very mammoth way many new and big players such as the DLF and EMAAR groups are coming. Do you think this kind of competition is good?

It is always good to have competitors in the market, because it not only helps in broadening the market but at the same time it also helps in exchanging the best practices amongst each other. The quality of the product will also improve and the customers will get the best of the options available. So I think we should welcome this kind of development in the realty market.

Do you really think that strikes and unions are needed in the industry?

I never think that this kind of things will help any side at all. Ultimately it's a lose-lose situation for both sides.

Inflation is on the rise and the Union budget had pushed up steel prices. To what extent these factors are going to affect the realty scenario?

As far as I know inflation occurs due to lack of enough supply in the market. I think the main reason behind that is not using the proper process to increase the productivity in the field of agriculture. So we have to use more and more good technology and have to adopt corporate farming. An increase in productivity will result in a decrease in prices. The steel prices also have to increase for the same reason. So it is very obvious that the realty sector will also get effected by this scenario.

What is your dream for Bengal?

My dream is for the entire India. I feel that we are very hard working people and also we have a very good potential to become a world leader. ■

IACC Meet on Indo-US Aviation Cooperation: Opportunities Galore

The Indo-American Chamber of Commerce - NIC organized a conference on Indo-U.S. Aviation Cooperation - Growth of Civil Aviation in India: Challenges & Opportunities on 9 April 2008 in New Delhi. K.N. Shrivastava, Joint Secretary, Ministry of Civil Aviation, Government of India, was the Guest of Honour. Ambassador Douglas Hartwick, National Executive, Lockheed Martin (I) (P) Ltd and Dale Tasharski, Dy Commercial Counselor, U.S. Embassy were the distinguished speakers during the inaugural session.

Dr. Prasad Medury, Regional President, NIC, IACC, welcomed the dignitaries and the guests. Dr. Vivek Lall, Regional Vice President, IACC, Vice President & Country Head, Boeing Integrated Defense Systems, gave the Theme Address and the vote of thanks was given by S. Madhavan, Regional Vice President, IACC, Executive Director, PricewaterhouseCoopers.

The Conference was addressed by 27 speakers from the Ministry of Civil Aviation, US Embassy and American and Indian firms from the field of civil aviation. The conference deliberated on four key areas of the civil Aviation sector, namely, 'Future of Indian Civil Aviation, Air Traffic Management, Airports, and the Indian Aerospace Industry: Challenges & Opportunities for Indian Industry.

The session on Future of Indian Civil Aviation was addressed by Donnell Langford, Managing Director, Customer Services Europe and India, American Airlines, Pramod Gupta, Executive Director Sales & Marketing, Air India Limited, Max Wiley, Vice President Asia Pacific, Bell Helicopter Textron Inc., and Dhiraj Mathur, Executive Director, PricewaterhouseCoopers. The deliberations revolved around growth and business opportunities in Airlines, Cargo, and Heliports. The Civil Aviation Ministry forecasts growth of up to 80 million passengers by 2020. In order to meet this growth in passenger traffic over 220 new planes have manifested in the last three years, and another 500-550 aircrafts are likely to join by the year 2010. The growth and upgradation of cargo facilities is also an integral part of the Indian aviation boom. India is becoming a major point of growth for



Dr Prasad Medury welcoming the dignitaries and the guests



L to R Dr Vivek Lall, Mr. Dale Tasharski, Dr Prasad Medury, Mr. K N Shrivastava, Ambassador Douglas Hartwick, Mr. S Madhavan, Regional Vice President, Indo-American Chamber of Commerce & Executive Director, PricewaterhouseCoopers

the top cargo operators as the country is undergoing a gradual shift from traditional forwarding to supply chain management. The Asia Pacific region is a booming trade market and is expected to have the highest growth rate from 24 per cent to 26 percent by 2011, with India and China as the major components of the growth. Similarly the potential for heliports is huge considering India's vast geographical composition. There are only a handful of approved heliports in India and there is a need for more as there is a growing need to be able to bypass congested traffic areas, undeveloped rural areas, and also to serve as an alternative emergency evacuation vehicle in times of national crisis.

The session on Air Traffic Management (ATM) was chaired by V. Somasundaram, Executive Director, Air Traffic Management, and Airports Authority of India. The other prominent speakers were Daniel Magoon, Director Business Development India, Lockheed Martin Transportation & Security Solutions, M. Irulappan, General Manager, Global Navigation Satellite System, Ms. Miyoun Dobbs, Program Director, Asia-Pacific Region, CAASD, and The MITRE Corporation. Air Traffic Management is a major segment within the Indian Aviation industry requiring upgradation and optimization.

The efficient management and use of Indian airspace is pertinent considering the growth of capacity that will result. In addition to the management of airspace, another obstacle is the technological capacity to deal with the increase of air traffic. With every additional aircraft added to the skies there is a possibility of additional delays, and the cost burden of burning thousands of kg of fuel for each delay is enormous both for airlines and the environment. Switching over to satellite-based navigation system or RNP/RNAV (Required Navigation Performance/Area Navigation) procedures is the need of the hour that will ensure uninterrupted operations throughout the year and save both passengers and airlines from unnecessary burdens.

The Session on Airports, chaired by R K Sharma, Director & National Deputy, Lockheed Martin Global Inc, focused on

discussion on Greenfield and Brownfield airports. Prominent speakers during the session were Dr. Arjun Singh, Joint General Manager, Airports Authority of India, Pradeep Panicker, Associate Vice President - Strategic Planning, Delhi International Airport Limited, Richard Chinn, Aviation Expert, Mott MacDonald, and A. Viswanath, Vice President - Corporate Planning & Risk Management, GMR Hyderabad International Airport Limited. The infrastructure requirements of airports are directly proportionate to the increase of carriers and passenger growth. By 2020 Indian airports are estimated to handle 100 million passengers including 60 million domestic passengers. The Government's airport modernization plan proposes investments of US \$9 billion by 2010. Airport development is focused around enhancing capacity and improving services. In addition, the development of Greenfield and/or Brownfield



(L to R) Richard Chinn, Aviation Expert, Mott MacDonald; A. Viswanath, Vice President-Corporate Planning & Risk Management, GMR Hyderabad International Airport Limited; R. K. Sharma; Pradeep Panicker, Associate Vice President-Strategic Planning, Delhi International Airport Limited and Dr. Arjun Singh, Joint General Manager, Airports Authority of India



(L to R) Daniel Magoon, Director Business Development India, Lockheed Martin Transportation & Security Solutions; M. Irulappan, General Manager, Global Navigation Satellite System; V. Somasundaram, Executive Director, Air Traffic Management, Airports Authority of India and Ms. Miyoun (Mimi) Dobbs, Program Director, Asia Pacific Region, CAASD, The MITRE Corporation

airports is essential considering the limitations of trying to expand and upgrade existing airports and infrastructure. The Ministry of Civil Aviation has proposed the development of over 30 non-metro airports by 2014.

The last session was Indian Aerospace Industry. The session was chaired by Kapil Arora, Partner, Ernst & Young. Other speakers included John L. Williams, Director - Industrial Participation, Boeing International Corporation (I) (P) Ltd., Nalin Jain, Director - Commercial Sales, GE Aviation, P J B Noble, Director, Park Controls & Communications Ltd., and Vishal Chadha, Business Manager - Aerospace and Defence, Infosys Technologies Limited. The speakers highlighted the enormous opportunities for the Indian industry, be it in manufacturing or IT, to take advantage of the growth in the sector.

India is fast emerging as a hub for engineering and design services including control system design, embedded development, high level aeronautical system design, simulation, testing devices, cockpit equipment support software, air traffic management systems, and

composite structuring. Huge opportunities also exist considering the Government of India's offset requirement for aircraft manufacturers to source 30 percent of the value of the aircraft from Indian vendors. The key is for Indian manufacturers to have a understanding of American quality standards and make a technological leap forward in order to meet these requirements and win contracts. India is also becoming an epicenter of aviation MRO growth due to the significant and sudden rise in the total fleet size in the country. The demand for MRO services is increasing rapidly and the market size is expected to grow to US \$ 1.06 billion by 2014. The engine overhaul constitutes the largest segment in Indian MRO market and is expected to grow to US \$ 490 million by 2014.

The conference was attended by more than 150 high profile participants which included Member of Parliament, representing the consultative committee of the Ministry of Civil Aviation, representatives from Government of India, senior representatives from Lockheed Martin, Boeing, American Airlines, Bell Helicopters, U.S. Commercial Services, and members of the press ranging from CNN to the Wall Street Journal's Mint magazine

The audiences were engaged in the lively question and answer sessions, and made several recommendations for the Indo-American Chamber of Commerce to take up with the Government of India.

The IACC is currently working on this letter of recommendations for the GOI in order to initiate a dialogue between senior executives of Indo-U.S. Aviation companies, members of IACC Regional Council, and Indian Government Officials. Given the overwhelming positive response to the very first Indo-U.S. Aviation Cooperation Conference, the IACC plans on taking up this major initiative in the years to come. ■



Dr. Vivek Lal, Regional Vice President, IACC and Vice President & Country Head, Boeing Integrated Defense Systems delivering the Theme Address.



Participants at the Conference

Public-Private Partnership on Cards to Boost Assam Tourism



Rockybul Hussain

Assam Tourism Minister Rockybul Hussain is on a mission to make Assam a dream destination for tourists.

"Assam has been endowed with nature's bounty and given adequate organization and publicity there is no reason why the State cannot become a tourist destination in the near future," he says brimming with confidence.

Of course, there is reason for Hussain's optimism. The tourists' arrivals in the State have registered an upward trend. Several ambitious proposals submitted by the State Tourism Department have also been cleared by the Ministry of Tourism.

Hussain has been working in close tandem with private agencies to promote tourism in a big way. In an interview the Tourism Minister expresses hope that Assam will surely become a favourite destination for tourists looking for new frontiers with the established tourists' circuits having reached a saturation point. Excerpts.

