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DAWN OF A
NEW ERA
&
EVERLASTING
HOPE

Founder Chairman
Late Shri R.K. Prasad

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Managing Editor: Satya Swaroop

Directors: B.K. Sinha

Cdr. P.S. Amar

Group Editor: Dev Varam

Strategic Advisor: Vinaya Shetty

Consulting Editors: Prabhoo Sinha,
Rajiv Tewari & Md. Sabir Nishat

Contributing Editor: R.K. Chopra

Deputy Editor: Tripti Chakravorty

Asst. Editor: Chandra Karki

Head-Busi. Dev. : Veerendra Bhargava

Creative & Content: Sunetra Nair

Manager- Admin & Finance: Sunil Kumar

Sr. Executive - Special Projects: Prajwala Poojary

Liaison Officer: Vrunda Gurav

Executive Database: Madhavi

Circulation: Jawaharlal, Santosh Gangurde,
Vijay Wangade & Suraj Jha

Art Director: Santosh Nawar

Visualizers: Maya Vichare & Sagar Banawalikar

Photographer: Bilal Khan

BRANCHES:

Kolkata:

Anurag Sinha, Regional Head, Mob: 098300 15667
Amrita Chatterjee, Asst. Editor, Mob: 098360 63759629
Rajdanga Main Road, Plot-FD 08, Near-Ruby Hospital,
Kolkata-700107

Tel: 033-24537708. Fax: 033-24380719
Email: anurag@newmediacomm.biz

Pune:

Jagdish Khaladkar, Regional Director,
Tel: 098230 38315
Geeta K., Regional Head,
Sahyog Apartments 508, Narayan Peth,
Patrya Maruti Chowk. Pune 411 030.
Telefax: 020 2445 1574
Email: pune@newmediacomm.biz
jagdishk@vsnl.com

Australia Office:

Bandhana Kumari Prasad, 129 Camboon Road,
Noranda, Perth, W.A. 6062 Tel: 0061 892757447
Email: bandhana@newmediacomm.biz

New Media Communication Pvt. Ltd.,

New Media House, 1 Akbar Villa,
Near Old State Bank, Moral-Maroshi Road,
Andheri (E), Mumbai - 400 059
Tel: +91-22-2925 0690. Telefax: +91-22-2925 5279
E-mail: enquiry@newmediacomm.biz
www.newmediacomm.com

Indo-American Chamber of Commerce
Vulcan Insurance Building, Churchgate, Mumbai 400020.
Tel: +91-22-22821413/15
www.iaccindia.com

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**President Obama
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Dear Reader,

Greetings. Relations between India and the United States reached their peak during the regime of President George Bush. They have now entered a phase of consolidation under President Barack Obama, despite reeling under the impact of a global economic meltdown that originated in the US. Analysts have said the impact of Obama administration's policies will be limited on India's business process outsourcing (BPO) industry. These policies, aimed at providing more jobs at home, underline President Obama's priorities in tackling the worst-ever fiscal crisis to hit that country. The cover story of the current issue of Indo-US Business delves in depth into challenges the US economy is facing and President Obama's strategies aimed at solving them. Without losing time, the new President has come up with a massive \$75-billion package to refinance old housing loans, which in the first place triggered the crisis, resulting in the collapse of US financial markets. Naturally, President Obama has ordered stricter regulation of these markets to thwart a repetition of the past occurrence, the details of which are carried in this issue. The issue also carries an in-depth analysis by Poorvi Chothani and Nupur Upadhyaya on how limited the impact of the Obama policies would be on the Indian Information Technology (IT) industry. Then there is write-up on the state of H1 B Visas under the Obama regime, on which the immigration of career seeking young people depends. The issue carries an article on how the US ban on sale of dual use items to India is blocking more than \$270 billion in nuclear business with America. We have a write-up on the NAB Road Show held in three Indian cities ahead of the event, which is to be held in Los Angeles shortly. The issue, as usual carries plenty of news from various branches of Indo-American Chamber of Commerce (IACC). It also has an interview with Pest Control of India CMD Anil Rao, who says that effective storage and pest control can save nearly 20 million tonnes of food grains every year in India. Besides these, the magazine contains the regular features. Finally, we take the opportunity to congratulate President Obama on his historic election victory and wish his administration all success in dealing with the challenges it is facing today. We also hope that Indo-US bilateral trade will further peak to new highs under his regime.

Wish you happy reading

Satya Swaroop

Managing Editor

satya@newmediacomm.biz



Dear Member,

President Obama has completed a couple of months in office. Those rough times, to say the least, had baptized him on fire. The time ahead is not one laden with roses. There are insurmountable problems and challenges on all fronts, be they economic, strategic or diplomatic. Let us start off with the economic issues. The trillion dollar or so economic rejuvenation package has been unveiled and the experts are still debating when the signs of turning around can be cited. The more optimists among them are hopeful of economy picking up by the end of the calendar year. But there are equally strong pessimistic prognostications that put the economic revival at a much later date.

Be that as it may, before dwelling on these vexatious issues, it is instructive to trail the geo-political issues that confront the United States. Foremost is the Afghanistan and lesser in intensity is the Middle-east, particularly Iraq and looming threat arising from the rife with Iran. The escalation of animosity and defense preparedness by the United States will divert a great deal of its attention from the economic issues. That is the primary reason being pointed out by the economists for the delayed start of beneficial effect of the rejuvenation package.

Let us now look more closely at the economic ills that Obama Administration is upfront with. All segments, such as manufacturing, services and agriculture are lagging behind. Loss of employment is reported to be an all time high. Many ambitious big ticket programs like space research, biotech researches like genome are in the back burner due to tight financials. Amidst these disturbing trends, there are emerging opinions like whether the post slowdown, the United States would be as economically powerful as before. When things go tough, it is quite natural that such predictions and predilections galore.

Now let us indulge in a reality check. Is the situation on the ground as worst as it is being predicted? The insignia of the world's most happening democracy and superpower has been assigned to the US, not alone because of her opulent and deep domestic market but also on account of its indisputable position as the technology leader. Aero-space, nuclear energy, defense equipment, pharmaceuticals, space, bio-tech etc are the raison d'être of the US growth story. That propelled the US into a super power. Coupled with a strong real estate and agriculture sector, the US power reined supreme. The fact of the matter was that these segments are still ruling high in the US despite the slowdown and the most pessimistic outlook grants that this supremacy of the US would continue unabated in future as well. In short, the US will continue as a technology leader for many more years to come.

Now let us take the snapshot of the other spectrum. The opulent US economy has provided ammunition for many export driven economies to survive. Countries from Europe to China and Latin America to Japan minted trillions of dollars by exporting to the ever expanding consumer market in the US, be they latest gadgets like electronics hardware, cars, bananas, cosmetics, toiletries and the list goes on. Once the US economy shown signs of slowdown, the import bills were the first to cut and that too drastically. A weak dollar and a burgeoning current account deficit also catalyzed drastic cut in imports. The export dependent economies like China, Japan, Taiwan etc have felt the pangs of the US slowdown. Many industries are either closed down or on the verge of closure rendering millions as unemployed in these countries. In short, the revival of these economies is directly linked with the buoyancy in the US economy.

The pertinent question is to what extent the Indian economy is dependent on the US revival. A close examination reveals that certain segments like outsourcing, export of gems and jewellery, textiles etc are to a great extent linked up with the US market. But in macro terms, India is not an export dependent economy, since that constitutes only slightly more than 10 percent of the GDP.

That brings us to the need for a strategy to address to the global slowdown. Every domestic package unveiled by the individual countries should have a global window. That is true for the US also. Three



stimulus packages India unveiled, if one looks at very closely, have space that can stimulate global demand for capital goods, finished goods and the like. The incremental relaxations in FDI policy- carried out even during the slowdown days- provide an opportunity for bringing in capital. One naturally looked forward to an accommodative approach from the US. However, the insistence on local sourcing by the companies availing the rejuvenation package, strict approach towards outsourcing and restrictive policy towards granting H1 B visas are viewed with great consternation by the India Inc. Hopefully, the Obama Administration would review some of the restrictive policies, which will give a boost not only to both economies but set trailblazers for other countries to follow.

Unorthodox problems demand out of box solutions. Let us all realize that presently we are undergoing a traumatic phase, perhaps, only parallel to what had happened in 1930's during the Great Depression. What could be those solutions? Before dwelling on them, we have to acknowledge that the trigger of those initiatives have to come from Obama Administration, since a buoyant US is critical to spur growth impulses across the globe.

First, let us look at the prime reason that snowballed into the global recession. It was the sub-prime crisis. I do not want to get into the details of the issue, which is well known, but the solutions to ward off such an event are not that widely held. Financial indiscipline lay at the root of the crisis. The indiscriminate manner in which the financial sector was treated would go into the annals of history as the age of casino capitalism. Wealth creation is not a mindless process. It has to be orderly and should conform to the well established and time tested norms. Speculators should not be given unfettered freedom to do whatever they like. Hedge funds should be disciplined across the world and their limitless appetite for speculation should be subjected to public scrutiny. That is the first lesson, I hope, the Obama Administration would have learnt but also would be vigilant to avoid a repeat occurrence. Their policy strides for curbing such nefarious speculative bids should echo across the world and every country should put in place a fool proof system to check on that. Equally important is strengthening the regulatory mechanisms for the investment and retail banks, hedge funds and other institutions that deal with finance. Undoubtedly, corporate governance has been tossed for a six, flouting all regulations and rules even by the hallowed institutions.

Let not the protectionism be a reactive counter for slowdown. We have to resist all temptations to ward off such thinking since it will not lead to any positive results. There are already protectionist undertones being reverberated across the world. Buy American campaign, ban on outsourcing etc are domestic reactions to a world problem, which requires global solutions. Isolating the issue and giving a parochial color to the solution packages might defeat the very purpose of the effort. Multi-lateral organizations like World Bank, IMF etc should actively address these issues involving every nation.

The third and most important factor is that the rejuvenated economies should have a method and direction in their working. Highly pitched up wage package, liberal perquisites and allowances of top executives coupled with run away increases in realty prices were contributory factors for bursting the bubble. Let us resolve that we will not re-visit past mistakes.

As the two largest democracies in the world, India and the US have a special role in orchestrating growth impulses. With an over 7 percent annual growth, Indian economy is the largest growing economic power, second only to China. But Chinese economy work in a different dispensation and the regulatory framework is more discretionary rather than based on sound principles of rule of law. The recession hit US can find the continental market of India to be a better bet, not only for the fast moving consumer products but also for capital goods, technical cooperation, technology transfer, cooperation in infrastructure development and more importantly forging tie-ups with small and medium enterprises of both countries for producing not for each others' requirements but also for third country exports. Let me assure you that IACC will continue to play a leadership role in achieving these cherished goals.

Thank You

S.K. Jain

National President, IACC



Dawn of a New Era & Everlasting Hope

By Dev Varam

The year 2008 will go down as a watershed in world history. On the 4th of November that year, a star blazed across the political horizon of the United States; a horizon that had turned gloomy from the smoke of costly and unfinished wars in Iraq and Afghanistan and an economy that had collapsed under its own unregulated burden with worldwide ramifications. But the occasion also marked the dawn of a new era; an era of everlasting hope; not just for the United States, but also for the entire world; That is what the election of Barack Hussein Obama, the skinny man with a funny name, as he described himself, as the 44th President of the United States of America, meant for his country and the rest of the humanity; for, when America sneezes, it is the world that catches cold.

President Obama knew he had no time to lose. Soon after his swearing in, he defined the salient features of his economic recovery plan for the country. In an address to a Joint Session of Congress on 24 February, 2009, the newly elected President listed renewable energy, healthcare and education as the three most important planks of his budget, which was aimed at reviving the economy. A day later, he called for a stricter, more transparent regulatory system to supervise financial markets and products, which in turn, would ensure accountability to investors.

"We now know from painful experience that

we can no longer sustain 21st century markets with 20th century regulations, and that while free markets are the key to our progress, they do not give us free license to take whatever we can get, however we can get it," he said.

It is understood that President Obama's prime concern is the US, its economy, its foreign policy. But his India links are deep and emotional; he is a great admirer of Mahatma Gandhi. His Senate office displays a portrait of the Mahatma with the famous words "ordinary people can do extraordinary things" inscribed on it. Then there is Martin Luther King Jr, who himself was inspired by the Mahatma and who in turn inspired young Obama, It is also reported that the President keeps among his talismans, a figurine of the mighty wind god Hanuman, symbol of Hindu devotion to Lord Rama. Irrespective of the fact that India inked a civilian nuclear energy deal with the US regime led by President Goerge Bush of the rival Republican Party, the Democrat Obama supported it wholeheartedly, showing his concern for India's energy security.

When Obama became the first black President in US history, the ordinary people in America and across the world wept with joy. There was some connectivity between America's new hope and the rest of the world, including a country as distant as India, as if the oppressed of this country themselves had elected him. Cutouts greeting Obama, with his infectious smile, dotted across Mumbai and so was the case with other cities of the country.

Even before his nomination as the Democratic Party's presidential candidate, Obama pledged to "build a close strategic partnership" between US and India if elected. In a media article, the Illinois Senator also committed that he will encourage the active engagement and partnership of the Indian American community in "making the change we seek" in the US. "The world's oldest democracy (US) and the world's largest democracy (India) are natural partners, sharing important interests and fundamental democratic values," Obama said in the article. Obama said it is his commitment to the critical relationship between the two countries that he voted for the US-India nuclear energy deal on the Senate Foreign Relations Committee. "And that is why I will move forward to build a close strategic partnership between the US and India when I am president of the United States," he added.

Obama said Washington and New Delhi must work together to combat the common threats of the 21st century because "both countries have been victims of catastrophic terrorist attacks and we have a shared interest in succeeding in the fight against Al



Qaeda and its operational and ideological affiliates".

In the article, Obama also spoke about his admiration for Mahatma Gandhi, whose portrait hangs prominently in his Senate office. "In my life, I have always looked to Mahatma Gandhi as an inspiration, because he embodies the kind of transformational change that can be made when ordinary people come together to do extraordinary things," he wrote.

In the article, Obama lauded the major contributions the Indian American community has been making to the country's economy as well as to the fabric of American society. "Already, in communities across this country, Indian Americans are lifting up our economy and creating jobs," he said. "Leading entrepreneurs, innovators, lawyers, doctors, engineers, and hardworking professionals are adding to the richness and success of the American society."

Acknowledging the prowess in IT and high technology fields of Indian Americans who have powered Silicon Valley, he said: "To succeed, we need to make use of technology, a sector where so many Indian Americans have thrived."

Obama, the first African American to have a real chance of occupying the White House, also drew a parallel between his personal story and that of Indian Americans.

"For many years," he said, "I have been impressed by the dedication of Indian Americans to make their

communities and their country a better place. My relationship with the community stretches back to my days as a student. This bond is strong and deep because it is in part personal. Like so many Indian Americans, my father arrived in America (from Kenya) without money, but with a student visa and a determination to live his dreams."