What are the tourism infrastructure projects taken up by the Tourism Department?

We have taken up a number of tourism infrastructure projects. These include a tourism complex, yatri niwas, tourist reception centres, upgradation and expansion of tourist facilities, development of pilgrim centres, water sports, to name just a few.

Some of the major ongoing projects include a Heritage and Eco-Tourism Resort at Majuli at a cost of Rs.3.82 crore; a Tourist Arrival cum Reception Centre (to function as a Tourist Information Centre for the entire North East States) at Paltanbazar, Guwahati at a cost of Rs.3.84 crore; a Luxury River Cruise Project (the biggest in Asia) on Brahmaputra; an Integrated Complex at Agaratoli



Range, Kaziranga; Development in and around Kamakhya Temple; Landscape development of island at Kaliabhumura Bridge; Construction of Tourist Recreational Park at Gandhi Bagh, Silchar and Wayside Amenities and Tourist Guest Houses at Barpeta, Nalbari, Rangia, Dhubri, Bongaigaon, North Salmara, Hailakandi and Karimganj. That is not all. We have identified certain destinations for beautification and development of tourist facilities such as historic Sivasagar dotted with Ahom architectural marvels as a major tourist destination at a cost of Rs.5 crore which include a sound and light show at Talatalghar; two pilgrimage sites one at Kamakhya with lighting and illumination and a yatriniwas at Hajo at a cost of Rs.4.36 crore.

It would not be out of place to mention here that Assam Tourism got the highest ever Central assistance (grant) against a host of projects to the tune of Rs.24.25 crore in 2006-07.

It is learnt that your department has taken up development of some tourist circuits and destinations.





Yes, we are executing some important projects for development of tourist circuits and destinations which will boost the promotion of tourism in Assam in a big way.

What are the tourists circuits presently under way in the State?

Among the tourists circuits under way, special mention may be made of the Dhubri-Mahamaya-Barpeta-Hajo Circuit at a cost of Rs.4.97 crore; Barak Valley and two hill districts involving Rs.6.05 crore; Orang-Tezpur, Bhalukpong-Biswanath Chariali-Gohpur Circuit at a cost of Rs.7.74 crore. Apart from these circuits, we have proposed two more in 2007-08 viz., Kaziranga-Sivasagar-Majuli-Jorhat and Jakhlabandha-Samaguri-Nagaon. Sanction for both the circuits is awaited. All these circuits will be backed by a network of good roads, comfortable hotels, wayside amenities, and so on.

So far so good. What steps have been initiated to create a pool of skilled manpower for better services

to tourists?

The good news is that a Food Crafts Institute will come up at Samaguri, Nagaon. Central financial assistance to the tune of Rs.4.95 crore has already been received. It is the second such institute, the first being set up in Guwahati in 1985-86, which was later upgraded to an Institute of Hotel Management in 1995-96. It will enable us to train the required manpower for quality services to tourists, especially foreign tourists.

What steps are being taken to project the rural life to the foreign tourists?

A few rural schemes have been taken up to showcase the rich rural life to the tourists from different parts of the world with funds from Government of India and Assam Government. Mention may be made of such projects like the one at Duragpur village near Kaziranga, Sualkuchi, Dihing Patkai-Khetra in Tinsukia and Asharkandi in Dhubri and Balijan Shyamgaon at Titabor.

Assam has also plenty to offer adventure lovers. What steps have been taken to develop the infrastructure?

We are aware of the fact that our State endowed with Nature's bounty can draw many foreign tourists if adventure tourism, including water sports, could be exploited imaginatively to turn tourism into a goldmine. Towards that end we are directing our energies to build the necessary infrastructure to give the adventure lovers a treat of a lifetime. Tourist infrastructure that will be completed by March next year is being developed at Majuli, Manas and Pobitora. Very shortly a water sports complex will be coming up at Samaguri lake at a cost of Rs.29.98 lakh.





Tell us about your department's new ambitious scheme to involve the educated youth in the tourism sector.

A new innovative scheme has been initiated in association with the State Bank of India for engaging the educated youth in the tourism sector in a systematic way for setting up tourism projects all over the State. The scheme called the "Chief Minister's Self Help Tourism Scheme" is aimed at creating direct and indirect employment.

Tourism in Assam has tremendous potential but it has not quite taken off the way it should have. What is being done on this front?

Since we took over in May 2001 tourism has been enjoying adequate priority. The State Annual Plan allocation for tourism has been enhanced from Rs. 1223.00 lakh in 2007-08 to 1300.92 lakh in 2008-09. We are laying stress on simplified procedures and in setting up better amenities and comforts. Beautifying surroundings, new constructions harmonising with the environment, development of interesting and specialised eating places and hotels, improvement of the existing dak-bungalows, promoting and highlighting certain festivals are some of the steps taken by our Government to attract more tourists.

Meanwhile, we have embarked on a comprehensive Master Plan and Marketing Strategy on Tourism with the help of a consultancy organisation. This will be a medium and long-term vision document which will focus on all the aspects of growth of tourism in Assam. Moreover, a separate tourism policy for the first time ever is under preparation, which will also help promote tourism in a big way. But here I would like to add that a tourism industry cannot be the exclusive responsibility of the Department

of Tourism. It concerns the airlines, the Department of Civil Aviation, the Ministry of External Affairs, the Customs authorities, the Railways, the Departments of Archaeology and Culture, road transport and taxi, tour operators, the hotel and restaurant industry, handicrafts, textiles, souvenir and curio shops and others. All this requires close co-ordination between a large number of official and private agencies. This I am pointing out because tourism in the State has till now been Government-managed, with little involvement from the private sector. That is why in the proposed policy the private sector initiative and strengthening of public-private partnership in tourism is given due prominence.

That is not all. We have been vigorously promoting Assam tourism in the domestic and overseas markets and in events like IITF and SATTE in New Delhi, TTF in Kolkata, Mumbai, Bangalore and Ludhiana, WTM in London, ITB in Berlin, PATA in Hong Kong, Tourism Mart in Dhaka, ATM in Dubai and India@60 in New York.

It is learnt that Assam Tourism is gearing up to host tourism festivals in the State in the coming days. How is the preparation going on?

Preparations are in full swing to woo foreign tourists to the State. There is the Tea Tourism Festival in December. We are making it a point to include the tea festival in the itinerary of foreign tourists flocking to the Kaziranga National Park during the peak season. The festival will offer foreign tourists, especially the British to get a feel of how their forefathers lived and worked in the Assam tea gardens a century ago by arranging their stay in garden bungalows.

Then we will have the Elephant Festival at Kaziranga and Rongali Utsav in Guwahati both in April this year.

Has there been a rise in the number of tourists' arrivals in the State?

There has been an upward trend in the arrivals of both domestic and foreign tourists to Assam during the past almost seven years of our term. The marked improvement in law and order coupled with the aggressive marketing undertaken by the Tourism Department, Government of Assam has resulted in quantum leap in the number of tourist arrivals in the State from 10,10,651 in 2001 to 34,36,484 in 2007.

With renewed emphasis on tourism and with established tourist circuits having reached saturation point, we are hopeful that Assam could prove to be the right destination for tourists looking for new frontiers. Tourism will soon become not only a major source of employment and regional development but also a major revenue earner. ■

NABShow 2008

IACC Mounts Largest-Ever Media & Entertainment Delegation

This year, Media and Entertainment (M&E) was one among the five focus areas that Indo-American Chamber of Commerce (IACC) has chosen. The rationale was to tap the huge potential in this growing segment and facilitate collaborations and joint working among the players in India and the US in the segment. To express synergies that exist between the two countries in M&E, IACC has aptly referred these initiatives as "Hollywood to Bollywood".

One of the high points of this tie-up was IACC's MOU with the National Association of Broadcasters (NAB) of the US for exclusively promoting NABShow 2008 in India.



NAB President and CEO David K. Rehr. Releasing the E & Y report on Indian Entertainment Industry.

Chris Brown, Vice President, NAB and Ms. Margaret Cassilly, VP Int'l, operations, IACC organized road shows as promotional campaigns in Mumbai, Hyderabad and Chennai in February in association with NAB which received overwhelming response and generated a lot of interest among the Indian media industry. We received good support from all branch offices in promoting the show particularly from the WIC and Tamil Nadu branches.

IACC mounted the largest ever delegation to visit USA for the first time along with 60 delegates to attend the NABShow. A Resource directory providing details on each



Anand Gurnani, Animation Express alongwith other panelists from India in the Special Session on Indian Animation & Special Effects

of the delegates with their business interests, participants in the India Pavilion and speakers at the India sessions was printed and distributed at the show.

IACC coordinated India Pavilion at NABShow, Indian entertainment and technology companies including TCS, NDTV, Tata Elxsi, Real Image, indiantelevision.com, etc. displayed their cutting edge products, content advantage and solutions. There was a session on "Indian Animation and Special Effects", which helped in showcasing India's competitive advantages in this segment.

The Conference-cum-Exhibition was held in Las Vegas on April 11-17, 2008 having eight super sessions. One super session "Tune-in to India's Entertainment Economy:



From Emerging to Surging" was exclusively dedicated to the Indian entertainment industry. Farokh T. Balsara, National President of IACC chaired the session along with six renowned speakers from India namely, Jagdish Kumar, COO of Star TV



India Pavilion at Nabshow

(Pvt) Ltd., A. P. Parigi, CEO of Entertainment Network (India) Limited (Radio Mirchi), Sunil Lulla, Group CEO of Alva Brothers Group/Miditech, Anurag Batra, Promoter and CEO, Exchange4Media, Ken Vaz, President Americas of Eros Intl. USA Inc. and Zohra Chatterji, Jt. Secretary, I&B Ministry as co-panelists.

The highlight of this year was the India Super Session, where India's plans on the digital front were amply covered. Key players from the Indian media industry took the dais to speak on the challenges and opportunities of the market. Also on the occasion, Joint Secretary at the Information & Broadcasting Ministry, Zohra Chatterjee, emphatically stated that digitisation was high on the Government's agenda in light of the Commonwealth Games 2010.



Zohra Chatterjee, Joint Secretary, Ministry of Information and Broadcasting, Government of India along with CEOs from Media and Entertainment

A report on the Indian entertainment industry, prepared by Ernst & Young, was released during the session. Balsara provided an update on the business opportunities available in India as a result of economic growth and technological expansion.

The Indian E&M industry, estimated to be about Rs 513 billion in size, is expected to grow 18% cumulatively over the next five years and is projected to reach Rs 1.157 trillion by 2012.

Elaborating further, Balsara said: "More than 1100 films are released annually and 3.7 billion movie tickets were sold every year, almost 75 million cable and satellite homes and a majority of the content consumed in India is being indigenously produced."

Jagdish Kumar pointed out that the Indian television space was underserved and under penetrated with only 55 percent homes having TV. He also said that India was the only country in Asia where anyone could come in and set up a general entertainment channel.

Talking about programming trends, Lulla stated that programming formats were in; they reduced risk as well as brought in other kinds of revenues.

Parigi believed that radio was amongst the most effective local media and was great value for money at the price points that existed today in the Indian marketplace. An interesting figure he threw up during the conversation was that in Mumbai 40 percent of Radio Mirchi's consumption is through FM on mobile telephony.

"FM Radio in India has been the best example of PPP (Public Private Partnership) anywhere in the world, what with 250 stations rolled out in the past 14 months. The first wave was a little bit non synchronous, but this time around we have a robust framework policy and the permission to bring in FDI. I see a great future for radio in the country. It is a 'Must Have' carry medium for media planners," Parigi added.

Ms. Chatterjee added that "Another 700 radio stations are to be put up for auction over the next 6-7 months in phase 3. FDI norms will be loosened up a little bit. We t cross media ownership and we do not have a broadcast



Ken Naz, President Americas, Eros International USA Inc at IACC booth

regulator in spite of the growth. India is a very free country as far as media goes."

super session "Tune-in to India's Entertainment Economy: From Emerging to Surging" was exclusively dedicated to the Indian entertainment industry. Farokh T. Balsara, National President of IACC chaired the session along with six renowned speakers from India namely, Jagdish Kumar, COO of Star TV (Pvt) Ltd., A. P. Parigi, CEO of Entertainment Network (India) Limited (Radio Mirchi), Sunil Lulla, Group CEO of Alva Brothers Group/Miditech, Anurag Batra, Promoter and CEO, Exchange4Media, Ken Vaz, President Americas of Eros Intl. USA Inc. and Zohra Chatterji, Jt. Secretary, I&B Ministry as co-panelists.

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Ms. Chatterjee added that "Another 700 radio stations are to be put up for auction over the next 6-7 months in phase 3. FDI norms will be loosened up a little bit. We cross media ownership and we do not have a broadcast regulator in spite of the growth. India is a very free country as far as media goes."



Delegates at India Pavilion at NABShow.

DuPont to set up R&D Centre in Hyderabad

The Rs 1 trillion US-based science and technology company E.I. du Pont de Nemours and Co. has chosen Hyderabad to set up its first research centre outside the US.

Being set up with an investment of Rs200 crore, the centre will start its first phase of operations in April, 2008.

"India has a top quality science and technology talent. We are looking at leveraging this talent for our next level of growth," said S.T. Tsay, Regional Director, Asia-Pacific, Human Resources, DuPont.

While the centre's primary focus will be on research in the biotechnology sector, other research work will be focussed on biofuels, renewable energy and life sciences. The company has already signed up 100 engineers, scientists and research associates in disciplines across biotechnology, chemicals and material sciences.

"India is strategic to us in terms of human capital. The Indian education system only produces high quality engineers and scientists. And the fact that these people are fluent in English is an added advantage," said Tsay. He is overseeing the hiring activity for the knowledge centre.

DuPont has more than 5,000 scientists working for it in different locations across the world. The Indian team will work closely with them. A number of new hires have been sent to the Central Research and Development Center in the US for initial training, said Pallavi Tyagi, General Manager, Human Resources, E.I. DuPont India.

The company is hiring both experienced professionals and fresh graduates from institutes such as the Indian Institutes of Technology, Indian Institute of Science, regional engineering and government engineering colleges. It plans to ramp up the staff strength to over 600 in the next three years.

The company registered a compound annual growth rate of 25 percent in the past five years and its revenues stood at Rs 1,620 crore in 2006.

Intel to Invest over US\$ 1 Billion in India

Global chip maker Intel will invest more than \$1 billion in India over the next three years as it seeks to prepare light-weight personal computers in partnership with Indian and foreign hardware firms.

"We have committed to spend over a billion dollars spread over next three years plus. We are focusing on a number of new initiatives for enabling easy availability of personal computers (PCs) and broadband Internet in India," Intel Technology India Director-Marketing and operations John A McClure said.

The company is partnering with foreign and Indian computer hardware



brands like ASUS Technologies, HCL, Wipro and Zenith for preparing light weight easy-to-use Internet platforms.

"From our India experience, we have learnt that mobility is particularly what even a first time PC buyer is looking for. They want lightweight products, that could run on battery for three to four hours, is easy to store and doesn't take too much space," McClure said.

The company is working on different designs for specific market segments. It is also preparing to introduce Wimax technology in India, the fastest wireless BB technology available at lower cost than optical fibres.

"This is the best technology to bridge the PC-broadband Internet gap in India. With three million broadband Internet subscriptions against a PC deployment of 35 million, India has the worst broadband-PC ratio in a large market," he said.

McClure said that low broadband Internet penetration in India could lead towards the country lagging behind in overall development.

"Today India is seventh or eighth largest PC market, poised to become third or fourth largest by 2012. But it is well behind in Internet penetration. This has already started to become a growth limiter not only

for the PC market but for the economy as a whole," McClure said.

According to him, only the BPO industry had benefited from "flattening of the world". The rest did not benefit as they did not have access to broadband Internet.

"Once you have the infrastructure in place, new ideas and business will take shape and drive India's success as the country has great entrepreneurial skills," he said.

Intel's biggest role in India would be to continue to develop affordable Internet platforms with latest technology, McClure said.

"The industry and government have to work together. Like, we are developing Wimax technology for India. But its success depends on how much spectrum is allocated. So the government must come out with its spectrum policy fast," McClure said. ■

Warner Bros in Pact with Prime Focus on Post-Production Work



Warner Bros Motion Picture Imaging (MPI), the Hollywood studio's 4k post production facility, with films like Ocean's 13 to its credit, has entered into a strategic alliance with Prime Focus, the India-based post production house with operations in UK, US, Canada and India.

The tie-up will allow both companies to move content seamlessly from facility to facility, using the most cost efficient method, which will allow them to process work in the time zone that most closely meets individual filmmaker's needs and schedules.

Prime Focus has 1,500 people and operations out of facilities in India, London, New York, Winnipeg, Vancouver and Los Angeles. Warner MPI is based in Burbank.

With this alliance, Prime Focus could very well be bidding for the next Harry Potter movie through its high-end UK subsidiary, VTR, which recently acquired Machine Effects, a boutique firm with experience on Warner films like

Harry Potter. Prime Focus UK is reputed for its expertise in high-end digital work.

"Outsourcing to India is one of the aspects but it is our facilities across the world which attracted Warner," said Prime Focus MD Namit Malhotra.

The deal will give Prime Focus a leg-up into its global ambitions of attracting high-end Hollywood work, through its international subsidiaries. Last December Prime Focus acquired Post Logic Studios and Frantic Films which are the two specialised post production and visual effects companies in North America.

This new alliance will work on Warner's first Indian production, *Made in China*, with Ramesh Sippy Productions, starring Askhay Kumar. It also allows both companies to manage their workflows more efficiently between Warner Bros. MPI in Burbank, and Prime Focus's facilities throughout multiple locations in India and London as well as in New York, Vancouver, Winnipeg and Los Angeles.

Warner Bros Home Entertainment Group executive vice president Chuck Dages said the alliance gives MPI a global footprint and "allows both our companies to provide our clients, wherever they are working, with convenient facilities and expanded capacity." It also allows both companies to manage their workflows more efficiently between Warner Bros. MPI, located in the Warner studio in Burbank, and Prime Focus's facilities.

"Filmmakers will know their work is being handled with a high standard of quality that they deserve," Dages added. Besides Prime Focus, last December, MPI also partnered with India's Prasad Corp to provide digital post production and restoration services. ■

US Accounts for Bulk of Indian IT Firms' Business



Indian IT firms such as Patni, Mphasis, Hexware have high exposure to the US markets, with about 70-80 percent of their total sales coming from the region, a study by Citi Investment Research said.

CIR, a division of Citigroup Global Markets, in its India strategy report released recently has listed 10 companies each from the IT and non-IT sectors that have high exposure to the US markets.

The list has been prepared in the backdrop of concerns about slowdown in the US affecting Indian companies. The report said, "India's overall export intensity remains one of the lowest in the region and it is among lesser sensitive economies to a deceleration in the US growth."

However, the report also says that certain US-exposed export sectors, including textiles, jewellery, leather will continue to live in the shadow of a slowdown in the world's largest economy.

The report said IT services provider Patni has the highest exposure to the US, with the market contributing about 80

per cent to its total revenues followed by Mphasis and Hexware, as much as 70 percent of their revenues come from the US.

About 65 percent of revenue of Satyam and Mindtree come from the US. Infosys (63 percent), Wipro (60 percent), KPIT (60 percent), TCS (56 percent) and HCL Tech (56 percent) are some of the other companies with high US exposure.

Among the non-IT companies, Arvind Mills has the highest exposure at 35 percent followed by United Phosphorous, which gets 29 percent of its sales from the US, the report said.