Obama claimed that he had the longstanding support of many Indian Americans in all aspects of his campaign, as well as the endorsements of leading elected Indian American lawmakers. It is but natural that a number of high profile members of the Obama-Biden team have ties with India and/or are of Indian origin. President Obama named Vivek Kundra as the Federal Chief Information Officer (CIO) at the White House. Preeta Bansal, who is a member of the National Advisory Counsel of the North American South Asian Bar Association (NASABA), was appointed as General Counsel and Senior Policy Advisor at the Office of Management and Budget. Another member of the National Advisory Counsel of NASABA, Neal Katyal, was appointed as the Principal Deputy Solicitor General at the Department of Justice.

In a message on the occasion of the country's Republic Day celebrations, President Obama said: "As the Indian people celebrate Republic Day all across India, they should know that they have no better friend and partner than the people of the United States." ■



Obama Unveils Economic Recovery Plan

Stress on Energy, Healthcare & Education

In his address to the Joint Session of Congress on 24 February, 2009, United States President Barack Obama highlighted the salient features of his economic recovery plan for the country. He said renewable energy, healthcare and education formed the three important planks of his budget, which is aimed at reviving the economy from the worst-ever recession in history. Excerpts.



I know that for many Americans watching right now, the state of our economy is a concern that rises above all others. It's the worry you wake up with and the source of sleepless nights. It's the job you thought you'd retire from but now have lost; the business you built your dreams upon that's now hanging by a thread; the college acceptance letter your child had to put back in the envelope. The impact of this recession is real, and it is everywhere.

But while our economy may be weakened and our confidence shaken; though we are living through difficult and uncertain times, tonight I want every American to know this: We will rebuild, we will recover, and the United States of America will emerge stronger than before. What is required now is for this country to pull together, confront boldly the challenges we face, and take responsibility for our future once more.

Now, if we're honest with ourselves, we'll admit that for too long, we have not always met these responsibilities as a government or as a people. I say this not to lay blame or look backwards, but because it is only by understanding how we arrived at this moment that we'll be able to lift ourselves out of this predicament.

Finding New Sources of Energy

The fact is, our economy did not fall into decline overnight. Nor did all of our problems begin when the housing market collapsed or the stock market sank. We have known for decades that our survival depends on finding new sources of energy. Yet we import more oil today than ever before. The cost of healthcare eats up

more and more of our savings each year, yet we keep delaying reform. Our children will compete for jobs in a global economy that too many of our schools do not prepare them for. And though all these challenges went unsolved, we still managed to spend more money and pile up more debt, both as individuals and through our government, than ever before.

In other words, we have lived through an era where too often, short-term gains were prized over long-term prosperity; where we failed to look beyond the next payment, the next quarter, or the next election. A surplus became an excuse to transfer wealth to the wealthy instead of an opportunity to invest in our future. Regulations were gutted for the sake of a quick profit at the expense of a healthy market. People bought homes they knew they couldn't afford from banks and lenders who pushed those bad loans anyway. And all the while, critical debates and difficult decisions were put off for some other time on some other day. Well that day of reckoning has arrived, and the time to take charge of our future is here.





Bold & Wise Action Needed

Now is the time to act boldly and wisely to not only revive this economy, but to build a new foundation for lasting prosperity. Now is the time to jumpstart job creation, re-start lending, and invest in areas like energy, healthcare, and education that will grow our economy, even as we make hard choices to bring our deficit down. That is what my economic agenda is designed to do, and that's what I'd like to talk to you about tonight.

It's an agenda that begins with jobs. As soon as I took office, I asked this Congress to send me a recovery plan by President's Day that would put people back to work and put money in their pockets. Not because I believe in bigger government I don't. Not because I'm not mindful of the massive debt we've inherited I am. I called for action because the failure to do so would have cost more jobs and caused more hardships. In fact, a failure to act would have worsened our long-term deficit by assuring weak economic growth for years. That's why I pushed for quick action. And tonight, I am grateful that this Congress delivered, and pleased to say that the American Recovery and Reinvestment Act is now law.

Over the next two years, this plan will save or create 3.5 million jobs. More than 90 percent of these jobs will be in the private sector jobs rebuilding our roads and bridges; constructing wind turbines and solar panels; laying broadband and expanding mass transit. Because of this plan, there are teachers who can now keep their jobs and educate our kids. Healthcare professionals can continue caring for our sick. Because of this plan, 95 percent of the working households in America will receive a tax cut a tax cut that you will see in your paychecks beginning on 1 April, 2009.

Because of this plan, families who are struggling to pay tuition costs will receive a \$2,500 tax credit for all four years of college. And Americans who have lost their jobs in this recession will be able to receive extended unemployment benefits and continued healthcare coverage to help them weather this storm.

I know there are some in this chamber and watching at home who are skeptical of whether this plan will work. I understand that skepticism. Here in Washington, we've all seen how quickly good intentions can turn into broken promises and wasteful spending. And with a plan of this scale comes enormous responsibility to get it right. That is why I have asked Vice President Biden to lead a tough, unprecedented oversight effort because nobody messes with Joe. I have told each member of my Cabinet as well as mayors and governors across the country that they will be held accountable by me and the American people for every dollar they spend. I have appointed a proven and aggressive Inspector General to ferret out any and all cases of waste and fraud. And we have created a new website called recovery.gov so that every American can find out how and where their money is being spent.



Cleaning Up Credit Crisis

So the recovery plan we passed is the first step in getting our economy back on track. But it is just the first step. Because even if we manage this plan flawlessly, there will be no real recovery unless we clean up the credit crisis that has severely weakened our financial system.

You should also know that the money you've deposited in banks across the country is safe; your insurance is secure; and you can rely on the continued operation of our financial system. That is not the source of concern. The concern is that if we do not re-start lending in this country, our recovery will be choked off before it even begins.

You see, the flow of credit is the lifeblood of our economy. The ability to get a loan is how you finance the purchase of everything from a home to a car to a college education; how stores stock their shelves, farms buy equipment, and businesses make payroll.



But credit has stopped flowing the way it should. Too many bad loans from the housing crisis have made their way onto the books of too many banks. With so much debt and so little confidence, these banks are now fearful of lending out any more money to households, to businesses, or to each other. When there is no lending, families can't afford to buy homes or cars. So businesses are forced to make layoffs. Our economy suffers even more, and credit dries up even further.

That is why this administration is moving swiftly and aggressively to break this destructive cycle, restore confidence, and re-start lending. We will do so in several ways. First, we are creating a new lending fund that represents the largest effort ever to help provide auto loans, college loans, and small business loans to the consumers and entrepreneurs who keep this economy running.

Second, we have launched a housing plan that will help responsible families facing the threat of foreclosure lower their monthly payments and re-finance their mortgages. It's a plan that won't help speculators or that neighbor down the street who bought a house he could never hope to afford, but it will help millions of Americans who are struggling with declining home values. Americans who will now be able to take advantage of the lower interest rates that this plan has already helped bring about. In fact, the average family who re-finances today can save nearly \$2000 per year on their mortgage.

Third, we will act with the full force of the federal government to ensure that the major banks that Americans depend on have enough confidence and enough money to lend even in more difficult times. And when we learn that a major bank has serious problems, we will hold accountable those responsible, force the necessary adjustments, provide the support to clean up their balance sheets, and assure the continuity of a

strong, viable institution that can serve our people and our economy.

Strengthening the Banking System

I understand that on any given day, Wall Street may be more comforted by an approach that gives banks bailouts with no strings attached, and that holds nobody accountable for their reckless decisions. But such an approach won't solve the problem. And our goal is to quicken the day when we re-start lending to the American people and American business and end this crisis once and for all.

I intend to hold these banks fully accountable for the assistance they receive, and this time, they will have to clearly demonstrate how taxpayer dollars result in more lending for the American taxpayer. This time, CEOs won't be able to use taxpayer money to pad their paychecks or buy fancy drapes or disappear on a private jet. Those days are over. Still, this plan will require significant resources from the federal government and yes, probably more than we've already set aside. But while the cost of action will be great, I can assure you that the cost of inaction will be far greater, for it could result in an economy that sputters along for not months or years, but perhaps a decade. That would be worse for our deficit, worse for business, worse for you, and worse for the next generation. And I refuse to let that happen.

I understand that when the last administration asked this Congress to provide assistance for struggling banks, Democrats and Republicans alike were infuriated by the mismanagement and results that followed. So were the American taxpayers. So was I. So I know how unpopular it is to be seen as helping banks right now, especially when everyone is suffering in part from their bad decisions. I promise you I get it.

But I also know that in a time of crisis, we cannot afford to govern out of anger, or yield to the politics of the



moment. My job our job is to solve the problem. Our job is to govern with a sense of responsibility. I will not spend a single penny for the purpose of rewarding a single Wall Street executive, but I will do whatever it takes to help the small business that can't pay its workers or the family that has saved and still can't get a mortgage. That's what this is about. It's not about helping banks it's about helping people. Because when credit is available again, that young family can finally buy a new home. And then some company will hire workers to build it. And then those workers will have money to spend, and if they can get a loan too, maybe they'll finally buy that car, or open their own business. Investors will return to the market, and American families will see their retirement secured once more. Slowly, but surely, confidence will return, and our economy will recover.

So I ask this Congress to join me in doing whatever proves necessary. Because we cannot consign our nation to an open-ended recession. And to ensure that a crisis of this magnitude never happens again, I ask Congress to move quickly on legislation that will finally reform our outdated regulatory system. It is time to put in place tough, new common-sense rules of the road so that our financial market rewards drive and innovation, and punishes short-cuts and abuse.

The recovery plan and the financial stability plan are the immediate steps we're taking to revive our economy in the short-term. But the only way to fully restore America's economic strength is to make the long-term investments that will lead to new jobs, new industries, and a renewed ability to compete with the rest of the world. The only way this century will be another American century is if we confront at last the price of our dependence on oil and the high cost of healthcare; the schools that aren't preparing our children and the mountain of debt they stand to inherit. That is our responsibility.

In the next few days, I will submit a budget to Congress. So often, we have come to view these documents as simply numbers on a page or laundry lists of programs. I see this document differently. I see it as a vision for America as a blueprint for our future.

My budget does not attempt to solve every problem or address every issue. It reflects the stark reality of what we've inherited a trillion dollar

deficit, a financial crisis, and a costly recession. Given these realities, everyone in this chamber Democrats and Republicans will have to sacrifice some worthy priorities for which there are no dollars. And that includes me.

But that does not mean we can afford to ignore our long-term challenges. I reject the view that says our problems will simply take care of themselves; that says government has no role in laying the foundation for our common prosperity.

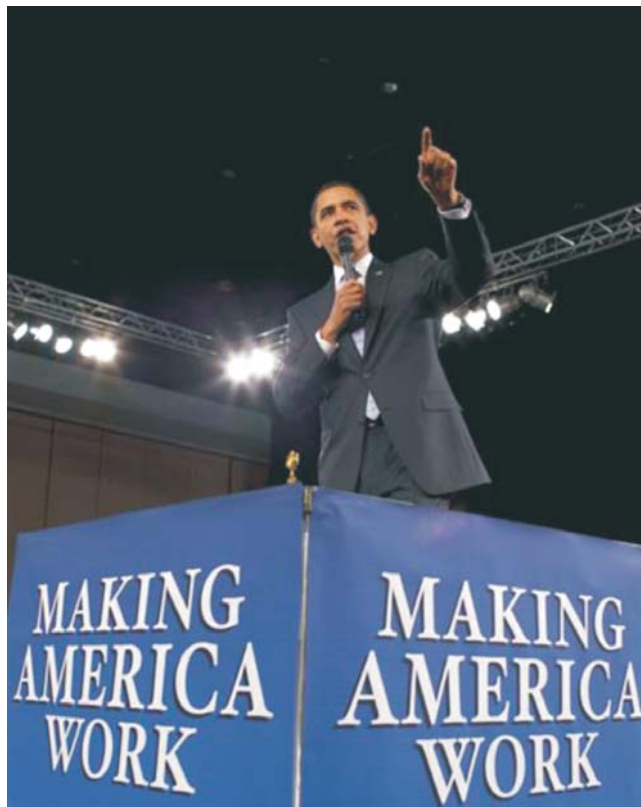
We are a nation that has seen promise amid peril, and claimed opportunity from ordeal. Now we must be that nation again. That is why, even as it cuts back on the programs we don't need, the budget I submit will invest in the three areas that are absolutely critical to our economic future: energy, healthcare, and education.

It begins with energy. We know the country that harnesses the power of clean, renewable energy will lead the 21st century. And yet, it is China that has launched the largest effort in history to make their economy energy efficient. We invented solar technology, but we've fallen behind countries like Germany and Japan in producing it. New plug-in hybrids roll off our assembly lines, but they will run on batteries made in Korea.

Thanks to our recovery plan, we will double this nation's supply of renewable energy in the next three years. We have also made the largest investment in basic research funding in American history an investment that will spur not only new discoveries in energy, but breakthroughs in medicine, science, and technology.

We will soon lay down thousands of miles of power lines that can carry new energy to cities and towns across this country. And we will put Americans to work making our homes and buildings more efficient so that we can save billions of dollars on our energy bills.

But to truly transform our economy, protect our security, and save our planet from the ravages of climate change, we need to ultimately make clean, renewable energy



the profitable kind of energy. So I ask this Congress to send me legislation that places a market-based cap on carbon pollution and drives the production of more renewable energy in America. And to support that innovation, we will invest fifteen billion dollars a year to develop technologies like wind power and solar power; advanced biofuels, clean coal, and more fuel-efficient cars and trucks built right here in America.

As for our auto industry, everyone recognizes that years of bad decision-making and a global recession have pushed our automakers to the brink. We should not, and will not, protect them from their own bad practices. But we are committed to the goal of a re-tooled, re-imagined auto industry that can compete and win. Millions of jobs depend on it. Scores of communities depend on it. And I believe the nation that invented the automobile cannot walk away from it.

None of this will come without cost, nor will it be easy. But this is America. We don't do what's easy. We do what is necessary to move this country forward.

For that same reason, we must also address the crushing cost of health care. This is a cost that now causes a bankruptcy in America every thirty seconds. By the end of the year, it could cause 1.5 million Americans to lose their homes. In the last eight years, premiums have grown four times faster than wages. And in each of these years, one million more Americans have lost their health

insurance. It is one of the major reasons why small businesses close their doors and corporations ship jobs overseas. And it's one of the largest and fastest-growing parts of our budget.

Given these facts, we can no longer afford to put health care reform on hold. Our recovery plan will invest in electronic health records and new technology that will reduce errors, bring down costs, ensure privacy, and save lives. It will launch a new effort to conquer a disease that has touched the life of nearly every American by seeking a cure for cancer in our time. And it makes the largest investment ever in preventive care, because that is one of the best ways to keep our people healthy and our costs under control.