Sun Pharma (26 percent), Dishman (25 percent), Ranbaxy (25 percent), Glenmark Pharma (24 percent), Suzlon (22 percent) and Tata Tea (20 percent) are some of the other companies with high exposure to the US markets, it added. ■

India 6th Most Popular Nation in US

In a recent survey conducted by Gallop, India was rated as the sixth most popular country in the US along with France, while Pakistan and Afghanistan were placed among the 10 most unpopular countries.

A total of 1007 Americans aged 18 and older were interviewed in the survey. Not all respondents viewed the countries as favourably or unfavourably. A small minority remained neutral, saying it had no views.

Almost 69 percent of the respondents acknowledged India's popularity in the US.

The unpopularity of Pakistan and Afghanistan was found to be too low among the Americans despite their close ties to the US administration, the survey said.

Of 22 countries rated in Gallup's 2008 World Affairs survey, Canada, Britain, Germany, and Japan were viewed favourably by at least 80 percent of Americans.

Iran topped the list of nations viewed unfavourable in America, as almost 88 percent of respondents said that they viewed Iran unfavourably while only 8.0 percent said they viewed it favourably.

Besides Afghanistan and Pakistan, others on the unfavourable list are Saudi Arabia and Iraq. These countries are counted among America's closest allies by the administration but do not enjoy a favourable image in the American public.

Pakistan is 6th on the list with 72 percent respondents saying they see it unfavourably while 22 percent viewed it favourably, while Afghanistan comes right after Pakistan with 73 percent Americans saying they view it unfavourably while 21 percent see it favourably.

Second on the negative list is North Korea with 82 percent viewing it unfavourably and 12 percent favourably, while the Palestinian Authority is third as 75 percent of the respondents view it unfavourably and 14 percent favourably.

Iraq, where the United States is engaged in an apparently unwinnable war, is the 4th most unpopular nation in the United States. While 77 percent view it unfavourably, 20 percent favourably.

China is 10th, with 55 percent viewing it unfavourably and 42 percent favourably. ■

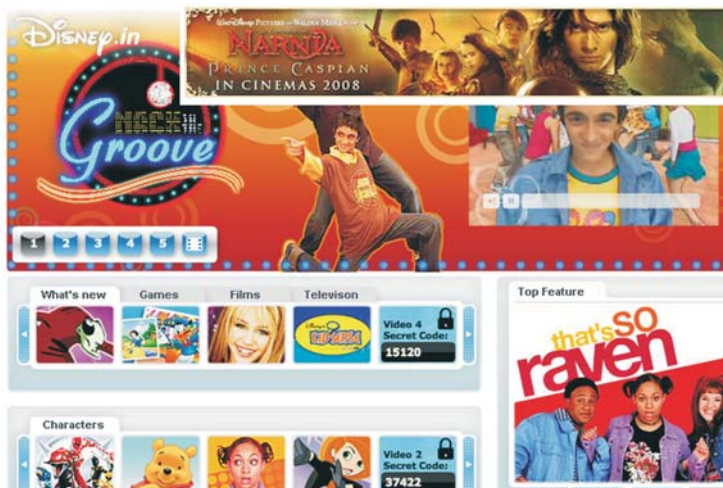
Walt Disney to Open 135 New Stores in India by 2011

The Walt Disney Company, consumer product retailing arm of global animation giant, will soon add 135 new stores to its existing 15 in India over the next four years to strengthen its foothold in the rapidly growing market in this country.

"India is a high priority market for us. We will open 150 stores for our consumer products across the country by 2011," Disney Consumer Products Regional Director (ASEAN) Roshini Bakshi said on the sidelines of the "Technopak Retail Summit".

The company, which currently operates 15 stores in the country, would open the outlets in franchisee model.

She said the company would operate the future stores under a license agreement with 'Devyani International', which runs the company's present 15 stores.



"The stores will be set up under franchisee models and we are looking at tier I, II and III cities," she said.

The sizes of the outlets would vary from 500 sq ft to 1,500 sq ft area, which would sell stationary goods, party products, school and office items, gifts and soft toys.

On the company's expected sales, she said, "Last two years, we grew over 100 percent. In the next five years, we expect a high two-digit growth figure in the country."

It also have about 100 partners in India, like Cadbury's, Narolac, Weekenders, Pantaloons, Big Bazaar, through which the company sells its products. The company has also set up about 45 Disney Corners in the outlets of its partners. ■

Advanta Acquires US firm, Expands seed Marketing Business

Advanta India said it has acquired the business of Garrison & Townsend for \$10.5 million (about Rs 42 crore), a move that will strengthen the domestic seed marketing company's presence in the United States.

The company has bought the entire business of Texas-based Garrison & Townsend (GT), LP through its subsidiaries, Advanta India informed the Bombay Stock Exchange in a filing.

GT has strong presence in grain sorghum, a cereal that thrives in semi-arid regions and used a food item. Its



products are marketed throughout the US as well as in Italy, Israel, Pakistan, Mexico, Central America, South America and Japan.

Advanta India is an associate company of United Phosphorus Ltd (UPL), agrochemicals company and is the holding firm for the global business of Advanta, an American banking company.

Shares of the company were trading at Rs 975, down 3.79 percent on the BSE in afternoon trade. ■

Yahoo Launches Lab in Bangalore for GenNext Research

Strengthening its research activities in India, leading internet firm Yahoo has recently said it has launched a new research and development (R&D) lab in Bangalore.

First of its kind in the country, 'Yahoo Labs - Bangalore' would be a centre of excellence for next generation search and advertising technologies, focused on making the Web more relevant and simple for users and advertisers, the firm said in a statement.

The internet firm is fighting a \$44.6 billion takeover bid from software giant Microsoft since the beginning of February.

Interestingly, Yahoo had recently announced plans to cut down its worldwide workforce by 1,000 employees, which was followed by about 40 people being told to quit at its India operations in Bangalore. The move was aimed at

reducing its annual expenditure.

Meanwhile, founding director of Bell Labs India, Rajeev Rastogi has been appointed as Vice-President and head of the lab.

According to CEO of Yahoo! India R&D Sharad Sharma, the research activities in India contribute significantly to the success of the company, globally.

"We are excited to have a scientist of Rajeev Rastogi's stature establish Y! Labs - Bangalore, in India. Yahoo!

India R&D contributes significantly to the success of Yahoo! globally and Y! Labs - Bangalore will further leverage this momentum in India.

YAHOO! INDIA RESEARCH & DEVELOPMENT

We believe Yahoo! Labs - Bangalore will play a critical role in driving the next wave of innovation on the Internet," he said. ■

Boeing, Tata Motors in Components Deal



TAL Manufacturing Solutions Ltd, a wholly-owned subsidiary of Tata Motors Ltd, will build floor beams for the 787 at its new facility in Nagpur in Maharashtra state.

Boeing Co has signed an agreement with TAL Manufacturing Solutions Ltd for making structural components for the 787 Dreamliner, the companies said.

TAL will build floor beams for the 787 using advanced titanium and composite materials, resulting in a "significant weight saving", they said in a joint statement recently.

Financial terms of the agreement were not disclosed. The floor beams will be made at TAL's new facility in Nagpur and shipped to Japan, Italy and the United States for further assembly.

"We believe this agreement has the potential to develop into a more broad-based alliance that would enable both organisations to utilise the most competitive resources," Ravi Kant, Chairman of TAL and Managing Director of Tata Motors, was quoted as saying.

Boeing Commercial Airplanes estimates India will need aircraft worth about \$86 billion over the next 20 years. ■

Essar Acquires Esmark, Expands Operations in US, Canada

India's Essar group has reached an agreement to acquire the US steelmaker and distributor Esmark for an enterprise value of \$1.1 billion.

Essar Steel Holdings has agreed to "the material terms of proposed merger" with Esmark for a cash purchase price of \$17 a share, a premium over the stock's ruling market price of \$16.79 a share, company officials said. Essar's offer, unanimously accepted by Esmark's board of directors, is now subject to approvals including that of the US government and United Steel Workers.

Esmark last year acquired Wheeling Pittsburgh and its steelmaking operations in three states. Esmark, including Wheeling Pittsburgh, has an annual production capacity of 2.4 million tonnes and distribution network across the US. The acquisition will scale up Essar's capacity to nearly seven million tonnes in the US and Canada, making it a significant player in this market.

Following the latest deal, Essar will purchase the entire 40 million shares of Esmark. It will also provide a term loan of \$110 million to Esmark to refinance existing loans and provide additional liquidity. The loan is expected to be funded next month.

Essar Global chairman Shashi Ruia said: "This is one more step in realising our global steel vision of having world-class low cost assets, with a global footprint. Having acquired Algoma and Minnesota Steel last year, this acquisition provides us with an excellent platform for the Canadian and North American markets.

With the above acquisitions of Esmark and projects under implementation in Trinidad and Tobago, Essar Steel

Holdings will have a 10 million tonnes of flat steel production in the Americas. "Essar plans to scale up capacity to 20-25 million tonnes by 2012." Essar now enters a 52-day "right to bid" period required in the collective bargaining agreement with the United Steelworkers.

The workers have the right to reject any deal that changes control of twice-bankrupt Wheeling Pittsburgh. However, sources said the trade unions are expected to support the Essar bid as Essar plans to invest in Wheeling-Pittsburg to make it competitive. Wheeling Pittsburgh has operations in Ohio, Pennsylvania and West Virginia.

Essar needs to acquire a minimum of 50% of the outstanding shares of Esmark for the deal to succeed. Esmark CEO James Bouchard said the company was looking for a partner for quite some time. Esmark needed a strategic partner in light of spiralling costs of raw materials and transportation, difficulty securing long-term financing commitments and investment challenges associated with maximizing steel production capacity, he said.

Esmark was facing delisting on Nasdaq because it had failed to meet deadlines by the Securities and Exchange Commission to file its annual report. Esmark had appealed and the delisting was stayed.

Essar Steel is a part of the \$10 billion Essar Global, an international conglomerate operating in six business areas - steel, oil and gas, power, communications, shipping, and logistics and construction. It has offices worldwide and employs approximately 38,000 people, including over 3500 persons in the US. ■

Reliance Big Entertainment Buys US Digital Images Business

Anil Ambani-promoted Reliance Big Entertainment has acquired the digital images business of US-based DTS Inc for an undisclosed amount.

The American firm's business DTS Digital Images (DDI), also known as Lowry Digital Images, offers picture quality improvement services to movies, television and video content in Hollywood, Reliance Big Entertainment said in a statement recently. Further, the acquisition is the first by Reliance Big Entertainment overseas in the digital services space, it added.

Meanwhile, DDI is a leading firm in the field of digital restoration and enhancement of moving pictures and makes use of proprietary tools and algorithms.

Also, DDI works with Walt Disney, Paramount Pictures, MGM and 20th Century Fox, among others. Reliance Big Entertainment is the flagship media and entertainment company of Anil Ambani group. The firm plans to have three main lines of business - internet and new media, film entertainment and TV broadcasting. ■

3i Infotech to buy Regulus for \$100 mln

Global information technology company 3i Infotech has said recently that it will acquire US-based Regulus group LLC (Regulus), an independent remittance and document processing services provider, for up to \$100 million.

The cost of the acquisition is approximately \$80 million with additional consideration of up to \$20 million based on an earn-out linked to certain performance parameters, 3i Infotech said in a filing to the Bombay Stock Exchange.

"The acquisition of Regutits Group is a strategic one and will enable 3i Infotech to strengthen its positioning in the payment processing industry," 3i Infotech Managing Director and CEO V Srinivasan said.

The company has signed an agreement with Regulus group under which it would acquire 100 percent stake

the company, including its products, trademarks and brands.



California-based Regulus handles over 2.1 billion paper and electronic transactions annually. It operates through 10 processing centers in California, Georgia, Illinois, New Jersey, North Carolina, Iowa and Texas.

Regulus has around 1,300 employees and serves around 150 clients through its direct sales force and about 85 additional clients generated through reseller partnerships.

Pursuant to the acquisition, current Regulus CEO Richard Long would step down and Kathleen Hamburger, current president and chief operating officer of the firm, would assume the role of CEO. ■

India Little Affected by US Recession: S&P

Unlike South Korea and Singapore, India is not vulnerable to fallout of the US recession, says a report by the international credit rating agency Standard and Poor's.

However, the US recession could "lead to a decline in capital inflows and weaker exports particularly of services. This could affect the capital and current account and put pressure on the balance of payment surplus," said the S&P report 'Asia Pacific sovereigns brace themselves for headwinds from US'.

In addition to India, China too has been placed in the category of 'not vulnerable' countries by the rating agency.

Those which are 'vulnerable' to the US recession are Pakistan, Singapore, South Korea, Malaysia, Philippines and Thailand. The countries which fall in the 'moderately vulnerable' category include Japan, Australia, Hong Kong, Indonesia and Sri Lanka.

The report further pointed out that "economies with a

relatively small export sector and a large domestic market, such as India ..., are going to be much less vulnerable to a US recession-induced fall in export demand".

India's large domestic market, the report said is also among the factors which will reduce the risk of an economic slowdown due to external factors.

While commenting on the credit implications of the US slowdown on India, it however said that a widening current account deficit could put some pressure on the country's external position but "would not be expected to significantly harm its credit fundamentals".

Among other growing Asian economies, China, Japan and Korea, according to the report would also have no potential credit implication.

Although Pakistan and Sri Lanka were said to have a possible negative outlook or a downgrade of credit implication due to the US recession. ■

India, US For Doha Round Conclusion in 2008



Kamal Nath, India's Minister for Commerce and Industry has had a bilateral meeting with Ms. Susan Schwab, USTR, in New York recently. Both ministers discussed the progress of negotiations in the Doha Round as well as shared views on how the negotiations could be accelerated so as to conclude them by the end of the year.

Both India and the US agreed that a successful conclusion of the Doha Round consistent with its development mandate, would convey a strong message of global unity and resolve in the face of increasing uncertainties in the world economy due to rising food and energy prices as well as financial turmoil in many countries.

Negotiations involving agriculture pose the greatest challenges due to the complexity of issues such as subsidies and sensitivities regarding market access, especially in developing countries, in relation to food security and livelihood concerns of poor farmers. Reduction of subsidies, agreement on a disciplined regime to guide such subsidies in future, the instruments of special products and special safeguards, measures to address developing country concerns, tropical products

and preference erosion are some of the key issues still to be resolved in the negotiations.

During his discussions with Ms. Schwab, Kamal Nath said that these issues were at the heart of the development dimension of the Round and would need to be addressed ambitiously. India and the US agreed to work together to build consensus on these issues consistent with the mandate.

India and the US also agreed that in view of the increasing importance of services in contributing to economic growth and employment, an ambitious outcome in the services negotiations is essential. The Ministerial meeting to be held in Geneva in the next few weeks should provide clear and unambiguous indications regarding such an outcome. Without such clear signals on Services it would be difficult to make any progress.

The Ministers also exchanged views on other areas such as industrial goods, anti-dumping, fisheries subsidies and the TRIPS: CBD relationship. Kamal Nath emphasized the need for a revised text on rules before the ministerial meeting as the earlier text had been severely criticized by most members for its proposals on Anti-Dumping and Fisheries Subsidies. Kamal Nath said that for India these were serious livelihood concerns and his government would not accept any constraints or restrictions on its ability to provide assistance to its poor fishermen. Similarly, on the TRIPS: CBD relationship, he said the proposal to incorporate disclosure of use of genetic material and/or traditional knowledge in patent applications was a critical development issue which had the support of the majority of WTO members and would need to be addressed.

India and the US agreed to begin technical work on these and other issues with the objective of building consensus on them among the WTO membership. ■

Vedanta's US deal displays Indian firms' growing global clout

India's Vedanta Resources Plc has recently signed a \$2.6-billion (around Rs 11,000 crore) deal to purchase the assets of a bankrupt US copper miner, Asarco.

The Indian firm outbid other groups including Grupo Mexico and entered the \$2.6-billion deal as one of the largest foreign buys, highlighting the growing global clout of companies from emerging markets.

The deal would be one of the largest foreign purchases

ever by an Indian company. The Mumbai-based metals conglomerate outbid three other groups, including Grupo Mexico SA, which first bought Asarco in 1999 but later lost control in a bankruptcy case. Grupo Mexico has said it will challenge the sale.

The sale would mark a turning point for the world's mining giants, creating a showdown between a powerful Latin American group and an Asian rival for control over a historic US corporation. ■

Wide-Ranging India-US Energy Dialogue Continues



The third meeting of the Steering Committee of the India-US Energy Dialogue took place in New Delhi on April 4, 2008. The U.S. delegation was led by U.S. Department of Energy Under Secretary C. H. 'Bud' Albright and the Indian delegation by Foreign Secretary Shivshankar Menon, assisted by the officials of the concerned ministries of both the governments.

Prior to the meeting of this apex committee, the Working Groups established under the India US Energy Dialogue i.e. focusing on (i) Oil and Natural Gas (ii) Coal (iii) Power and Energy Efficiency and (iv) New Technologies and Renewable Energy met in New Delhi from March 31, 2008 to April 3, 2008.

Both sides expressed satisfaction at the level of cooperation and progress achieved during the last almost three years. The two sides looked forward to a series of time-bound actions in bilateral energy cooperation-in keeping with the transformed nature of the strategic partnership between India and the US and to move forward towards the common objective of clean energy, energy efficiency, energy security while pursuing the goal of sustainable development.

A Memorandum of Understanding was signed on April 4, 2008 between the Ministry of Petroleum and Natural Gas and the Department of Energy, US for cooperation in gas hydrates which, among other things would facilitate the establishment of a Gas Hydrate Technology Center in India. The Hindustan Petroleum Corporation Limited (HPCL) and the United States Trade Development Agency signed a Grant Agreement under which technical assistance will be provided for the proposed HPCL Asset Integrity Management Project.

The India-U.S. Energy Dialogue, launched on May 31, 2005, is aimed at increased India-U.S. trade and investment in the Indian energy sector by working with the public and private sectors to further identify areas of cooperation and collaboration and build on the broad range of existing cooperation between India and the United States to mobilize secure, clean, reliable and affordable sources of energy, focusing on (i) oil and natural gas (ii) coal (iii) power and energy efficiency, (iv) new technologies and renewable Energy and (v) civil nuclear energy. ■

PFC signs MoU with US Exim Bank

India's state-owned Power Finance Corporation Limited (PFC) has recently signed a Memorandum of Understanding (MoU) with Export-Import Bank of the United States.

PFC, a listed public sector enterprise, is focused on power sector financing and integrated development of the power and associated segments.

Export Import Bank of the United States has recently approved India Infrastructure Facility that will support U.S. exports to Indian projects in sectors such as power and renewable energy generation etc. PFC is one of the

financial institutions approved under this India Infrastructure Facility with a proposed allocation of \$ 800 million. A MoU in this regard has been signed by Satnam Singh, Director (Finance & Financial Operations), PFC, and James H. Lambright, Chairman Ex-Im Bank of U.S.

The facility will be used by the borrowers of PFC for project-related imports from the U.S. during the next two years. The use of special delegated line of credit under this facility will be subject to the approval of Reserve Bank of India and it will not require any guarantee from the Government of India. ■



2nd Doing Business in India Conference Held in Texas

The 2nd India-USA conference on "Doing Business with India" was held on 8 and 9 April 2008 in Plano, Texas, USA. The theme of the conference was A Practical Guide for Lawyers and Business Leaders. The conference was jointly organized by Indo-American Chamber of Commerce (IACC) and Center for American and International Law (CAIL) in cooperation with ABA Section of Business Law.