This budget builds on these reforms. It includes an historic commitment to comprehensive health care reform a down-payment on the principle that we must have quality, affordable health care for every American. It's a commitment that's paid for in part by efficiencies in our system that are long overdue. And it's a step we must take if we hope to bring down our deficit in the years to come.

The third challenge we must address is the urgent need to expand the promise of education in America. In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity it is a pre-requisite. That is why it will be the goal of this administration to ensure that every child has access to a complete and competitive education from the day they are born to the day they begin a career. Already, we have made an historic investment in education through the economic recovery plan.

It is our responsibility as lawmakers and educators to make this system work. That is why we will provide the support necessary for you to complete college and meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world.

In this budget, we will end education programs that don't work and end direct payments to large agribusinesses that don't need them. We'll eliminate the no-bid contracts that have wasted billions in Iraq, and reform our defense budget so that we're not paying for Cold War-era weapons systems we don't use.

As we stand at this crossroads of history, the eyes of all people in all nations are once again upon us watching to see what we do with this moment; waiting for us to lead.



'US Market Regulatory System Needs Overhaul'

President Obama has called for stricter, more transparent regulatory system to supervise financial markets and products, which in turn must ensure accountability to investors. Speaking at the end of a meeting of regulatory reforms committee on 25, February 2009, at which the members of his economic team were present, President Obama expressed hope that the US economy will once again thrive once proper measures are effectively implemented. Excerpts.



In recent months, we've seen turmoil on Wall Street like we haven't seen in decades, as major financial institutions have faltered or have been sold off. And we have seen the fallout on Main Street, as the market crisis became a credit crisis, and families struggle to get loans to buy a home or a car, to start a small business or to pay for college.

This financial crisis was not inevitable. It happened when Wall Street wrongly presumed markets would continuously rise, and traded in complex financial products without fully evaluating their risks. Here in Washington, our regulations lagged behind changes in our markets -- and too often, regulators failed to use the authority that they had to protect consumers, markets and the economy.

We now know from painful experience that we can no longer sustain 21 -- 21st century markets with 20th century regulations, and that while free markets are the key to our progress, they do not give us free license to take whatever we can get, however we can get it.

But let me be clear: The choice we face is not between some oppressive government-run economy or a chaotic and unforgiving capitalism. Rather, strong financial markets require clear rules of the road, not to hinder

financial institutions, but to protect consumers and investors, and ultimately to keep those financial institutions strong. Not to stifle, but to advance competition, growth and prosperity. And not just to manage crises, but to prevent crises from happening in the first place, by restoring accountability, transparency and trust in our financial markets. These must be the goals of a 21st century regulatory framework that we seek to create.

Our meeting today was a critical first step in developing that framework. And I'm grateful for the legislative leaders who join me here with Secretary Geithner and Dr. Summers. We had a terrific conversation. I think this is an area where there is a growing consensus and where I think the capacity for people from different political parties and different perspectives to come together and solve problems.

I've asked my economic team to develop recommendations for regulatory reform, and then to collaborate with these members of Congress and others from both sides of the aisle so they can start crafting legislation in the coming weeks and months.

We will not always see eye to eye in our work. We may disagree -- and disagree strongly -- about particular



provisions. But there are certain core principles that I believe must shape any proposal for reform -- and these are the principles that will guide our work.

First, financial institutions that pose serious risks, systemic risks, to our market should be subject to serious oversight by the government. And here's why. When the Federal Reserve steps in as a lender of last resort, which it's had to do repeatedly since this financial crisis began, it's providing an insurance policy underwritten by the American taxpayer. And taxpayers should be assured that the Fed thoroughly understands the institutions that it is effectively insuring and actively monitoring them to make sure that they're not taking risks that will cost taxpayers in the long term.

Second, our regulatory system -- and each of our major markets -- must be strong enough to withstand both system-wide stress and the failure of one or more large institutions. And that means modernizing and streamlining our regulatory structure, and monitoring both the scale and scope of risks that institutions can take.

Third, to rebuild trust in our markets, we must redouble our efforts to promote openness, transparency and plain language throughout our financial system.

Fourth, we need strong and uniform supervision of financial products marketed to investors and consumers. And we should base this oversight not on abstract models created by the institutions themselves, but on actual data on how actual people make financial decisions.

Fifth, we must demand strict accountability, starting at the top. Executives who violate the public trust must be held responsible.

Sixth, we must make sure our system of regulations covers appropriate institutions and markets, and is comprehensive and free of gaps, and prevents those being regulated from cherry-picking among competing regulators.

Finally, we must recognize that the challenges we face are not just American challenges, they are global challenges. So as we work to set high regulatory standards here in the United States, we have to challenge other countries around the world to do the same. That's how we will stop financial crises from spilling across borders and prevent global crises of the sort that we now face.

In the end, the work of constructing a new regulatory framework will not be easy -- and reform will not happen overnight. But we must never forget that our market has always been the engine of America's success -- rewarding innovators and risk-takers, creating opportunities for generations of Americans and prosperity that is the envy of the world.

And I have the utmost confidence that if these outstanding public servants standing beside me are working in concert, if we all do our jobs, if we once again guide the market's invisible hand with a higher principle, our markets will recover. Our economy will once again thrive, and America will once again lead the world in this new century as it did in the last. ■



\$75-bn US Plan to Help Refinance 9m Home Loans

A day after completing the \$787-billion stimulus package, US president Barack Obama on 19 February, 2009 outlined a \$75-billion housing foreclosure mitigation plan, which may help about nine million homeowners modify their mortgages. The programme took effect on 4 March, 2009.

The salient features of the plan are to allow 4-5 million home owners to refinance their loans through government institutions Fannie Mae and Freddie Mac. This initiative is intended to help homeowners who have seen their mortgage payments rise to about 50 percent of their monthly income due to the current recession. It also calls for a uniform loan restructuring rule to modify their mortgages to lower monthly interest rates through any participating lender.

The plan allows homeowners who are current on their payments to refinance their mortgage to a lower rate but cannot as they do not have the 20 per cent equity now required due to significant slump in valuation.

To help fund the programme, the US treasury is hiking an existing funding commitment to Fannie Mae and Freddie Mac. It will buy \$200 billion of Fannie and Freddie preferred stock, up from its previously preferred stock purchase



agreement of \$100 billion. It also will allow Fannie Mae and Freddie Mac to buy \$900 billion mortgage backed securities.

Although Obama said the plan "would not save every home," a White House release says the measure would help "up to seven to nine million families refinance or restructure their mortgages to avoid foreclosure."

"The plan I'm announcing focuses on rescuing families who have played by the rules and acted responsibly: by refinancing loans for millions of families in traditional mortgages who are underwater or close to it; by modifying loans for families stuck in subprime mortgages they can't afford as a result of skyrocketing interest rates or personal misfortune; and by taking broader steps to keep mortgage rates low so that families can secure loans with affordable monthly payments," Obama said.

"In the end, all of us are paying a price for this home mortgage crisis. And all of us will pay an even steeper price if we allow this crisis to continue to deepen - a crisis which is unraveling home ownership, the middle class, and the American Dream itself," Obama added.

The plan was announced by Obama and housing and urban development secretary Shaun Donovan in Mesa, Arizona, a suburb of Phoenix that has been reeling from the housing-industry meltdown and



economic slowdown. In Mesa more than 300 families lost their homes to foreclosure in January.

Fannie and Freddie own or guarantee more than 30 million mortgages, or almost 60 per cent of all single-family loans, according to recent estimate.

Subsidies for lenders

Under the \$75-billion modification programme involving government subsidies to lenders, the lenders will be responsible for bringing down interest rates so that a borrower's monthly mortgage payment is no more than 38 percent of pretax income. After that, the government programme would match the amount reduced by the lender to bring a homeowner's payments down to 31 percent of pretax income.

As an incentive, the servicers will receive \$1,000 for each successful modification, as well as additional government funding for each month the borrower stays current on its loan. Homeowners can also receive \$1,000 a year for five years as part of the programme, as long as they stay current on their loan payments.

Henry Sommer, Director at the National Association of Consumer Bankruptcy Attorneys, said he believes the incentives should encourage services to participate in the plan.

The plan also requires quarterly meetings to monitor the programme among the Federal Deposit Insurance Corp., Housing and Urban Development Department and the Federal Reserve.

Analysts say the plan will prevent millions of foreclosures

as it uses market incentives and does not protect the system's worst abusers.

Because of the economic downswing homeowners are now paying about 50 percent of their incomes on housing. They still are current on their payments, barely. For these homeowners, the government would help subsidize a lower interest rate that would bring their monthly payment down to affordable levels. The lender would pay half the cost of the lower rate, and the government would pay the other half.

Currently, homeowners who owe more than 80 percent of the value of their homes have a tough time refinancing; nearly one in seven homeowners is "underwater" on their loan, about 12 million homeowners, nearly double the 6.6 million who were underwater at the end of 2007, according to Moody's.

The US dollar soared to a 6-week high against the Japanese yen after Obama announced the programme. With trouble brewing in Europe, the new programmes announced by the Obama Administration should keep the US dollar attractive to investors over the medium term.

Earlier, the Commerce Department said housing starts and completions were down sharply in January, as were permits for new building. US housing starts dropped to record lows in January by 16.8 percent to an annual rate of 466,000 units, data showed; meanwhile, new building permits, which give a sense of future home construction, dropped 4.8 per cent to a 521,000 unit pace, also an all-time low. ■

US Stimulus Package Protectionist: Pranab

India's Foreign Minister and acting Finance Minister Pranab Mukherjee has said the Obama administration's massive stimulus plan will restrict trade and weaken efforts to beat the global slump, as it focuses on protectionist measures.

The US government's \$787 billion stimulus package, passed last month, includes a "buy American" clause insisting firms use US-made goods for public works and building projects funded by the stimulus package. Moreover Obama has clearly stated that there would be no tax breaks for firms which outsource jobs.

"The US government's stimulus package imposing restrictions on public procurement or discouraging US firms from outsourcing or restricting hiring of foreign workers is not in keeping with the spirit of global

cooperation," Mukherjee said at a business conference in Mumbai.

"That the biggest economy in the world, the US, where this global financial tsunami originated, should be resorting to trade-restrictive practices is particularly disturbing," he said. "This is a negative trend and is likely to have a cascading effect in other major economies and, thereby, undermine the global efforts to overcome the current crisis in the shortest possible time-frame."

Ten percent of India's exports are to the US, with software services and outsourcing firms earning more than 50 percent of their revenues from there. Job prospects for Indian software professionals abroad have also dimmed as recessions in matured economies deepen. ■



Impact of Obama policies on Indian IT Sector may be limited

By Poorvi Chothani, Esq. & Nupur Upadhyaya, Advocate

The election of Barack Hussein Obama as the 44th President of the United States on November 4, 2008 marks a historical occasion in the American political landscape. The election of Obama may lead to an era of progressive US politics that may lead to profound repercussions for US and the rest of the world.

If it had not been for the deep, global, recessionary trends Obama would have been able to focus on forging stronger relationships with growing economies around the world. Unfortunately, as it stands, he is forced to focus his attention on reviving the US economy before he diverts attention overseas. Fortunately, Obama has already forged a strong connection with India as observed in his enormous admiration of Mahatma Gandhi. His Senate office has displayed a portrait of Mahatma Gandhi inscribed with Gandhi's famous words "ordinary people can do extraordinary things". Obama looks up to Mahatma Gandhi as an inspiration as Gandhi embodies the transformational change that can be made when ordinary people come together to do extraordinary things.

It is also interesting to note that a number of high profile members of the Obama-Biden team have ties with India and/or are of Indian origin. In one of his most recent South Asian appointments, President Obama named Vivek Kundra as the Federal Chief Information Officer (CIO) at the White House on March 5, 2009. On January 19, 2009, Preeta Bansal, Esq., who is a member of the National Advisory Counsel of the North American South Asian Bar Association (NASABA), was appointed as General Counsel and Senior Policy Advisor at the Office of Management and Budget at the White House. Further, on January 20, 2009, another member of the National Advisory Counsel of NASABA, Neal Katyal, Esq. was appointed as the Principal Deputy Solicitor General at the Department of Justice. He is the second most senior official at the solicitor general's office in the Department of Justice and the highest ranking Indian American in the US Department of Justice.

President Obama has always backed the growing India-US strategic alliances in almost all sectors and also

supported the landmark bilateral Indo-US nuclear deal. However, Obama's election as the US President came at a time when the US economy and the entire global economy are in a state of complete disorder. While the Indian industry, along with the rest of the world, is hopeful that the Obama administration will take strong measures to revive the collapsing US economy, Indian businesses were apprehensive about the potential moves by Obama against the outsourcing industry and restrictions on H-1B visas.

It is perceived that the Indian IT industry will be severely impacted as the US companies that are receiving bail out money would be unable to hire employees on H-1B visas. This is not likely to affect Indian businesses as expected because the top H-1B visa list is predominantly made up of leading India-based IT companies which are not part of the bail out plan. There may be a follow through effect if many of the financial companies receiving the bail out funds do not renew existing contracts or establish new contracts with IT companies; the demand for H-1B visas is likely to fall sharply. In fact immigration practitioners who have been deluged with H-1B applications during this period in the past few years are seeing a significant drop in demand. The deadline for all companies to request petitions for new H-1B visas is April 1. Both the US and Indian companies have frequently highlighted the need to increase the cap, which was reduced from 195,000 to 65,000 three years ago. Since this reduction there has been an extreme shortage of H-1B visas, driven by heightened demand in a growth period. Whether Obama supports an increase in H-1B visas or not, he has clearly stated that he wants to end abuses of this visa category.

Obama had raised the pitch against outsourcing of US jobs during his election campaign. At a few of his election campaign rallies, Obama referenced plans to give tax credits and other incentives to companies who hire in the US and "end tax breaks for companies that ship US jobs overseas. In keeping with this, President Obama, in his first US Congress session on February 25, 2009, said that his government would give tax breaks to companies that would retain jobs in US and vice versa.



This step by the US administration came as a big blow to the Indian IT industry as out of the total foreign currency earned by the Indian IT sector, around 60 percent comes from outsourcing.

India's burgeoning business process outsourcing (BPO) sector may also face problems with the US economic revival plan which will not translate into tax breaks for companies outsourcing jobs. In his first address to the joint session of the US Congress, Obama stated that, "We will restore a sense of fairness and balance to our tax code by finally ending the tax breaks for corporations that ship our jobs overseas." To this measure undertaken by Obama, leading IT experts argued that while it is heartening to note that the US President has supported the need to avoid protectionism in his speech, this is not the time for protectionism but for global collaboration, if the world is to come out of this economic downturn quickly.