The Conference Co-Chairs were Lalit Bhasin, Chairman of IACC's Legal Affairs Committee and Advocate, Bhasin & Co.; Dr. Anton G. Maurer, CMS Hasche Sigle, Stuttgart, Germany; and Sajai Singh, J. Sagar Associates. The conference was attended by over 80 people representing the corporate world, law firms, advocates and accountants. IACC mounted a high profile delegation of 24 prominent lawyers from India under the leadership of Bhasin, who, unfortunately, could not travel due to ill health. Farokh T. Balsara, President of IACC also joined the delegation.

Balsara spoke on "Incredible India Opportunities and Challenges at the Inaugural session and Raman Roy, CEO & Founder of Quattrro BPO Solutions (P) Ltd., gave the Key Note speech on "How Global Organizations can benefit from outsourcing and the benefits India can bring." Other sessions included Investing in India - covering FDI, investing in real estate & SEZ's, contracting in India; rules of M&A; doing the right due diligence in India; financing and taxes, IPR issues; government support and India and its infrastructure etc. All the speakers made excellent presentations with interactive discussions, the topics and speakers were very well received by the participants. Sajai Singh was the luncheon speaker on the first day and spoke on "Negotiating with Indians Cultural things to do and not to do while doing business in India" and Balsara spoke on "India, an Idea whose time has come" on the second day.

On the second day, R.K. Chopra, Secretary General, IACC briefed the members about IACC and its role in promoting Indo-US Business; he also presented the salient features of the "Indo-US Business Confidence Index" which was then released at the hands of Ms. Banashri Harrison, Minister



Farokh T. Balsara, IACC President at the Inaugural session

(Commerce), Indian Embassy, Washington D.C. The index was very well received by the participants who attended the conference. A press release was simultaneously issued in India and the USA along with the photographs.

The event received wide coverage in Economic Times, Business Standard, The Tribune, The Hindu and many other newspapers as also in online newsletters like Indiaenews.com, Business-standard.com, Aol.in, Rediff.com, news-yahoo.com, the US news.com, Smetimes.tradeindia.com, Newkerala.com, Indiaprwire.com, Samachar.in etc.

A resource directory covering messages from Pranab Mukherjee, Minister of External Affairs; Kamal Nath, Minister for Commerce & Industry; Carmine D'Alosio, Minister Counselor for Commercial Affairs, American Embassy and IACC President was printed and distributed to all the participants. The directory also included details on all the delegates from India with their profiles and business interests. Overall the conference was a big success which provided a forum for exchange of views on legal and regulatory aspects of doing business in India. ■



Dr. Anton G. Maurer, Co-Chair delivering welcome address



Seminar on Best Global IPR Practices

The U.S. International Trade Commission estimates U.S. domestic & foreign sales losses due to patent and copyright infringements at between \$6 billion and \$8 billion per year. No wonder that Indian companies, like their western counterparts before them, are waking up to the importance of having inimitable intellectual property rights, more importantly, to the threat that its ignorance may pose. It may take company years of R&D, toil and sweat to develop a unique proposition for its clients. However, a counterfeiter may have it easy, he may copy the proposition without having the need to invest in anything or to bear any associated risk that the owner of the idea or product took. In the wake of these hard realities the need for a discussion on the best IPR practices across the world was envisaged. The result was a two-day seminar on Global Best IPR Practices that the IndoAmerican Chamber of Commerce (IACC) organized on 28 and 29 March 2008 in Mumbai.

The seminar commenced with the welcome address by Farokh Balsara, President, IACC. Lalit Bhasin, Chairman, IACC Legal Committee spoke eloquently on "Why IP is important for India - the business aspect". Anand Desai, Managing Partner, DSK Legal & Convener for the seminar, said that protecting IPR's are more important than ever for their commercial value has been realized by organizations. He added that IPR laws have certain peculiarities for enforcement and encompasses civil and criminal laws. Seeing their importance he wondered why IPR laws are less understood than laws related to theft, taxes etc? Mustafa Saifyuddin shared the complexity & intricacies of the *Livon Vs. P&G*, *FOLVITE vs FOLV* and other cases

with the audience. Mr Prabuddha Ganguly, CEO, Vision IPR deliberated on the "Strategies for Acquiring and Enforcing Patents in India". He noted that industry is undergoing a major transformation in all quarters of its value chain as innovation processes are getting costlier and product lifecycles are getting shorter.

The Keynote speaker for the seminar was Chief Justice of Mumbai High Court, Swantanter Kumar. Representing the film & entertainment industry was well-known Bollywood actor, director & producer Aamir Khan. He stated emphatically in his speech about the efforts that goes into making a movie and how the sense of loss is greater than monetary once it is copied and sold in gray market. He urged the judiciary & the audience to voice for stronger IPR laws. T.N. Darwalla of Jehangir Gulabbhai & Billimoria & Daruwalla enthralled the audience with his well-researched presentation on "Justification for conferring IP rights". He educated the audience about how IP laws came into being & also their evolution over time. Representing the pharmaceutical industry was Tapan Ray, Director General, Organisation of Pharmaceutical Producers of India. In his speech he stated that no discussion on IPR is complete without a discussion on pharmaceutical patents. Also spoke in the seminar was Justice Dr D.Y. Chandrachud and Ravi Kadam, Advocate General.

The seminar was very well attended by Judges, Lawyers and people from the pharmaceuticals, IT & FMCG industries.

The seminar concluded with a vote of thanks by convener Anand Desai followed by a networking dinner.



L-R: Tehemtan N. Daruwalla, Partner, Jehangir Gulabbhai & Billimoria & Daruwalla Advocates & Solicitors; Anand Desai, Managing Partner, DSK Legal; Tapan Ray, Director General, OPPI; Dr. Prabuddha Ganguly, CEO, Vision-IPR.



L-R: R.K. Chopra, Secretary General, IACC; Ravindra Kadam, Advocate General of Maharashtra; Lalit Bhasin, Chairman, IACC Legal Committee; Amir Khan, Actor; Justice Swantanter Kumar, Hon'ble Chief Justice of Bombay High Court; Farokh T. Balsara, President, IACC; Anand Desai, Convener.



Edward M. Emmett, Harris County Judge presenting a memento to Hemant Sonawala CMD of Hinditron Group of Companies.

The Indo-American Chamber of Commerce (IACC) organized a breakfast meeting in honour of a visiting Harris County Business Development Mission to India at the Taj President, Mumbai on 30 April, 2008.

The Harris County Delegation was led by Judge Ed Emmett and was supported by Harris County, Greater Houston Partnership, and Indo-American

Breakfast Meet with Harris County Business Development Mission

Chamber of Commerce of Greater Houston (IACCGH).

The breakfast meeting commenced with a welcome address from R.K. Chopra, Secretary General, IACC, who highlighted the trends in Indo-US trade & the opportunities these present. He expressed hope that more delegations like this are organized since they help build mutual partnership between Indian and American companies.

Hemant Sonawala recalled the long-standing relationship that the businesses in the two countries share. Judge Emmett recalled his numerous visits to the state of Maharashtra and how meetings with businessmen here convinced him of the underlying commonality of the businesses in India and the US. He invited Indian businesses to Harris County and offered all help that they may need to conduct business there.

Jagdish Ahluwalia of the IACCGH mentioned the enthusiastic response he received from businesses in India for this delegation. Jeff Moseley, President & CEO, Greater Houston Partnership deliberated on 'Opportunity Houston'. He noted that trade between India and Houston totalled more than \$2.6 billion in 2007, placing India among Houston's top 25 trading partners. He added that Houston also has the ninth-largest Asian population in the U.S., with the Indian community totalling 74,068. Also spoke on the occasion were Jim Fonteno, commissioner, Port of Houston & Sanjay Ram.

Members of the Chamber also utilized the breakfast meeting for one-on-one business meetings with the visiting business delegation. The representatives of Indian industries from all quarters were in full attendance for the breakfast meeting. ■

IACC Delegation Gets Good Exposure at Waste Expo 2008

Environmental Resource Center (ERC) of the Indo-American Chamber of Commerce (IACC) organized the visit of a delegation to Waste Expo held from 5 to 8 May 2008 in Chicago, Illinois, USA for the first time this year. IACC-ERC has been actively involved in promoting various environment related trade shows in the US, environment being one of the identified areas of focus between the two countries.

IACC-ERC delegation joined the delegate members of the US Foreign Commercial Service who were also

present at the Waste Expo. These delegate members comprised senior officials (Govt. Agencies), Consultants of Municipal Solid Waste, waste handling equipment traders, Recyclers and professionals from the solid waste and recycling industry. R.K. Chopra, Secretary General, IACC represented the high profile delegation to Waste Expo 2008.

Waste Expo is North America's largest solid waste and recycling tradeshow serving both the private and public sectors. With over 500 exhibitors, Waste Expo provided



an opportunity to see and compare the latest equipment and technology in the industry, all under one roof, saving the attendees time and money. Moreover, presentations by industry experts focused on the current trends, issues and opportunities facing both the private and public sectors. The Waste Expo conference programme included 38 sessions on topics such as collection & disposal, recycling, professional development, technology, community relations, financial planning, safety, labor & employment, and laws & regulations.

Waste Expo is organized by National Solid Waste Management Association (NSWMA). NSWMA is a trade association representing for-profit companies in North America that provides solid, hazardous and medical waste collection, recycling and disposal services, and companies that provide professional and consulting services to the waste services industry and Waste Equipment Technology Association & Waste Age magazine.