While US President Barack Obama's statements on curbing tax breaks for outsourcing companies in the US brought growing concern in the Indian IT sector, according to industry luminaries there is no reason to panic, yet. "The impact will be limited on the IT industry. Obama's statements refer primarily to outsourcing being carried out by manufacturing companies. US outsources

jobs and services not just to India but also to other nations like China," said KPMG outsourcing advisory head Vishal Thakker. These tax breaks are applicable to companies that repatriate their profits from foreign shores.

To counter any anti-outsourcing measures adopted by the US administration, the affected nations may invoke their rights under the General Agreement on Trade in Services (GATS) and the World Trade Organization (WTO) obligations as it appears that America's anti-outsourcing movement is not compatible with WTO as it would prevent free flow of goods and services under the WTO regime.

At the end of it all, India should rest easy and trust President Obama who states that Indian people "should know that they have no better friend and partner than the people of the United States."

**Poorvi Chothani, Esq. is the founder and managing member of LawQuest, a general practice law firm in India. She is admitted to the New York State Bar with an LL.M from the University of Pennsylvania, USA, and is registered as a Solicitor in England and Wales. Poorvi has been practicing law in India since 1984 and is admitted to the Bar Council of Maharashtra and Goa. Poorvi can be reached at info@lawquestinternational.com.*

Nupur Upadhyaya is an associate attorney at LawQuest and can be reached at nupur@lawquestinternational.com ■

Indo-US Bilateral Trade Amounts to \$44.42 billion in 2008

Bilateral trade between India and the United States in calendar 2008 stood at \$44.42 billion. While India's exports to the US amounted to \$18.66 billion, its imports from the latter were worth \$25.76 billion. The balance of trade at \$7.09 billion stood in favour of the US during the year.

Note: All figures are in millions of US dollars, and not seasonally adjusted unless otherwise specified.

Month	Exports	Imports	Balance
January 2008	1,078.4	2,306.7	-1,228.3
February 2008	1,505.5	2,118.5	-613.0
March 2008	1,644.7	2,254.7	-610.0
April 2008	1,105.3	2,125.8	-1,020.4
May 2008	1,493.5	2,190.3	-696.8
June 2008	2,047.3	1,869.2	178.1
July 2008	1,986.6	2,069.7	-83.1
August 2008	1,864.4	2,210.6	-346.2
September 2008	2,032.8	2,398.5	-365.7
October 2008	1,640.5	2,452.4	-811.8
November 2008	1,205.4	1,907.5	-702.0
December 2008	1,062.0	1,858.2	-796.1
Total	18,666.5	25,761.9	-7,095.4

• 'Total' may not add due to rounding. • Source: US Census Bureau, Foreign Trade Division, Washington, D.C. 20233

The State of H-1B Visa in Obama Regime

By Sonya Olds Som

President Obama, the son of a Kenyan immigrant, reiterated his administration's goal to have a comprehensive immigration policy in place in the next few months. However, while acknowledging that the current US immigration system is "broken", the President also acknowledged that "we've got a lot on our plate right now," referring to the economic crisis. Consequently, many insiders question whether comprehensive immigration reform will pass in 2009, or even during President Obama's first term.

With thousands of US workers losing their jobs on a daily



basis, legal and illegal employment-driven immigration face significant scrutiny from the American public. This is particularly true of the H-1B nonimmigrant visa classification.

H-1B Classification

H-1B visas are generally available to any organization that wishes to employ highly skilled and educated foreign nationals in any technical capacity (e.g., research scientists, engineers, systems or programmer analysts) or

in any higher level management or professional positions (e.g., CEOs, senior human resource managers, attorneys, accountants). The foreign national must

have completed at least the equivalent of a US awarded bachelor's degree, and the sponsored position must normally require this level and kind of specialized education or experience.

H-1B status is generally valid for an initial term of up to three years, and can be extended for up to three additional years. The H-1B holder's spouse and unmarried children under the age of 21 may obtain dependent H-4 visa status which coincides with the principal H-1B holder's visa term; however, H-4 dependents are not permitted to work in the US.

Although six years is generally the maximum term for an H-1B visa, it is sometimes possible to extend H-1B status past the sixth year if a foreign national is in the appropriate stage of the US permanent residence process.

Each year, new H-1B visas may be obtained by filing a petition starting on April 1 for an October 1 employment start date. For the 2010 fiscal year, 65,000 (the "H-1B Cap") H-1B visas will be available but an estimated 150,000 petitions will be received. An additional 20,000 H-1B visas are available in a separate lottery also on April 1 for foreign nationals with a Master's or higher degree earned in the US ("Master's Cap").

In recent years, all H-1B Cap visas have been allocated within the first few hours on April 1, and for the Master's Cap soon thereafter. This pattern is expected to continue on in 2009, even in the current economy. If applications received on April 1 exceed the Cap as anticipated, selection of successful applicants will be made by a computer generated random selection. US Citizenship and Immigration Services ("USCIS") notifies successful applicants by sending a Receipt Notice notifying the employer that the petition has been received and is being

processed to determine if an H-1B visa will be granted. Applicants not selected will have their petitions returned along with their USCIS Filing Fee checks. This process is typically completed by the end of May.

Not all H-1B visa petitions are subject to the fiscal year cap, however. The following “cap exempt” institutions may file for new H-1B visa at any time, without numerical limitations:

- Employers of existing H-1B visa holders who wish to extend the employee's status.
- New employers who file for foreign nationals who are currently in H-1B status with another employer.
- H-1B petitions filed by institutions of higher education or their related nonprofit entities, nonprofit research organizations, or governmental research organizations.

New Restrictions on H-1B Visa Petitions for US Employers

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (“ARRA”), a massive bill that allocates \$789.5 billion in federal funds and tax cuts to stimulate the economy. Section 1611 of ARRA, the Employ American Workers Act (“EAWA”), severely limits the ability of employers (including the automotive industry, banks and other financial institutions) receiving funding under the 2008 Troubled Assets Relief Program (“TARP”) or federal funds under Section 13 of the Federal Reserve Act (“Section 13”) to sponsor and employ new H-1B temporary foreign national workers. EAWA requires that any employer receiving such funds must be considered an “H-1B Dependent Employer.” As such, they are required to make additional Labor Condition Application attestations to the Department of Labor not normally a standard part of submitting an H-1B petition. EAWA is effective for two years from its enactment.

Under the H-1B Dependent Regulations, an employer is prohibited from “displacing” a US worker during the 90-day period before and after the filing of an H-1B petition (“direct displacement”), and from placing an H-1B worker with another employer that had displaced US workers within a 90-day period before and after the placement (“secondary displacement”).

Further, the H-1B Dependent Employer is required to take “good faith steps” to recruit US workers for the job to be filled by the H-1B candidate, and must offer the job to any US worker who applies and is at least equally qualified for the job.

Complying with the H-1B Dependent Regulations before the April 1, 2009, H-1B filing start date presented a significant challenge this year for those employers who have received TARP or Section 13 funds. Consequently, TARP/Section 13 fund recipients may not have had adequate time to complete the additional steps required in order to petition on behalf of prospective H-1B employees and will be unable to employ new H-1B status foreign nationals beginning on October 1, 2009.

While additional government clarification regarding the intended scope of EAWA is still anticipated, it does not currently appear to apply to petitions for extensions of H-1B status on behalf of current H-1B employees of the same sponsoring employer, or to change or extension of status petitions by employers seeking to employ temporary foreign national workers in other nonimmigrant visa classifications, (e.g., L-1, TN, E-1/E-2, etc.). Nor does EAWA prohibit, restrict or otherwise adversely affect an employer's ability to sponsor a current H-1B or other, otherwise eligible foreign national worker for US Lawful Permanent Resident (“green card”) status.

Many supporters of high-skill level immigration argue that restrictions on the availability and process of obtaining an employment-based green card are as much a problem as the shortage of H-1B visas. In his pre-election platform, President Obama expressed support for easing those restrictions, saying “We should allow immigrants who earn their degrees in the US to stay, work and become Americans over time. And we should examine our ability to increase the number of permanent visas we issue to foreign-skilled workers.”

Controversy Concerning Use of the H-1B Classification

Several publications have asserted that each H-1B visa creates five additional jobs in the US and immigrants were the chief executives or chief technologists at one of every four technology and engineering companies started in America from 1995 to 2005, and 52 percent of Silicon Valley start-ups. These immigrant-founded companies employed 450,000 workers in 2006. Nevertheless, US public perception is increasingly that the H-1B visa classification is often misused resulting in the loss rather than the creation of jobs for US workers.

As a Senator, President Obama expressed support for the H-1B visa program, including increasing the Cap. He has also pledged “to stop giving tax breaks to companies that ship jobs overseas,” but he hasn't specifically linked the H-1B visa program to this issue. Despite his general support for the program, the President has maintained



that the H-1B visa program needs reform. In October 2008, the USCIS released a report which found that as many as 1 in 5 H-1B visa petitions filed on behalf of foreign nationals possessing specialized knowledge contain fraudulent information (13.4 percent) and/or contain technical violations (7.3 percent).

In late February 2009, the USCIS released a report stating that, in Fiscal Year 2008 ("FY 08"), 6 of the top 10 recipients of new H-1B visas, were outsourcing vendors based in India. Infosys Technologies Limited, topped the list with 4,559 H-1B approvals. Other Indian companies on the list include Wipro Limited (2,678), Satyam Computer Services Limited (1,917), Tata Consultancy Services Limited (1,539), Larsen & Toubro Infotech Limited (403), and IBM India Private Limited (381).

Microsoft Corporation (1037) is the US company which received the most new H-1B approvals in FY 08. Its Chairman, Bill Gates, has repeatedly called upon the US government to increase the annual H-1B cap. Microsoft announced the termination of 1400 US employees in January 2009, with another 5,000 jobs to be cut over the next 18 months.

These statistics lead to the perception only strengthened

in a bad economy that the H-1B classification is being used by companies to train foreign national workers to replace US workers (at lower wages) in positions, both in the United States, in outsourced positions overseas. Consequently, it is unlikely that any immigration legislation passed in the near future will increase the annual H-1B Cap, or the annual availability of employment-based immigrant visas.

While many Americans are concerned about the possible loss of US jobs to both legal and illegal immigration, in reality both appear to be on the decline. With regard to legal immigration, with no H-1B cap increase likely in the near future, and as conditions abroad become increasingly attractive, many highly-skilled foreign nationals are returning home with their US education and training. An estimated 50,000 of these immigrants have left the US in the last two decades and returned to India and China. In the next five years, another 100,000 may return, enhancing the capabilities of foreign competitors instead of contributing to growth in the US. Once the current economic crisis has passed, the US may find it difficult to woo them back.

Author is Attorney at Law with Dykema and contacted at ssom@dykema.com

OLPC to Sell 3 m Laptops to Indian Village Schools in 2009

The American non-profit organization, One Laptop Per Child (OLPC) has set an ambitious target to sell three million OLPC laptops in India by end of 2009. The company, which started its pilot in mid-2008 in India, currently has around 1,000 laptops deployed in the country. The low-cost device comes at a price of Rs 15,000.

"We are in talks with several urban schools and so far have sales of around one million units in the pipeline," said OLPC India President and CEO Satish Jha. Aimed at bridging the digital divide in the country, OLPC is now tapping the corporate sector to assist in introducing computing to the underprivileged in the country. "We have met several companies so far and many have come back to us with a promise of support," he said.

Jha said that the cost of adopting one village will be around Rs 5 lakh. "Even if a few large corporations

adopt 10 villages, which means around 400-500 students each, it will be soon be a huge number," he said. OLPC, which does not directly sell the laptops in the market, is also in talks with several state governments to implement the project in their regions. However, the company is yet to finalize a deal with the any state government.

The 1,000 laptops sold by the organization so far are to six schools in Delhi, Uttar Pradesh, Maharashtra and Karnataka. While schools in Khairat village in Maharashtra were the first to adopt the model, Katha schools in Delhi are also part of the project among others. OLPC was one of the pioneers of the low-cost computing drive, after which leading PC vendors have come out with their versions of the cheap netbooks. The OLPC laptops are manufactured by Taiwan-based Quanta Computer, the largest manufacturers of laptops in the world.



Pest Control Can Save 20 mn t of Foodgrains Every Year

- Anil Rao, CMD, PCI

Pest Control of India (PCI) Chairman & Managing Director Anil Rao says that the awareness about pest control and its importance in daily life is growing among the general public. In fact, with efficient pest control practices, India could save an estimated quantity of about 20 million tonnes of good grains every year. In an interview with **Satya Swaroop** of Indo-US Business, Rao talks about the importance of pest control in a nation's economy. Excerpts.

What is the level of awareness about pest control in India?

The awareness amongst general public has grown considerably in the past decade or so, in keeping with the increasing economic growth and purchasing power in the country. Customers feel the need for a cleaner environment as a standard to be maintained and are willing to pay for such services.

However, for many years the pest management industry did not do very much at all to project a better image of itself and more importantly, did not have the requisite tools or technologies to deliver a service which was convenient and cost-effective. PCI introduced the cockroach gel in 2000 for the first time in India and this product singularly revolutionized the way this service is now conducted. The clients appreciated the ease, convenience and effectiveness of this service and a new standard was a born.

Do you think there is need for a national campaign to make people understand the importance of pest control?

The advent of many more companies entering this field and the resultant advertising through mass media certainly enhanced this awareness dramatically. Unfortunately, whilst the

awareness of individual companies may be greater today, I still believe the industry as a whole needs to do much more to project itself to a greater extent. A national campaign is a wonderful platform and this is being discussed actively in the IPCA (Indian Pest Control Association), which is the oldest and largest association of its kind in the country.

How does India compare with developed countries in the matter of pest control?

In general I believe we compare reasonably well considering the greater pest challenges we encounter, as also the limitations and hurdles we face in accessing new products and technologies that are prevalent in developed countries. Many of those countries too struggle in vain to control some of their pest problems. The Argentinian fire ant is one such invasive pest that has taken control of large swathes of South Eastern United States. The common bed bug has now become the no. 1 pest in most developed countries and pest controllers are struggling to control this menace!

Please explain the link between pest control and health of human beings.

The impact on human health due to pests is certainly well-known and documented the most dramatic being bubonic plague in late 19th century Europe. Malaria for one, kills more people every year than all the wars put together. These are the more obvious diseases to afflict us but many, like leptospirosis, (often transmitted by rats) go unnoticed and unattended. Cockroaches are carriers of a host of intestinal diseases through the contamination of food and a major cause of allergens in the home.

Food grain losses due to pests, especially rats, has been heavy



in this country. Does an organization like Food Corporation of India take the assistance of PCI in controlling the rat menace?

Yes, rats are responsible for a large part of the damaged stock in storage as they contaminate even more with their feces and urine, making the grain unfit for human consumption. Stored grain pests like beetles and weevils are probably statistically more important. With appropriate storage and pest management practices in place, the nation could save some 20 million tonnes of grain every year! More than all the grain stored today in warehouses across the country and enough to feed the nation! The FCI has a charter to conduct its own pest management and this is sometimes contracted out to the Central Warehousing Corp (CWC). We have never been approached by either government agency to conduct these services.