Apart from the great networking opportunity,



R.K.Chopra, Secretary General, IACC along with delegation members at Waste Expo 2008.

delegates have found the tradeshow very informative and useful to enhance their future business. Since this is the first time IACC-ERC has organized the visit of the delegation to Waste Expo, it surely hopes to organize larger delegations in the coming years by working closely with Waste Expo Organizers. ■

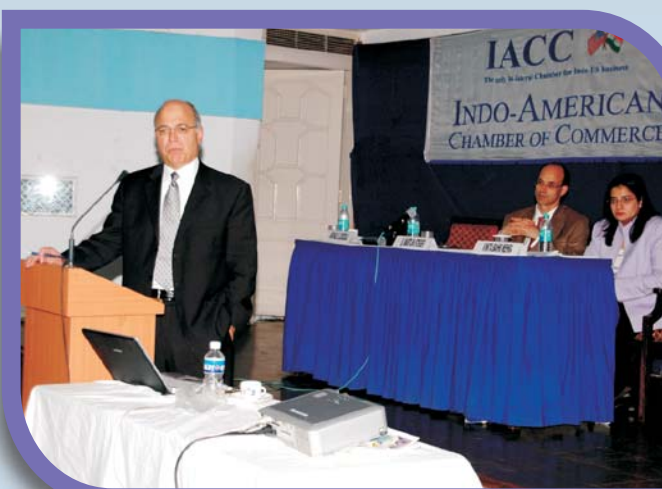
WEST INDIA COUNCIL

Seminar on Investing and Doing Business in USA

The Indo-American Chamber of Commerce (IACC), WIC organized a seminar on "Investing & Doing Business in USA" on April 9, 2008 at M.C Ghia Hall, Mumbai. The seminar was addressed by distinguished speakers from the US to share their expertise on a wide variety of issues, ranging from legal & compliance issues to lobbying & government relations. The seminar also provided an opportunity to our members to get their queries answered by experts.

The key topics for discussions were as follows:

- The Most Important Legal Issues for Doing Business in the U.S. Speaker: S. Martijn Steger
- Key Compliance Issues for Investing Abroad Speaker: Vinita Bahri Mehra
- What You Need to Know About Lobbying and Government Relations in the U.S. Speaker: Michael E. Zatezalo
- Real Estate Laws in the U.S. Speaker: Michael E. Zatezalo



(L-R Michael E.Zatezalo, Managing Director, Kegler Brown Hill & Ritter, S.Martijn Steger, Director, Kegler Brown Hill & Ritter and Vinita Bahri Mehra, Associate of Kegler Brown Hill & Ritter)



Pune Branch

Playing Host to Greater Houston Delegation at Annual Fellowship Nite

The Indo-American Chamber of Commerce, Pune, while playing host to a high powered business delegation from Greater Houston, Texas, celebrated its 'Annual Fellowship Nite' at the Le Meridien, in the city on 28 April 2008.

The delegation led by the Harris County Judge [CEO of the county] Ed Emmett and Greater Houston Partnership President Jeff Moseley was put together by the IACC, Greater Houston Executive Director Jagdip Ahluwalia and his colleagues. The delegation comprised of six industries from Houston representing diverse sectors such as energy, environment, engineering services, pharmaceuticals, etc. The Chamber was instrumental in setting up site visits and high level business meetings for the Delegation leaders with important members such as 'Bharat Forge', 'Finolex', 'Suzlon' etc. One-on-one business meetings for the delegation members were also set up by the Chamber with Pune members.

However, the 'Annual Fellowship Nite' offered all the Pune members, on one hand, the business opportunities with Greater Houston, US while a great networking opportunity on the other. Judge Emmett and President

Moseley presented facts and invited the audience to make Harris county and Houston as their choice for business in the US.

Earlier, Ashutosh Parasnis, Chairman, Indo-American Chamber of Commerce, Pune explained the various initiatives the Chamber has taken during last few months in fulfilling its objectives of enabling SMEs for globalization, in his welcome address. He projected Chamber's plans to expand its services to other cities of Maharashtra such as Ahmednagar, Nashik, Kolhapur etc.

The American Consulate General, Mumbai obliged the Chamber with the presence of guest of Honour Michael Newbill, Consul, Economic & Political Affairs. Earlier in the day he paid a visit to 'Suzlon Energy's facilities in Pune.

The event was sponsored by the Citibank and the IACC, Greater Houston. The participants included Pune business leaders such as John Deere, Finolex, American Axles, Compulink, Neilsoft, Sungard, Tata Autocomp etc. ■



Ashutosh Parasnis, Chairman, Indo-American Chamber of Commerce, Pune delivering his welcome address.



Harris County Judge Ed Emmett presenting a memento to Guest of Honour Michael Newbill, Consul, Economic & Political Affairs, US Consulate General, Mumbai. He is flanked by BMC Software President Pankaj Dhume and Greater Houston Partnership President Jeff Moseley as IACC Greater Houston Executive Director Jagdip Ahluwalia looks on



Seminar on Doing Business with US: Legal & Practical Aspects

A day-long seminar on 'Doing Business with US Legal and Practical Aspects' was conducted by the Indo-American Chamber of Commerce, Pune on 7 April 2008 at Sumant Moolgaonkar Auditorium, International Convention Centre in Pune.

The speakers were from Kegler, Brown, Hill & Ritter of Columbus, Ohio, USA. There was overwhelming response for this 'limited number' interactive seminar and the feedback obtained from the attendees revealed a great degree of satisfaction.

Michael E. Zatezalo, Managing Director, Kegler Brown Hill & Ritter, dealt with lobbying and government relations and later with the real estate in the US, with special reference to Ohio. While giving the legal aspects its due place, he presented interesting facts about the current real estate pricing in Ohio.

Martijn Steger, Director of Kegler Brown Hill & Ritter, in his presentation, dealt with the requirements in forming a business entity in the US. He surprised the audience with his information on the comparative ease and speed to start a business in the US, particularly in Ohio state.

Ms. Vinita Bahri-Mehra lucidly explained the various options in entering the US market and the 'Exon Florio', 'Patriot' acts.

The seminar, also, provided ample opportunities of interaction and networking during the 'tea-breaks' and the 'lunch break'.

The seminar proved to be extremely useful in 'Enabling SMEs towards globalisation' as envisaged by Ashutosh Parasnis, Chairman, IACC, Pune.



Prafull Mokashi, Executive Secretary, IACC, Pune delivering welcome address. Seated from left Vinita Bahri Mehra, Associate, Kegler Brown Hill & Ritter, Michael E. Zatezalo, Managing Director, Kegler Brown Hill & Ritter & Martijn Steger, Director of Kegler Brown Hill & Ritter

Seminar on India's Businesses in Transition: The Key Role of Leadership

IACC, Pune, in its endeavour to assist SMEs on 'globalization', brought to its members the famous Bill Byham, Cofounder, Chairman &



Audience in rapt attention to the presentation on 'Key role of leadership' by Bill Byham, world authority on leadership development

CEO of Development Dimensions International (DDI), an authority on human resources and leadership development worldwide.

The presentation was followed by cocktails and dinner at the Le Meridien, providing ample opportunities to network, meet and mingle with leaders in the industry.

Members found the presentation valuable as was evident from the lively question and answer session after Byham's presentation, besides the feedback received from them.

The seminar was arranged by IACC, Pune branch in its attempt to equip SMEs with knowledge on 'Globalisation' - as planned by the National and Pune Branch leadership. Ashutosh Parasnis, Chairman, IACC, Pune branch reviewed the Chamber's services in bringing direct opportunities of business through one-on-one meets with numerous visiting delegations, workshops and seminars on legal, quality and other aspects of business as well as the US visa services through BEP, for the members. The Pune and Maharashtra industry has responded to this positively as evident from a steep rise in membership of the Pune branch. ■



Varanasi Branch

Seminar on Forex Hedging: Minimizing Export Losses

A one-day seminar was organized jointly by Indo-American Chamber of Commerce (U.P. Branch), Varanasi and PHD Chamber, Lucknow on the topic, "Hedging the Adverse Impacts of Currency Movement on Export Business."

The concept of hedging foreign currency transactions as a strategy to mitigate the hardships from fluctuating foreign currency vis-à-vis Indian rupee was thoroughly discussed and reviewed. Following was the gist of the seminar discussions.

Businessmen engaged in international trading receive their payment in dollars. In the international market, the value of foreign currency tends to fluctuate. Due to this factor, sometimes exporters lose and sometimes they earn extra profit. Naturally a businessman is more concerned about his losses. To curb or minimize this loss certain preventive measures known as "hedging" have been evolved. If the hedging technique is implemented properly, the losses from exports may be minimized significantly. At present, the international market is passing through a state of volatile changes in terms of value of foreign currency. Owing to this factor there is an urgent need to adopt different models of hedging.

Prabhat Kumar, Joint Export Commissioner, Export

Promotion Bureau, Government of U.P. was the Chief Guest. Eminent economist Arvind Mohan, Shishir Jaipuria, Chairman and Krishna Kalra, Secretary General of PHD Chamber, Lucknow, Chief Manager, Union Bank of India, Mumbai, Chandrashekhar Kanekal, Shyam Poddar, President, Forex Capital Services, Delhi, CA Mukul Kumar Shah, Vice Chairman, IACC, Varanasi were the main speakers. Arun Mishra, AGM, Bank of Baroda, Varanasi, Sandeep Khanwalkar, Chief Manager, Punjab National Bank, Varanasi, Pawan Kedia, Manoranjan Das, Chief Manager, Allahabad Bank, Varanasi also participated as the panelists in the deliberations.

Objectives of the seminar were as briefed below:

- i. Educate the participants about recent developments influencing the market particularly Forex Market.
- ii. A short glimpse of uses of financial engineering products and risk attached to it
- iii. Create awareness about international market and its implications on trade.
- iv. Understanding hedging and its use to safeguard businesses against Currency Movement.

Globalization and increased cross-border trading activities have raised the exposure to market risk and it has become important for companies to manage these trade risks in the same way they manage other business risks. As exporters, the risks associated with international business are far more and different from those of domestic markets. The most common risk is that of not being paid by the foreign buyer. Further there are Exchange Risk, Transfer Risk, Political Risks, Legal Risk associated with Graft and Corruption, and Credit/Financing Risks. Hedging is a strategy designed to minimize exposure to an unwanted business risk, while still allowing the business to profit from an investment activity.

Explaining the concept of hedging, the seminar participants were informed that the fluctuation in foreign currency made the decision making process of



From L-R: Ashok Kumar Gupta, Founder Chairman, IACC, Varanasi, Debasis Mukherjee, Chairman, IACC, Varanasi, Vinay Kumar, Vice Chairman, IACC, Varanasi, Anil Shukla, Resident Director, Lucknow.



financial management, difficult. Particularly, because there is a time gap between providing the service and purchase/sale of goods and the payment for purchases or realization of sale proceeds. There are a number of techniques to cover the risk in foreign currency transaction and based on various parameters hundreds of models have been developed.

Chairman of Indo-American of Commerce (U.P. Branch), Varanasi Debashis Mukherjee, Vice Chairman CA Vinay Kumar and CA Mukul Kumar Shah, Founder

Chairman Ashok Kumar Gupta, Raj Agrawal, Puneet Raman, Bharat Kumar Agrawal, Suraj Sah, V.G. Unni, Kailash Chandra Baranwal, Pritam Khanna and other members participated in the seminar. Senior officials of different Banks, such as Punjab National Bank, Union Bank of India, Allahabad Bank, State Bank of India also participated in the seminar.

Anil Shukla, Regional Director, PHD Chamber of Commerce & Industry, Lucknow, thanked the expert speakers and participants. ■

East India Council

Seminar Highlights SME Issues



A half-day seminar on the 'Indo-US prospects and Problems in the SME sector', organized by the, the Indo American Chamber of Commerce (IACC), the Ministry of Micro-Small Scale Enterprises, Government of West Bengal and the Bengal National Chamber of Commerce on May 8, 2008, was followed by a networking lunch.

Henry Jardine, US Consul General graced the occasion as the Chief Guest. Dr G D Gautama, IAS, Guest of Honour, delivered the keynote address. The seminar covered finance, policy, marketing and prospects and problems of the sector with special focus on the Indo-US scenario. Eminent panelists from sectors such as food processing, agricultural inputs, textiles and leather made their presentations. ■

Budget 2008 - An Interactive Analysis



A meeting was organized on "Budget 2008 Interactive Analysis" by IACC and Price Waterhouse Coopers on 7 March, 2008 at the Bengal Club, Kolkata.

Sutanu Ghosh, Regional President with Chief Guest Moulik Berkana, Dy Director, American Center, Kolkata, and panelists Somnath Ballav, Director, PWC and Ms. Sushmita Basu, Sr Manager, PWC ■

Karnataka Branch

Seminar on Engineering Services Outsourcing Focuses on Avenues

The Indo-American Chamber of Commerce (IACC), Karnataka organized a seminar on "Engineering Services Outsourcing" on May 23, 2008 at Hotel Park, Bangalore.

Krishna Mikkilineni, Managing Director of Honeywell Technologies Solutions Lab and Chairman of NASSCOM's Engineering Services Forum, provided a broad overview of the potential Engineering Services Outsourcing in the global marketplace. Besides Mikkilineni, there were four other speakers invited to share their experience in providing engineering services to global customers.

Dr Kaushik Vaidya, from Applied Material, presented an overview of Applied Materials' nano manufacturing (TM) initiatives and activities in semiconductor, display and photovoltaic. Applied has been instrumental in enabling computing and communications breakthroughs in the last couple of decades and is now engaged actively in providing solutions for the emerging environmental and energy arena.

Pavan Kumar from Altair Engineering talked about the importance of leveraging Computer Aided Engineering (CAE) which forms an integral part of product development process from conceptual design, analysis, testing to manufacturing. CAE helps to deliver faster solutions that allow clients to rapidly experiment with their ideas by evaluating options and trade-offs thereby reducing product development, prototyping costs and timelines and

increase the ability to make them the most competitive in their respective industries.

Shyam Kumar from Cades Digitech gave his inputs on how India is well positioned to capture the Global Aerospace outsourcing market. The reasons he stated are 1) the potential of India as market place for the acquisition of Aeronautical and Defense Equipment and 2) The ability of the Indian Industry to innovate and provide a scalable value proposition to the Aerospace Industry. He spoke about the virtual product development in the aerospace industry. According to Kumar, companies such as CADES are the thought leaders in the segment in India and are driving innovative business models in the Aerospace offshoring scope.

Prasanna Kumar from TRC Engineering shared TRC's nine years of offshoring experience in A/E/C industry, which is set to experience the next wave of outsourcing. He spoke about the business development and delivery challenges in the \$1.6 trillion US market and how TRC overcame them to build a successful business.

Applied Materials, Altair Engineering Cades Digitech and TRC Engineering jointly sponsored the event, which was very informative, interactive and appreciated by all. ■



Mahesh Srinivasan-Md- Seaton India Pvt. Ltd, Raj Kumar- MD ADC India Communication and InfoTech, Vasanth KINI Vice Chairman I- IACC ,Karnataka, Kaushik Vaidya Engineering Head- Applied Materials India, Pavan Kumar MD (South Asia) Altair Engineering, Krishna Mikkilineni MD- Honeywell Technologies Solutions lab, Udaya Kumar- Chairman IACC, Karnataka, Shyam Kumar Senior Manager Technical Marketing Cades Digitech, Prasanna Kumar General Manager TRC Engineering (I) LTD.



Andhra Pradesh Branch

Great Get-Together at Hyderabad: Seminar on Trade & Factoring Services

"Annual Member Get-together" of IACC, Andhra Pradesh Branch was celebrated on 15 March 2008, at Taj Deccan. It also provided an opportunity for IACC A.P. Branch to interact with the IACC Family, as the SIC and NEC meetings were also held on the same day. It was attended by the National President, Vice Presidents, National and Branch Chairman, EC Members and Members from other Branches of IACC.

The function also included a talk by Muffadal Bhagat, Asst Vice President - Trade Sales, HSBC on, "Trade and Factoring Services". This was followed by an interactive session on key issues pertaining to trade and factoring and the benefits provided by HSBC. HSBC also sponsored the programme and lunch.

The Session began with R.K. Chopra, Secretary General, IACC welcoming all the members. Vinay Agarwal, Regional President SIC, gave a small brief on the upcoming Programmes. He informed about the IACC Sanmar Awards.

V. Anand Reddy, Chairman IACC A.P. Branch, presented an overall view of the activities by the A.P. Branch and also briefed about IACC focus areas.

Bhagat, briefing about Factoring Services, informed that Factoring is a form of Post Shipment Finance, a transaction centered service between three major players the Client (Seller), The Debtor (Buyer / Customer) and the Factor.

Farokh Balsara, National President of IACC, informed about the IACC focus areas and activities undertaken to promote the mission and vision of IACC.

Syed Baderuddin, National Vice President of IACC, summed up the whole session. Referring to some problems he had personally faced while trading, he further added that companies have to be cautious in dealing with banks and outsourcing authorities as business terminology differ from country to country and slight negligence in understanding the terms and conditions could lead to lot of complications apart from financial losses.

The session was followed by members interaction over Lunch and the IACC National EC Meeting. ■



L-R : R.K. Chopra, Muffadal Bhagat, Vinay Agarwal, Farokh Balsara, Syed Baderuddin, Anand Reddy at the inaugural.

Employee Background Verification Vital for Corporate Wellbeing

Indo-American Chamber of Commerce (IACC) Andhra Pradesh Branch organized a seminar on "Employee Background Verification - The Vital Cognition to Corporate Wellbeing & Safety", on May 21, 2008 at Hotel Golkonda.

IACC (AP) Branch Chairman V. Anand Reddy in his welcome address stressed the need for verifying the credentials of every individual before employing him/her. Addressing more than 60 HR Officials from 40 organizations, Reddy said with the growing MNC's presence in India, shrinking of the Globe, increasing mobility and the surging of economy, organizations must understand the current need and importance for this practice.



Col. Vijay Reddy, Director, M/s Footprints Collateral Services, an ISO 9001:2000 and ISO 27001:2005 certified Background Verification company, located in Bangalore, in his presentation discussed the various reasons which necessitates this verification, some of them being, growing population, unending competitiveness in position, wealth and possessions, high ambitions, an expensive lifestyle, misplaced loyalty and lack of self discipline etc. Unfortunately some of these constraints themselves have sent verification process to the backend.

Mahesh Srinivasan, Director, M/s Footprints Collateral Services, presented an overall view of the inuse software for the purpose.

Summing up, Mrs Shanti Kumar, Vice President, IACC (AP) Branch said that it is ultimately in the best interest of the company itself, its employees and its

clients, that an organization adopts Background Verification as a Best Practice if it wants ensure its own, employees and clients' safety and security. ■



V Anand Reddy, Chairman IACC (AP) Branch welcoming Col Vijay Reddy, Director, Footprints Group.

Latest Indo-US Business Confidence Index Released

Indo American Chamber of Commerce (IACC) is pleased to inform you that the updated Indo-US Business Confidence

Index was released by Ms. Banashri Harrison, Minister (Commerce), Indian Embassy, Washington D.C. on April 9, 2008 during the IACC-CAIL "Doing Business with India" Conference in Plano, Texas.



Ms. Banashri Harrison Minister (Commerce) Indian Embassy, Washington DC releasing the Indo-US Business Confidence Index flanked by Farokh Balsara, IACC President and R.K. Chopra, Secretary General.

The index was very well received by more than 80 participants who attended the conference. A press release was simultaneously issued in India and the USA along with the photographs. We have received wide coverage on this in Economic Times, Business Standard, The Tribune, The Hindu and many other newspapers as also in online newsletters like Indiaenews.com, Business-standard.com, Aol.in, Rediff.com, news-yahoo.com, the US news.com, Smetimes.tradeindia.com, Newkerala.com, Indiaprwire.com, Samachar.in etc.

The report is also available for download from IACC website from the following link: http://www.iaccindia.com/IACC_Book1.zip ■

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