Have you made any estimates of losses to the economy due to pests and how much the nation could save by taking pest control measures?

I believe the nation's capacity for food production is large enough for our annual needs whilst generating an adequate surplus for export as well as stock for our food security. Enormous losses are directly a result of inadequate warehousing capacity, poor storage and pest management practices. I don't have any reliable figures that can be quoted but according to unofficial estimates, this could be over 40 percent of the annual harvest.

To what extent the food processing industry has been making use of pest control methods?

With increasing globalization, the attendant opportunities for our industries in general and the food processing sector in particular, have increased dramatically. It has correspondingly prompted a greater interest in and adoption of, international standards with a focus on food safety. Integrated Pest Management (IPM) services, in keeping with these standards, are now actively prescribed and practiced nationally.

Do you plan to extend your operations to control of pests affecting agricultural crops, considering India's dependence on the farm sector as the anchor of the country's economy?

Most certainly. As an agrarian country, this is where the real need lies and our farming community has found the pesticide approach failing it. For the past 20 years we have been developing 100 percent natural pest management methods and products with an express

ambition to wean the Indian farmer away from the use of pesticides. Our technologies have been recognised by the Indian Government with two national awards for the best R&D, in '93 and '07. These are exclusively biological control systems employing viruses, fungi and bacteria that already exist in nature. There are twin benefits for our country with this approach the decrease in pesticide use is obviously good for our ecology and the organically grown produce fetches a better price for the farmer. We are working closely with many of the larger associations like the Coffee Board and the Coconut Development Board who are championing these alternatives. We are increasing the range and availability of our products every year and the farmers have shown great alacrity in adopting them.

Which are the industries prone to the menace of pests and what steps they are presently taking in controlling it?

All industries face pest problems to some extent but I would think the food and pharmaceutical industries are more sensitive to it. Such industries also pay keen attention to how such measures are conducted, as the solution cannot become a greater problem than the pest! In fact the standards applicable to such industries stipulate a host of specified products and methods which focus on prevention rather than cure. The exclusion of all possible risks of contamination of their processes and products is a must. For example, rat poisons can only be used outside the facility and they have to be contained in special, tamper-proof boxes. Each measure is documented and regularly audited, often by external international agencies on behalf of their clients.

Could you offer some tips to common people as to how to go about in preventing pests from entering households and commercial establishments?

The age old advice is still valid don't create the conditions for pests to thrive. Keeping a clean environment, denying them food, water and shelter is the best way to prevent a problem. Don't keep unwashed dishes overnight. Keep all surfaces clean and dry as far as possible. Garbage should be bagged and bins should have secure lids. Mend/ fill cracks and crevices in cabinets and walls they make ideal harbourages. This common sense approach applies to commercial establishments too. In short, a high level of hygiene creates a hostile environment for most pests. Of course, being resilient creatures, there will always be an occasion when you find they have arrived and that is the time to call in a professional pest controller! ■



Boeing to buy products worth \$600 mn from 7 Indian Firms

American airplane manufacturer Boeing Company will buy aerospace structures and aviation electronics products worth at least \$600 million, or Rs2,941 crore, from seven firms in India as part of the so-called offsets against winning a \$2.1 billion contract early in January to supply eight P-8I reconnaissance planes to the Indian Navy.

According to official sources, the offset contracts are being placed with Larsen and Toubro Ltd (L&T), Bharat Electronics Ltd (BEL), Wipro Ltd, HCL Technologies Ltd, Hindustan Aeronautics Ltd (HAL), Dynamatic Technologies Ltd and Macmet Technologies Ltd, a unit of Canada's aerospace simulator maker CAE Inc.

On 9 January, Boeing said the first of the P-8I, a variant of the P-8A Poseidon, the long-range marine patrol and anti-submarine warfare aircraft, will be delivered to the Indian Navy, its first non-US customer, by 2011. The remaining will be delivered by 2015.

"Our team is working on the offset strategy and will be in touch with industry partners in a while," said Swati Rangachari, a spokeswoman for Boeing in India. "We will concentrate in the areas of avionics (aviation electronics) and aerostructures."

Ravish Malhotra, chief operating officer at Dynamatics, confirmed that the firm had been chosen as a vendor. A BEL executive said the firm had entered into an agreement with Boeing on the offsets contracts, but a contract was yet to be signed. "The scope of work includes supply of communication equipment, radars, electronic warfare systems and contract manufacturing," said I. V. Sarma, director for research and development at BEL.

Boeing's is so far the largest offset commitment for an

Indian defence deal since the government mandated foreign arms makers to source at least 30 percent of the value of the contract of more than Rs300 crore from local firms.

On 1 December, Astra Microwave Products Ltd, a Hyderabad based-firm building microwave wireless technologies, said it won a Rs57 crore offset contract from Israel's ELTA Systems Ltd, against supply of microwave wireless sub systems for India's defence radar programme. L&T is the other firm to win part of the Rs243 crore deal from ELTA.

India's imports of military hardware and software could reach a cumulative \$30 billion by 2012, according to a study by industry lobby Associated Chambers of Commerce and Industry of India (Assocham). In the same period, Assocham said, Indian companies are expected to get offset orders from global military equipment makers of nearly Rs 49,000 crore, or \$10 billion.

The biggest of such orders will come from local sourcing in a purchase of 126 fighter aircraft, estimated to cost Rs 42,000 crore. "The focus (to source locally) for foreign vendors, at least in the short term, would be in avionics and software, in which India is strong, and also in structural components," said Ratan Shrivastava, director for aerospace and defence at the New Delhi offices of research firm Frost and Sullivan.

Boeing said the first of the P-8I, a variant of the P-8A Poseidon, the long-range marine patrol and anti-submarine warfare aircraft, will be delivered to the Indian Navy by 2011. ■



Sterlite in \$1.7 bn Pact to Buy US Copper Mining Firm Asarco



Sterlite Industries (India) Ltd, a subsidiary of the London-based Vedanta Resources Plc, has signed an agreement with Asarco LLC, a Tucson-based mining, smelting and refining company in the United States for purchase of substantially all its operating assets.

In a press release, Sterlite Industries said it has recently signed an agreement to acquire Asarco LLC, America's third largest copper producer, for \$1.7 billion (Rs 8,756.6 crore).

Sterlite will make a cash payment of \$1.1 billion on closing; and a senior secured non-interest bearing promissory note for \$600 million, payable over a period of nine years - \$20 million per year from the end of second year for a period of seven years; and (ii) a terminal payment of \$460 million at the end of the ninth year, totaling \$600 million.

In the event that the annual average of daily copper prices in a particular year increases beyond \$6,000 per tonne, the annual payment in that year will be proportionately increased subject to a maximum of \$66.67 million and the terminal payment in the ninth year will be correspondingly reduced, keeping the total payment at \$600 million.

The principal amount of the note will be adjusted for any variations in working capital on closing. The obligations under the note are secured against the assets being acquired and are without any recourse to Sterlite.

The agreement is subject to the approval of the US Bankruptcy Court for the Southern District of Texas, Corpus Christi Division.

Asarco sold approximately 237,000 tonnes of refined copper in 2008. Its mines currently have estimated reserves of five million tonnes of contained copper.

For the year ended 31 December 2008, Asarco had total revenues of nearly \$1.9 billion and profit before tax of \$393 million. Formerly known as American Smelting and Refining Company, the 110-year-old Asarco's assets include three open-pit copper mines and associated

mills and SX-EW in Arizona, a copper smelter in Arizona, a copper refinery, rod and cake plants and a precious metals plant in Texas. The asset acquisition is on a cash free and debt free basis.

Sterlite will assume operating liabilities but not legacy liabilities for asbestos and environmental claims for ceased operations. The consideration being paid is towards the gross fixed assets and working capital of Asarco, the company said.

"We are happy that we have reached agreement with ASARCO on these new terms," said Anil Agarwal, Chairman, Sterlite. "This acquisition is in line with our strategy of leveraging our existing skills to become a diversified global copper producer and creating long term value for shareholders."

Asarco expects the acquisition to create significant long term value for all stakeholders through leveraging Sterlite's proven operational and project skills to develop and optimize Asarco's mines and plants; Access to attractive mining assets with long life; Geographic diversification in the North American market; and stable operating and financial platform for Asarco.

RBS Securities acted as financial advisor and Shearman & Sterling acted as legal advisor to Sterlite in this transaction. Barclays Capital acted as financial advisor and Baker Botts L.L.P. acted as legal advisor to Asarco in this transaction.

Sterlite Industries is India's largest non-ferrous metals and mining company with interests and operations in aluminum, copper and zinc and lead. Sterlite's main operating subsidiaries include Hindustan Zinc Ltd for its zinc and lead operations; Copper Mines of Tasmania Pty Limited for its copper operations in Australia; and Bharat Aluminum Company Ltd for its aluminum operations.

The company also operates its own copper operations in India. The company has entered the commercial energy generation business and is in the process of setting up a 2,400MW independent power plant. ■

'Dual-use Ban Blocking \$270-bn Nuclear Business with US'

India has sought the lifting of a US ban on sale of dual use items to this country, saying it blocked over \$270 billion in business for American nuclear power reactors and defence sales.

A lifting of the "unnecessary" restrictions would help realize \$150 billion in nuclear commerce and another \$120 billion in defence sales for US companies, Prime Minister's special envoy on nuclear issues Shyam Saran recently told the the Barack Obama Administration.

"With the opening up of nuclear commerce with India, there is a need now to review and remove these unnecessary restrictions on international trade with dual use item and technology," he pointed out.

The US uses the so-called entity list to prohibit the sale of US technology to several Indian technology and engineering firms, the PM's special envoy on climate change said during a meeting at the prestigious Brookings Institute in Washington.

"As India's economy matures and its industry moves into higher-end manufacturing, the demand for high technology goods and services is destined for a major boost," he pointed out in a keynote speech on 'Indo-US civil nuclear agreement: Expectations and Consequences'.

"The US, of course, remains the preferred source of such goods and services," he said adding that he hoped, "the so-called Entity List, which still prohibits sale of US technology and services to a number of Indian high-tech companies, will be scrapped sooner than later."

The US economy, hit by the global financial market crisis stemming from its own subprime loan crisis, is growing at zero rate while India's own growth rate has fallen 2-3 percentage points since the middle of the current fiscal, Saran said.

While India's economic growth will moderate, energy and defence will remain at the top of



India's national agenda, Saran said. "This should encourage the US to look at India as a welcome source of demand for its goods and services, even as the global economy contracts," he added.

Saran, a key negotiator in the Indo-US nuclear deal, said India's offer to buy up to 10,000 megawatts of US nuclear power reactors could "translate into \$150 billion worth of projects, with significant business opportunities and potential collaboration for both Indian and US companies."

At current levels of defence spending on upgradation and new acquisitions, the US could expect business worth \$120 billion from India over the next 10 years, he said. "This will require the US to overcome lingering Indian doubts about the reliability of US supplies," Saran added.

"It is in the interest of the two countries to 'work together to find a mutually acceptable solution which will take care of US legal requirements about end-use monitoring of transferred defence articles and also meet our sensitivities," he said.

"The positive impact of a more liberal technology trade regime is already beginning to make an impact on India's sourcing of defence hardware from the US," Saran said, adding, it was certain "we will be able to do so quickly given our past experience and also given the interest both our countries have in strengthening this relationship."

US clears \$2.1bn Maritime Aircraft Deal with India



The Obama administration has cleared a \$2.1 billion sale to India of eight Boeing manufactured P-8I maritime patrol aircraft. The deal overtakes an earlier \$1 billion Lockheed sale of six C-130J Super Hercules military transport planes to the Indian Air Force to become the largest US arms sale to India to date.

The news would have cheered Boeing, a Chicago-headquartered company, the hometown and political cradle of president Barack Obama. The hurried clearance comes even as the Obama administration conducts a "review" of military sales to a number of countries, including India.

Even as it seeks to conduct a "review" the Obama administration has deemed it fit to bar US company General Electric from making operational two gas turbine engines it has supplied to the Indian Navy for installation on its latest Shivalik-class frigates. The ban is for an indefinite period, leaving a time-bound, critical Indian Navy programme stranded.

In a 12 March notice to the US Congress the State Department has said that it will license the direct commercial sale having factored in "political, military, economic, human rights and arms control considerations."

The Indian navy is Boeing's first international customer for the P-8, a long-range maritime reconnaissance and anti-submarine warfare aircraft. A derivative of the Boeing's commercial 737 airframe, the P-8I, which is the Indian Navy version, is similar to the P-8A Poseidon being developed for the US Navy.

The aircraft had won out over European and Russian

offerings, including EADS Airbus A319 and the Russian Ilyushin-38 platforms.

The aircraft can operate effectively over land or water while performing anti-submarine warfare; search and rescue; maritime interdiction; and long-range intelligence, surveillance, target acquisition and reconnaissance missions, according to company statements.

Under terms agreed upon, Boeing will deliver the first P-8I within 48 months of signing the contract, and the remaining seven by 2015.

Boeing's P-8I contract includes associated support equipment, spares, training and logistical support through June 2019, the State Department said in its notice. The sale would come under the purview of the Indian Ministry of Defence "offset" conditions. These "offsets" were expected to include engineering service, manufacturing and integrated logistics-support projects totaling \$641.3 million.

Lockheed and Boeing, the top two defence contractors to the Pentagon by sales, are also in the race to supply 126 new multi-role fighters to India in a deal potentially worth more than \$11 billion. Boeing is in the race with its F/A-18 E/F Super Hornet, while Lockheed is touting its F-16.

The sale can potentially run still be grounded because of a lack of end-user agreements between India and the US. Such agreements, though a routine part of US government-to-government arms sales, still have to receive clearance from New Delhi, which holds reservations over aspects of these agreements. ■

New York Looks to India, China to Develop New Businesses

New York City will conduct an international campaign focused on attracting commercial banks and insurance companies based in China, India and other developing economies, to encourage entrepreneurs to choose the city as their regional base.

The programme, unveiled by New York Mayor Michael Bloomberg recently is designed to support the growth of new businesses in the city while keeping current ones afloat, thereby saving thousands of jobs.



Under the programme to revive the financial sector and the Wall Street, entrepreneurs from China, India and other developing countries will be encouraged to set up their regional offices in the city by providing them incentives.

The programme also envisages creation of incubator spaces for startup businesses, setting up an investment fund to help startup companies, offering business development

programmes and retraining laid-off financial sector workers.

New York City proposes to support financial innovation through an annual business plan competition with top business and engineering schools throughout the US, Europe, Asia and Latin America.

Bloomberg has asked interested universities to submit financial service business plan proposals to New York City Economic Development Corporation (NYCEDC), which will evaluate the plans.

Winners will receive a cash prize, a trip to New York City, free space within one of the city's new incubators for two years and access to additional investments through the Angel Fund if a company is established locally.

"The financial services meltdown is a global problem, not one that any city or even nation can solve on its own," said Mayor Bloomberg. "And although we can't predict exactly what its revival will look like, we're confident the sector will come back. When it does, cities around the world will compete to capture the jobs it brings. In New York City, we're not waiting for that day to come. Instead, we are taking aggressive steps to put the City in the best position to capture growth, and we're doing it by promoting one thing more than any other: innovation. New York City's greatest strength has always been and will continue to be the innovation, drive and work ethic of New Yorkers. Time and time again, history has shown that our City rewards those who have the courage to pursue their dreams and launch new ideas."

The City has identified three basic challenges brought on by the financial services crisis. First, the shrinking of sector jobs and loss of institutions like Lehman Brothers and Bear Stearns has reduced the critical mass of financial services entities in New York City.

Of the five broad sub-sectors of financial services capital markets, investment management, insurance, retail banking, and wholesale banking the greatest job loss is expected to come in capital markets, the city's biggest sub-sector.

The report said capital markets will account for 57 percent of the total financial services job losses in New York City. In 2007, capital markets made up nine percent of the nation's six million financial services jobs but 39 percent of New York City's 339,000 financial services jobs, according to the Bloomberg report. ■

Ford India's \$500-mn Expansion Plan Unaffected by Meltdown

Ford India's capacity expansion programmes are progressing as scheduled despite the slowdown in the Indian automotive industry and the recessionary trend in the US.

On the sidelines of the National Conference on Corporate Governance, organized recently by the Loyola Institute of Business Administration (LIBA), Ford India's CFO and Wholetime Director G. Parthasarathy told reporters that the \$500-million project announced in January 2008 is going as planned.

According to earlier reports, about 70 percent of the investment will come from the parent company in the US as equity and the rest is managed through internal accruals and debt by Ford India. Despite the slowdown in the US, there is no dearth of funds from the headquarters.

"We have been receiving funds; the latest was two weeks ago. We are going ahead with the project as we are working on a specific product to be launched in 2010. I think things will settle down by then and it would be the right time to come out with a new product," he said.

The project will be completed by early 2010. The expansion programme will double its vehicle manufacturing capacity to 200,000 units a year and add an engine manufacturing facility with a capacity to make 250,000 engines annually. The engines will be for captive consumption and exports.

Addressing the conference, Parthasarathy said corporate governance was nothing but individual ethics and principles under the umbrella of the organisation. He said that for organisations to demonstrate corporate governance, it is not sufficient if companies proclaim high standards. Instead they must live with them on a day-to-day basis.

Ford has policies and guidelines to help align the values of corporations uniformly at all levels. The company dwells upon an extensive orientation programme and periodical refresher modules to sustain practising corporate governance. Training programmes are evaluated and in some cases, those who score less than 80 percent are asked to repeat the module. ■

Du Pont Names GVK Biosciences as Partner in Crop Protection Research

Hyderabad-based contract research pharma firm GVK Biosciences, has been appointed by DuPont Crop Protection as a strategic alliance partner for discovery chemistry services in India.

GVK is a provider of integrated research services to big pharma and biotech companies globally and has developed an enviable track record of assisting them in accelerating their drug discovery and development process. It has a diverse customer portfolio including 15 big pharma companies, agri and life-sciences companies, biotech and academic institutions. The company has over 1,500 employees spread across research facilities in Hyderabad, Chennai, Mumbai and Gurgaon in India.

In January GVK and Munich-based Crelux had set-up a fragment-based drug discovery platform to deliver

rapidly, viable lead molecules by combining Crelux's structural biology technologies with GVK BIO's computer-assisted drug design (CADD) tools right upto novel drug candidates stage.

In May last year the company entered into a drug discovery pact with Wyeth Pharmaceuticals, after having, earlier in February, GVK Biosciences licensed its toxicity database to AstraZeneca.

DuPont and GVK have been working together for over five years and the Hyderabad firm already has a dedicated discovery chemistry team to work on DuPont's various R&D initiatives.

"Based on our valued relationship of the past years, we are ready to advance to a new level of technical collaboration with GVK Biosciences," said Julia Wheeler, R&D director, DuPont Crop Protection. ■

NABSHOW 2009

A Gateway to Indian Firms to Showcase Creative Content

In order to facilitate stronger business ties between India & United States, The Indo-American Chamber of Commerce (IACC) in association with the National Association of Broadcasters (NAB) organized the curtain raiser events in Hyderabad, Chennai and Mumbai for the NABSHOW 2009, a US Department of Commerce certified show, which would be a marketplace for new productions and the single largest gathering of electronic media industry. The NABSHOW, a conference-cum-exhibition, will be held in Las Vegas from 18 to 23 April, 2009. IACC, as the official partner in India for the

second time for NABShow 2009 will take a high profile delegation to the trade show.

The NAB Show exhibits about 1600+ companies showcasing the latest in content creation, management, commerce, distribution and delivery, including every element of television and radio broadcasting, film video production and post production, audio production, multimedia, Internet, satellite and telecommunications. A massive gathering of 110,000 + professionals from 163 countries who create, direct, produce, record, light, film, broadcast, transmit, post, animate, edit, write, protect, digitize, stream, promote, integrate, manage, present, network, program, sell or buy content, attend the NAB Show.

At the curtain raiser events held across the cities, Farokh Balsara, Chairman, Media & Entertainment Committee, IACC and Partner, Media & Entertainment Practice, Ernst & Young, emphasized that India has the largest Film Industry in the world with over 1000 films being produced annually. Indian films have now reached non-diaspora audiences in US, Europe and East Asia leading to many International partnerships. Through his presentation, Balsara highlighted the great boom which could be witnessed in media and entertainment Industry be it animation, gaming, mobile and online advertising which has resulted in numerous international partnerships. He said that with new genres and international formats



R. K. Chopra, doing the presentation on NABSHOW in Mumbai.



R.K. Chopra, Farokh T. Balsara & T. Venkatanarayanan in Chennai.

taking over from traditional soaps as consumer preferences change content creators have witnessed a growth rate of about 25-40 percent in 2008 over 2007... and there is huge scope for Indian Markets.

IACC Secretary General R. K. Chopra said that this year, the focus at the NAB Show is on India with an Info Session on April 22nd: "India: Transitioning to a Digital Future" and an "India Pavilion" in the Content Central hall of the exhibits area, reserved exclusively for Indian companies to showcase their prowess.

Calling upon Indian media and entertainment companies to utilize this special feature, Chopra talked about the several advantages in terms of heavily discounted exhibition booth costs, reduced conference rates and free entry to Info and Super Sessions and the

exhibit floor for four days which individuals/companies could avail by participating through IACC delegation.

More information was presented through the promotional video on NABShow at these curtain raiser events.

The events, held in Hyderabad, Chennai and Mumbai on 6 and 27 February and 5 March, 2009 respectively were well-attended by renowned film producers, directors, technicians & other pioneering organizations catering to the assorted needs of the film industry. Professionals from the media & entertainment industry especially content providers, gaming, digital production, film and TV channel sectors also attended the curtain raiser event. ■

Indo-US Pact on Bio-fuels

India has recently signed a pre-agreement with the United States to establish a framework of cooperation covering scientific, technical and policy aspects of production, conversion, utilization, distribution and marketing of bio-fuels in a sustainable and environmentally friendly manner in accordance with national priorities and socio-economic development strategies and goals.

Both the governments have identified eight specific areas for collaborative activities. Bio-fuel feed-stock production based on sustainable biomass with active involvement of local communities through non-edible oil seed bearing plantations on wastelands will be carried out. Thrust will be given to production and development of quality planting materials and high sugar containing varieties of sugarcane, sweet sorghum, sugar and cassava.

Besides this, advanced conversion technologies for first generation bio-fuels and emerging technologies for second generation bio-fuels, technologies for end-use applications in the sector based on a large scale centralized approach and stationary applications in rural areas and industry for motive power and electricity production based on a decentralized



approach through active community participation, utilization of by-products of bio-diesel production processes, development of test methods, procedures and protocols, standards and certification for different bio-fuels and end use applications, promotion of technology transfer, assessment of joint policy and business models are other areas of cooperation.

Recognizing the important role played by government, industry and research entities in both the countries in the area of bio-fuels development and the benefits expected from their potential collaboration, both the countries decided to cooperate in this field. ■



President Obama Inauguration Ushering in a New Era

On January 20, 2009, Barack Obama was sworn in as the 44th President of the United States of America. To mark this auspicious occasion, the U.S. Consulate General, Mumbai and the Indo-American Chamber of Commerce, WIC, invited over 300 high profile guests comprising the crème de la crème of Mumbai - celebrities, industrialists, business leaders, corporate heads from US joint venture companies in India, members from the US Consulate and media to watch this event live.

The event, held at the JW Marriott Hotel, showed on wide screens the live telecast of the spectacular inauguration ceremony and the first Presidential address from Washington DC, followed by live music and dancing along with cocktails and dinner.

Paul Folmsbee, US Consul General and Brian Brown, Regional President, Indo-American Chamber of Commerce, played the perfect host by warmly receiving all the guests and welcoming them personally. Following the speeches, all eyes turned to the live broadcast of the swearing-in ceremony. The guests cheered as President-elect Obama took the Oath of Office becoming the first African-American President in US history. Wild applause followed President Obama's promise: "To the Muslim world, we seek a new way forward, based on mutual interest and mutual respect. To those leaders around the globe who seek to sow conflict, or blame their society's ills on



S.K Jain, National President, IACC addressing the audience that had gathered to witness the inauguration ceremony of US President Barack Obama



L-R: Classy jazz performance by Ash Chandler and Ashtrays



L-R: Brian Brown, Regional President, IACC, Paul Folmsbee, Ms. Shabina Patel, Regional Director, IACC with the replica of US President Barack Obama



Audience glued to the live telecast of the inauguration ceremony of US President Barack Obama from Washington DC



Brian Brown handing over the Cheque of Rupees Three Lakhs to Karambir Sing Kang, GM, Taj Mahal Palace & Tower, also seen in the picture are Ms. Elizabeth Khauffman, Director, American Center & Public Affairs Office & Ms. Renu Basu, V.P. Sales, Taj Mahal Palace & Tower

the West: Know that your people will judge you on what you can build, not what you destroy. To those who cling to power through corruption and deceit and the silencing of dissent, know that you are on the wrong side of history; but that we will extend a hand if you are willing to unclench your fist."

Ash Chandler who presented the proceedings kept the audience engaged with his stand up comedy. This was followed by a live band performance. The highlight of

the event was a social cause where the fund raised through the donor passes and a mega auction of holiday packages, paintings of renowned artists and gifts were donated to the 'Tata Trust' to help the victims of the tragic terror attacks of 26/11 in Mumbai.

The Regional Director, IACC, WIC, Shabina Patel closed the event with warm gratitude for all attendees. Overall, the evening turned out to be a good mix of fellowship and fun. ■



MBA Students from North Carolina on Learning Mission

A 17-member delegation from the University of North Carolina's Kenan-Flagler Business School, USA, visited Indo-American Chamber of Commerce in Mumbai on March 6, 2009. The main objective of the delegation's visit was learning and understanding the functions of the Chamber and IACC's role in strengthening ties between India and the United States.

The delegation comprised 14 MBA students and three faculty members. The delegation was led by Professor Jay Swaminathan, Lead Faculty and his team of faculty that included Ms. Sandy Gerow, Associate Director and Staff Trip Leader and Tim Flood, Assistant Professor of Management and Corporate Communication.

The students and the faculty members were warmly welcomed by the entire IACC team after which they were escorted to the conference room. The proceedings started with a brief introduction of IACC by Ms. Shabina Patel, Regional Director, WIC, followed by an impressive presentation by IACC Secretary General R.K. Chopra. The presentation emphasized IACC's vision as an organization. It covered all aspects of IACC from its functions to its role in developing stronger relations between the US and India. The students were highly

enthusiastic and were forthcoming with their queries during the presentation.

The visit ended by the delegation expressing their gratitude to IACC for their hospitality. Overall the visit turned out to be a fruitful experience for the MBA students of North Carolina's Kenan-Flagler Business School. ■



R.K. Chopra, Secretary General and Ms. Shabina Patel, Regional Director (WIC) alongwith the delegation from University of North Carolina's Kenan-Flagler Business School

PUNE BRANCH

The Annual Fellowship Nite Celebrated with Gusto



Pankaj Dhume, Chairman, Indo-American Chamber of Commerce, Pune, delivering his welcome address to Guests and Members.

The Pune Branch of Indo-American Chamber of Commerce celebrated its 'Annual Fellowship Nite' at 'The Pride Hotel', on 10 February, 2009.

US Consul General in Mumbai, Paul Folmsbee, Chief Guest for the event spoke on the politics and the commitments of US President Barack Obama.

Brian Brown, Regional President, WIC, IACC, updated audience on national and regional events conducted by IACC.

Pankaj Dhume, Chairman, IACC, Pune, talked about the various initiatives taken by the Chamber during last few months including numerous one-on-one business meets arranged for IACC members. He spoke about a new



Paul Folmsbee Speaking on the Commitments made by the US President Barack Obama.

service being planned for all its members such as a Web-based trade platform.

ERNST & YOUNG were the sponsors of the "Annual Fellowship Nite". Arvind Sethi and Vinesh Kriplani, Partners, Ernst & Young, in their presentation "Winning in uncertain times", showed positive steps to be taken during the present economic down turn.

Dr. Wilfried Aulbur, CEO & Managing Director, Mercedes Benz, India, Guest of Honour for the occasion, gave a presentation on the current scenario of the



Dr. Wilfried Aulbur Speaking on the Slowdown in Automation sector.

automobile/automotive sector in the US and India.

Raghavendra Gaikawari, Vice Chairman, IACC, Pune, in his vote of thanks, appreciated presence of the Chief Guest, the sponsors Ernst & Young, the Guests of Honour and audience for their participation.

The event, well attended and highly appreciated, presented an opportunity to mingle with industry leaders such as, Dr Aulbur, Ravi Pandit, KPIT Cummins, Prakash Chabbria of Finolex, among others. ■

Seminar of Different Types of Visas

The IACC- Pune Branch conducted a Visa Seminar sponsored by Lawquest, Mumbai on 2 January, 2009. The seminar was addressed by Cyrus Mehta, a US Attorney from New York & Ms. Poorvi Chothani, Attorney, Lawquest, Mumbai.

The guest speakers and the audience were welcomed by Prafull Mokashi, Executive Secretary, IACC, Pune. He briefed the audience about the Chamber's successful efforts in holding a 'Biotech Seminar', a 'Seminar on Innovation' and numerous one-on-one business meets for IACC members with visiting US companies during recent months. He appealed to the audience not to miss the great opportunity to attend the flagship event of IACC - 'The Indo US Economic Summit' - on 7th and 8th January at Le Meridien in Delhi.

The well-attended seminar highlighted the impact on the issuance of visas due to the economic downturn and changed outlook under President Obama. Mehta spoke about the different types of visas and the challenges one could face, while filing for a visa for the first time. He

spoke on various aspects such as purpose of travel, ability to meet financial expenses, activities in the US, that need to be taken care of by applicants while applying for business visas. Mehta elaborated on how L Visa can be A Viable Alternative to the H-1B visa. In addition, he spoke about the requirements for different types of visas such as, H-1B Visa, Business Visa and their limitations.

Ms. Chothani offered a good insight into the new trends in Consular processing and then briefed the audience on visa procedures while filing for a Visa. She explained to the audience about the possible internal reasons such as "TAL", "Condor Hits" and "Donkey hits" in those rare cases where Visa Issuance is put on hold. She also briefly covered the option of Permanent Residency {PERM} and Foreign Nationals Working in India.

Compulink systems Ltd., HSBC Technology and Services [Global Technology], KPIT Cummins Infosystems Ltd., Persistent Systems Limited, PTC Software (India) Pvt. Ltd., Serum Institute, Tech Mahindra Limited, TechniGraphics (India) Pvt. Ltd. were amongst the participants. ■



GUJARAT BRANCH

Interactive meet with Allied Minerals Products of US

The Gujarat Branch of Indo-American Chamber of Commerce, organized an interactive meet with "Allied Minerals Products Inc." on the morning of 30 January, 2009 at the Chamber's conference hall, in Ahmedabad.

Allied Mineral Products Inc. is a US-based company and is a world leader in the design and manufacture of monolithic refractories and precast refractory shapes. It has a strong presence in the foundry, aluminum, steel and industrial markets worldwide. Its product-line includes leading edge refractory technology and longstanding refractory alternatives. It has expertise in all areas of metal melting applications.

Kuehn Scott, Asst. Director, Global Marketing and Lawrence Moore, Corp. Development Specialist from the US company, were present at the meeting. They talked about the company's involvement in steel, aluminium, carbon products etc. Scott said his company planned to set up a

plant and operations in India which will cover the entire gamut of marketing, selling, importing and exporting in which the preference will be given to the development in Gujarat.

The meeting was highly interactive where all the members and representatives from Allied Mineral Products Inc & IACC officials took a very active part.



Kuehn Scott & Lawrence Moore with
IACC- Gujarat Branch members & officials.

IACC Acts as Facilitator at Vibrant Gujarat Summit

The IACC-Gujarat Branch actively involved itself with the Government of Gujarat for "Vibrant Gujarat Global Investors Summit 2009" which was held on 12 and 13 January, 2009 at Science City, Ahmedabad. IACC had its own booth at the main Business Centre of the SUMMIT and IACC facilitated one-to-one meetings with all major US Companies visiting the event.

As Gujarat has become a power house of business opportunities and in keeping with the same tradition, IACC became a vital link for co-ordination between the US and Gujarat in trade and commerce. IACC's members were happy as IACC provided them

opportunities for one-to-one meetings with US companies.

The US companies that visited the Vibrant Summit include Bert Hill Designs, Fusion Enterprise, CBT, Common Wealth of Virginia, Allied Minerals, W2E, Barret Trade, Tuff Ones, Atwood Oceanic, Kanoda Inc., IPR Group, etc. IACC arranged meetings with selected US companies for its members.

During Summit, more than 250 business delegates visited the IACC booth for getting information regarding Indo-US business.



A US delegate with IACC Chairman Kaizar Mahuwala & Branch Secretary Krishna Bhaya.

IACC offered a platform to US-based companies to develop their business through technical tie-ups and business collaboration at the Summit. To mark the occasion IACC came out with a "Vibrant IACC Souvenir 2009" which also served as an ideal source of reference



IACC Officials with delegates at IACC Booth

point and guide for the delegates and everyone who had a keen interest. The Souvenir was distributed to business associations in Gujarat, major business groups, industrial associations, government officials, and traders and services providers. ■

Interactive Session with Kentucky Business Mission

The IACC-Gujarat Branch organized an interactive meeting with Kentucky Leadership Trade Mission to India from the United States, on 4 March, 2009 at the IACC conference hall in Ahmedabad.

Kaizar Mahuwala, Chairman, IACC-Gujarat Branch warmly welcomed the Kentucky business delegation. He also gave a brief introduction of IACC and the visiting

delegation members. The delegation consisted of nine members, who were looking at Indian companies for seeking business cooperation, particularly in the fields of jewellery, decorating items, textiles, BPO's, general retailing, etc. from Gujarat.

The delegation, led by Ms. Ying Juan Rogers, VP, Kentucky World Trade Center, included Ms. Russ Meyer, Mayor, Nicholasville, Constance Lawson, Mayor, Richmond, Ms. Alison Meyer, President, Two Chicks & Co, Jim Hizer, President, Bowling Green Chamber of Commerce, Jas Sekhon, President, Bluegrass Industrial Foundation, D. Craig McAnelly, Director, Global Opportunities for Kentucky, Suvas Desai, MD, President, Nimax International Consultants, LLC, Joe Digirolamo, President, TurboCharged leadership & Patrick Guenther, VP, International Sales, Stored Value Solutions.

Kentucky World Trade Center (KWTC) is a nonprofit membership organization helping Kentucky companies import, export and establishes overseas operations. Kentucky World Trade Center offers counseling, market research services, translation assistance, trade education seminars, international events and programs, cross-



Group Leader Ms. Ying Juan Rogers, VP, Kentucky World Trade Center, Representatives of 'Kentucky Leadership Trade Mission to India' with IACC officials.



cultural training, trade missions, and referrals to local international service providers.

The mission's main objective is to increase trade ties and open doors for Kentucky companies to do more business with India and to attract Indian investment. During this trip, the delegation members had the opportunity to explore India's growth through meetings with government officials, business chambers and industry leaders, as well as through participation in a variety of cultural activities.

The delegation members said that they are the part of ITM (Innovative Technologies for Manufacturing) Expo-09 an international B2B exhibition and conference. The main focus of ITM is on agro & food processing, auto

components/accessories, chemicals & pharmaceuticals, electronics & electrical engineering & energy/renewable energy & the environment.

The meeting was highly interactive where all the delegation members and IACC officials took a very active part.

Ms. Rogers conveyed her special thanks to Ms. Krishna Bhaya, IACC Gujarat Branch Secretary, for taking the initiative and arranging the meeting. Lawson said the members of the delegation were very thankful to IACC. A vote of thanks was offered by IACC past Chairman and Patron Member Rajan Vasa. ■

Playing Host to Economic Development Mission from Ohio

The IACC-Gujarat Branch organized an interactive meeting with the visiting Economic Development Mission from Ohio, USA, on 11 February, 2009 at IACC conference hall in Ahmedabad.

Kaizar Mahuwala, Chairman, IACC-Gujarat Branch warmly welcomed the business delegation. He also gave a brief introduction of IACC. The delegation consisted of eleven members, who were looking for joint ventures, Investments, technical tie-ups and business collaboration particularly in the fields of alternative and renewable energy, automotive components & accessories, plastics & polymers, industrial


controls, automation and electronics from Gujarat.

David P.N. Silk, Partner, Global Business Advisors, was the head of the delegation, whose members include Mark E. Albrecht, Economic Development Service Manager, Mayour's Office of Economic Development, Samuel D. deShazor, Deputy Director, The Dept. of Planning & Urban Development, Ms. Larry E. Finch, Director of Community Planning & Development, City of Twinsburg, Ms. Ilene Shapiro, Summit County Council, AT-Large Representative, Donald J. Kuchta, Karen Fritschel, Chuck Wiedie, Economic Development Director, William A. Currin, Mayor, City of Hudson, Ohio.

The delegates shared their experience relating to their mission. Before coming to Ahmedabad, they visited Delhi, Mumbai and Bangalore and had useful meetings there. The delegation was much excited about doing business with Gujarat companies as the state has emerged as an industrial hub.

IACC Past-Chairman G. S. Baldva offered a vote of thanks at the meeting in which nearly 40 members participated. The Programme was well covered by print and electronic media. ■



Interactive session in progress, seen in the photo are Delegation Leader David P.N. Silk, & IACC officials. 



NORTH INDIA COUNCIL

Meeting with Ohio Economic Development Mission

The Northern India Council of the Indo-American Chamber of Commerce (IACC) jointly along with the PHD Chamber of Commerce and Ohio India Office organized a meeting with Economic Development Mission from Ohio, USA on 9 February 2009 at PHD House in New Delhi. The delegation was led by Mayor Karen Fritschel, City of Stow.

Welcoming the guests, Pradeep Tyal, Chairman, International Affairs Committee for Americas, mentioned about the growing economic partnership between the United States and India as one of the pillars of the transformed bilateral relationship. He also spoke about the future prospects of trade and investment between India and Ohio and the innumerable opportunities available to build on the existing strong relations and exploit the vast emerging opportunities for mutual benefit. Tyal further mentioned about the Chamber's special relationship with the state of Ohio,

referring to the MoU that was signed in 1987.

Delegation from the state of Ohio, made presentations on their State and spoke about the opportunities available for joint cooperation in sectors like alternative and renewable energy, automotive components & accessories, plastics & polymers, industrial controls, automation and electronics.



Interactive Session on "Trade & Investment Opportunity in the State of Illinois "

The Northern India Council of the Indo-American Chamber of Commerce (IACC) and FIEO jointly organized an interactive meeting with Rajinder Bedi, the Head of the Office of Trade & Investment in the government of Illinois, on 18 February, 2009 at the FIEO's Committee Room. Besides Bedi, the session was addressed by Sudershan Banerjee, Chairman of IACC's ESB Committee, J.K.Jain, Chairman, FIEO (NR) and Ajay Sahai, DG, FIEO.

Bedi apprised the participants of various aspects of Illinois and the present and future opportunities in bilateral trade and investment between India and Illinois. Banerjee told the participants about the support commercial the Chamber could provide to SMEs in promoting their businesses and also talked about the importance of joint endeavors between various

chambers in holding collaborative sessions for the mutual benefit of their members. The session ended with a lively question and answer round. The session was attended by 10- 15 people.



L to R - Rajinder Bedi, Ajay Sahai and Sudershan Banerjee



VARANASI BRANCH

A Colloquium on Water Conservation

The Uttar Pradesh Branch of Indo-American Chamber of Commerce (IACC) in Varanasi organised a one-day conference on the theme - Colloquium on Water Conservation - in collaboration with the UP State Council of the Confederation of Indian Industry (CII) on 18 March, 2009.

Uttar Pradesh, while on one hand is a land of rivers and irrigation channels, on the other, many areas of the State face water shortages. This shortage can be the average rainfall witnessed by the State is also higher than the national average, but much of this rainfall goes unutilized.

Use of water in industries, especially in the carpet sector is a must. Huge amount of water is used in every stage of the processing of finished carpet. Therefore, management of water is crucial. Coinciding with the spirit and to drive home the message for industries to come forward and play a vital role in conserving this resource by managing it effectively, the Conference focused on sharing of best practices and models on water conservation and management for others to replicate.

IACC-Varanasi Chairman Debashis Mukherjee welcomed guest speakers and all the participants. Mukherjee expressed hope that this conference would generate awareness about judicious use of water by everyone in general and by IACC members in particular, who are directly or indirectly involved in carpet manufacturing.

He hoped that all participants shall return to their work field with a positive message to use water as they spend their hard earned money.

Ved Krishna, CII, Mr. Praveen Aggarwal, General Manager, Coca Cola India Inc, M. Manoj Sinha, CSR Head, Hindalco, Anand Shekhar, Regional Manager, Water-Aid India were the main speakers. Professor Ashok Kaul of Banaras Hindu University and Dr. Rajani Kant, Director, Human Welfare Association, Varanasi, also spoke.

Vinay Kumar, Vice Chairman, IACC, Varanasi thanked all participants and reiterated the resolve of IACC, Varanasi to spread the conference message. ■

EAST INDIA COUNCIL

Meet on US Economic Crisis, Outlook & Emerging Scenario

An interactive session on the "US Economic Crisis, Outlook & Emerging Scenario in 2009" was jointly organized with AMCHAM & Capexil at the Calcutta Club in Kolkata on 9 January, 2009.

Shourya Mandal, IACC Regional President and G.K. Sachdev, Chairman, AMCHAM gave the welcome address and opening remarks respectively. The session was moderated by Harjeet Kohli, Director, Citibank. Other notable panelists included Dr. Marilyn Taylor, Principal Commercial Officer, Foreign Commercial Services, Sunil Kanoria, Director, SREI, Tapan Chattopadhyay, Executive Director, Capexil, Chanchal C Sarkar, IES, Ministry of Commerce, Government of India. The session made it clear that there will be no early resolution to the global financial crisis. The financial shock that erupted in August 2007, as the US sub-prime

mortgage market was derailed by the reversal of the housing boom, has spread quickly and unpredictably to inflict extensive damage on markets and institutions at the heart of the financial system. ■



Panelists at the dais



SOUTH INDIA COUNCIL

TAMIL NADU BRANCH

Seminar on “Managing and Monetizing IPR”

The Tamil Nadu Branch of the Indo-American Chamber of Commerce (IACC) organized a seminar on “Managing and Monetizing IPR” on 24 January, 2009 in Chennai. The Chief Guest for the program was Justice V. Ramasubramanian of the Madras High Court, who delivered the inaugural address. The valedictory address was given by Justice S. Jagadeesan, a former Judge of the Madras High Court and former Chairman of IPAB.

Justice Ramasubramanian said that there were many individuals in India who believed in just words of trust, rather than making attempts to register their products or discovery. He said that people living in other countries are holding patent rights for inventions made by Indians, since they were not patented in the first place.

Other topics and speakers include:

- Overview of IPR Laws - Dr. Sudhir Ravindran, CEO, Altacit Global
- Role of Judiciary in enforcing the IPR Laws - N.V. Srinivasan, Chief Consultant, NVS & Associates
- Licensing of IPR in India - A.A. Mohan, Founder, Mohan & Associates

- Industry speaker - V. Balakrishnan, Chief Information Officer, Polaris Software Lab Ltd

Other speakers include - S. Chandrasekaran, Technical Member, IPAB and K.M. Viswanathan, Dy. Controller of Patents & Designs, Patent Office, Chennai. About 60 participants including 55 registered delegates attended the programme. ■



Address by Hon'ble Justice V. Ramasubramanian, High Court of Madras. (On dais from L-R); N. V. Srinivasan, Treasurer, S. Ravishankar, Chairman and Umesh Pujara, Vice Chairman of IACC - TN Branch.

KARNATAKA BRANCH

Interactive Session on Enhancing Productivity & Reducing Cost

The Karnataka Branch of Indo-American Chamber of Commerce, (IACC) organized an interactive session on the theme of “Collaborative Solutions for Enhancing Productivity and Reducing Cost”. This 60-minute

presentation-cum-interactive program was to facilitate an ongoing interaction and professional information exchange among IACC Karnataka members. Sandeep Mehra, Chief Sales & Marketing Officer, Cisco WebEx,



outlined on how an organization with minimum infrastructure can effectively increase revenue, decrease time to market, enhance business effectiveness and capture a market share.

The session was held in KRFMA on 15 January, 2009. The talk was very informative and highly beneficial for the IACC members especially the SME's. ■

Sandeep Mehra, Chief Sales & Marketing Officer, Cisco Webex interacting with IACC Members



Nandan Nilekani at Fellowship Meet

The IACC-Karnataka hosted a fellowship networking evening for its members and celebrated the Republic Day of India on 24 January, 2009 at Trinity 1 of Hotel Taj Residency, Bangalore.

It was an elegant evening, which included an Indian classical music performance by child prodigy Aakash (flute) accompanied by Ustad Hafeez Khan (sitar). Nandan Nilekani, Co-Chairman of Infosys Technologies was the Chief Guest for the evening. Nilekani gave the IACC members an insight on his recently launched book "Imagining India". He had a captivating table talk with many corporates present, along with a question and answers session.

Budweiser and Nine Hills sponsored the cocktails at the event, which was appreciated by all the IACC, Karnataka members present. The theme of the evening was well

supported by Taj Residency in terms of the décor and cuisine. ■



Nandan Nilekani launching the IACC, K Membership Directory 2008-09 along with Vasanth Kini



L-R: Rajkumar, IACC, K Vice Chairman, Vasanth Kini, IACC, K Chairman, Nandan Nilekani, Co-Chairman, Infosys Technologies and Mahesh Srinivasan, IACC, K Vice Chairman



L-R: Indian Classical Performance by Ustad Hafeez Khan (sitar), Child Prodigy Akash (Flute)



Meet on Doing Business with US

The IACC-Karnataka organized a seminar on "Doing Business with the USA", on 17 February, 2009 at Hibiscus Hyacinth Hall of The Oberoi Hotel, Bangalore. The meet was aimed at exploring the emerging opportunities in the Indo-US businesses spectrum.

Bilateral trade between India and the US has been growing steadily in recent years. The US offers an open business environment. It is very easy to start a business or to conduct commerce in the US. There are, however, some restrictions that apply and many hazards to avoid.

John C. Yates, Chair, Corporate Technology Group and Jason D'Cruz, Chair, Indus & Employment Groups of Morris, Manning & Martin, LLP Atlanta, addressed the seminar and shared some practical pointers for Indian entrepreneurs on doing business with the US.

Some of the pointers included:

- Conducting market research in advance,
- Protecting your Intellectual Property,
- Determining your strategic partners,
- Selecting an appropriate financing source,
- Obtaining sound accounting/tax advice & counsel,

- Develop customer-friendly agreements,
- Select the appropriate form of legal entity,
- Choose your employees carefully,
- Obtain employee benefits & payroll services,
- Obtain appropriate immigration and Visa compliance.

Sandeep Mukherjee, General Manager, Export Credit Guarantee Corporation of India Ltd (ECGC) talked about the need, importance and relevance of credit insurance in the US Market. The seminar was well attended and appreciated by the IACC members.



L-R: Jason D'Cruz , John Yates, Mahesh Srinivasan & Sandeep Mukerjee,

Interactive Session on Employee Background Verification

The IACC-Karnataka Branch organized an interactive breakfast session on Employee Background Verification at Hotel Fortune Select JP Cosmos on 11 February, 2009. Col. Vijay Reddy, COO, Footprints Collateral Services Pvt Ltd spoke about the entire gamut of employee background verification in the Indian workplace. Examples of fraud, misconduct and terrorism in the Indian work place were analyzed; steps that could have been taken to avert these incidents were also discussed.

Col. Reddy analyzed the best practices that all companies must have in place with regard to verification of their employees/potential employees. He also offered some suggestions based on his experience in this field. The talk was very informative and highly beneficial for the IACC members.



Speakers: Col. Vijay Reddy ,COO, Footprints Collateral Services Pvt. Ltd. (Standing) and Mahesh Srinivasan- Vice Chairman IACC-K



Seminar on Performance & Competency Management

The IACC-Karnataka organized a seminar on "Performance & Competency Management" on 5 February, 2009 at Hotel Fortune Select JP Cosmos.

The seminar highlighted the importance of the performance of employees which naturally affects the performance of a company. This means performance reviews stand as one of most powerful tools for ensuring the success of a company.

Ensuring that the company's staff has the proper skills and competencies to consistently perform the tasks required are sometimes a daunting challenge. Managing and tracking individual skill levels in regulated environments is a continuous process.

The distinguished panelists who participated in the seminar are: V. Ramachandran, Sr. Director HR,

Motorola, who provided an overview of current trends in performance management. Rajeev Gopalakrishnan, Consultant, Talent Management, talked about Competency Management. Soumitra Das, Head HR, Siemens Information Processing Systems. Ltd focused on Balanced Score Card Method in Performance Management.

This speaker meet was followed by a panel discussion on "Integrating Performance Management with Business". P. V. Shastri, Director of P.V. Shastri Associates moderated this event.

The seminar provided a unique opportunity for the IACC, Karnataka members to learn from some of the leading experts about the best practices followed by the world's top organizations. ■



L- R Mahesh Srinivasan, Vice Chairman, IACC (K), Rajeev G-Talent Management Praveen Shastri, P.R. Shastri & Associates and Soumitra Das Siemens Information Processing Systems.



Ramachandran, Sr. Director HR, Motorola.

ANDHRA PRADESH BRANCH

FedEx Delegation in Hyderabad on Business Networking Opportunities

The Andhra Pradesh branch of Indo-American Chamber of Commerce, in association with FedEx and US Dept of Commerce organized a networking Luncheon with a FedEx trade delegation, comprising 15 American small and medium companies visiting Hyderabad for business collaborations on 12 November, 2008 at hotel Kakatiya

Sheraton.

The networking luncheon was followed by a panel discussion wherein. Syed Baderuddin, Chairman, Esbee Holdings Pvt. Ltd., made a presentation on practical issues of conducting business/infrastructure/



negotiations in India. Ms. Shanti Kumar, General Manager, Fragomen Immigration Services Ltd spoke about cross-cultural communications. P. Sankar, Head, HR Support, Satyam Computer Services Ltd spoke about

the Human Resource aspects US Vs. India and Sam Thomas, Managing Director, Pafex (FedEx) talked about the logistics of exporting (from the port/airport to the ultimate consignee) for US exporters. ■

Meet on Doing Business with US Bilateral Trade: Growth Potential

The Andhra Pradesh branch of IACC organized a seminar on "Doing Business with USA" on 1 December 2008 at Hotel Golkonda. US Consul General Cornelis Keur inaugurated the session as Chief Guest. Commenting on the unfortunate economic crisis the world is currently facing, he expressed his total faith in the growth potential of both India and the US.

Hans-Michael Kraus, partner with M/s. Smith, Gambrell & Russell, Atlanta, USA, representing a multitude of domestic and multinational corporations, made a presentation on the various channels available to enter the US market such as importers, taking up distribution, operating as a subsidiary, franchising, forming partnerships, etc. Delving deep into the subject, he also talked about the corporate structures, legal aspects, financial/ technical/ administrative/ tax/ policy implications etc., involving each of these channels. Commenting on the documentation, Kraus advised individuals/firms looking for expanding their operations to be extra cautious as there could be minor complications relating to various aspects such as technical/legal/tax etc issues, which, if unobserved could result in major financial losses.

P. Ramesh Kumar, Functional Committee Chairman, Engineering Export Promotion Council, Hyderabad, made a presentation on export performance of India, highlighting product wise, region wise and Industry wise

statistics. He also briefed about the facilities provided by the government for hassle-free means to export (inclusive of finance options) and the benefits available by registering with EEPC.

Duvvuri Srinivas, Sr. Manager of Sysnet Technology Solutions (P) Ltd., Hyderabad, shared his experience on the global economic crisis and how it had affected his company and its plans to overcome the problem.

IACC - AP Branch Vice Chairman Shanti Kumar presented a vote of thanks at the end of the session, which was very well attended. ■



L-R: Ms. Shanti Kumar, Cornelis Keur, Jagadeeswara Rao, Hans-Michael Kraus, P. Ramesh Kumar

Seminar on Global Economic Crisis, Impact & Management

The Andhra Pradesh Branch of Indo-American Chamber of Commerce, conducted a seminar on "Global Economic Crisis, Impact and Management" on 25 November 2008, at Hotel Golkonda, addressing the participants, IACC A. P., Branch Chairman Jagadeeswara Rao said that as a result of the global economic meltdown, India's economic growth may slow

down in line with the rest of the world, but it will remain a relatively strong performer. He talked about the importance of being aware of the situation, saying that it is also important that we use this awareness to create a positive growth atmosphere and find possible solutions. The objective of the seminar was to understand the scenario, its global and Indian impact and possible



solutions for the problems that it had thrown up.

Sumit Agarwal, Financial Economist from Research department, Federal Reserve Bank of Chicago and also an Associate Professor of Finance at Indian School Of Business, in his presentation, analyzed the international economic crisis from a global and an Indian perspective.

Speaking about the causes of the meltdown, Agarwal noted that the number and share of sub-prime mortgages increased rapidly over the last few years. Whether factors like rising house prices, excess liquidity, increased securitization and lax underwriting standards led to increase in sub-prime mortgages, or the increase in sub-prime mortgages led to these factors occurring, is a chicken and egg kind of situation, and open to debate. Commenting on the present scenario, he noted that the current crisis has hit the financial service sectors and firms that deal in brokerage or trading the most and this is likely to create an over-reaction in the asset markets, loss of consumer confidence and downsizing in corporate India.

Speaking about the probable solutions based on the global crisis the world had earlier faced, Agarwal noted that the governments across the globe have already stepped up their interventions through a variety of measures including interest rate cuts, capital injections, lending guarantees to restore liquidity etc. "We as Individuals have to be aware of risks and tackle the problem pragmatically," he added.

Pranay Kumar, Chief Manager, Cygnus Business Consulting & Research, provided a statistical insight into industry-specific growth/decline, Ashok Kumar Kedia, CEO and Group President, Kedia Group, through his analytical study expressed a strong belief in the growth of the economy down the line. Syed Baderuddin, Chairman Esbee Holdings Pvt Ltd., and National Vice President, IACC, also shared his thoughts on the issue.

The session concluded with Bhaskara Narayana, Vice President, IACC- A.P Branch, summing up the session and presenting a vote of thanks. ■



L-R: Bhaskara Narayana, Sumit Agarwal, Jagadeeswara Rao, Syed Baderuddin, Pranay Kumar and Ashok Kumar Kedia

Indian Content on the Move

The IACC Andhra Pradesh Branch, in association with NAB, conducted a talk on "Indian Content: on the Move" .on 7 February, 2009 at Taj Deccan. Farokh T. Balsara, Partner, Media & Entertainment Practice, Ernst & Young, highlighted the growth potential of the media and entertainment Industry. He said that India has the world's largest film industry with over 1000 films being produced annually. Indian films have now reached non-diaspora audience in the US, Europe and East Asia leading to many international partnerships.

Through his presentation, Balsara highlighted the great boom being witnessed in media and entertainment Industry in animation, gaming, mobile and online advertising which has resulted in numerous international partnerships. He informed that with new genres and international formats taking over from traditional sops as

consumer preferences change, content creators have witnessed a growth rate of about 25-40 percent in 2008 over 2007 and there is huge scope for the Indian market to grow.

IACC Secretary General R K Chopra, said that at NAB this year, the focus is on India with a Super Session on 22 April, 2009. "India: Transitioning to a Digital Future" and an "India Pavilion" in the Content Central hall of the exhibits area, reserved exclusively for Indian companies to showcase their prowess.

Calling on media and entertainment companies from India to utilize this special feature, Chopra also talked about the several advantages in terms of heavily discounted exhibition booth costs, reduced conference rates and free entry to eight Super Sessions and the exhibit floor for four days which Individuals/ companies



could avail by participating through IACC Delegation and the special features of the Resource Directory for NAB Show 2009 featuring information about the Indian Delegation.

The session was also chaired by IACC National Vice President Syed Baderuddin, IACC-AP Branch Chairman Jagadeeswar Rao and special guest Bhardwaj, renowned film producer and director and also the president of the Telugu Film Producers Council (TFPC), one of the pioneering organizations at national level catering to the assorted needs of the film industry. ■



R K Chopra, Farokh T. Balsara, Syed Baderuddin, Bhardwaj and Jagadeeswar Rao

Networking Dinner with US Consulate Officials 22 January 2009

The IACC- AP Branch organized a networking luncheon meeting of Branch Executive Committee members on 22 January 2009 at Hotel ITC Kakatiya with US Consulate Officials Carmine D'Aloisio, Minister Counselor for Commercial Affairs, USFCS, US Embassy, New Delhi, Cornelis M. Keur, US Consul General, Hyderabad and Mark A. Leoni, Chief Consular Services, US Consul General, Hyderabad and P. Radhakishore, Director, USCS, Hyderabad. Probabilities and work areas of working together to strengthen the business ties of the two nations along with BEP were considered and discussed.



Consulate Officials with Branch Executive Committee members.

Silver Jubilee Celebrations

The IACC- AP Branch, celebrated its Silver Jubilee year on 3 October, 2008 at Hotel Novotel under the Chairmanship of Anand Reddy. Dr Geetha Reddy, Minister for Major Industries, Sugar, Commerce and Export Promotion, Govt. of Andhra Pradesh graced the occasion as Chief Guest. B. P. Acharya, IAS, Managing Director, APIIC, Hyderabad and Cornelis Keur, US Consul General in Hyderabad were the Guests of Honour. Syed Baderuddin, National Vice President,



Dr. Geetha Reddy, inaugurating the Branch Silver Jubilee Souvenir along with B. P. Acharya, Syed Baderuddin, Anand Reddy, Cornelis M. Keur, Vinay Agarwal.



IACC and Vinay Agarwal, President SIC were the other dignitaries who graced the Occasion.

BVR Mohan Reddy, Chairman and Managing Director, Infotech Enterprises Limited, and V.C. Nannapaneni, Chairman and Managing Director, Natco Group, were felicitated for their contribution to Indo-US business and trade. As a mark of appreciation for their efforts in promoting IACC Vision and Mission, the past Chairmen of IACC- A.P Branch were honored with mementos.

The event was attended by more than 150 senior officials and representatives from business and industry and US Consulate, Hyderabad, Industrial Associations, other Chambers like Amcham, FAPCCI and FICCI. The celebrations concluded with Chief Guest Dr Geetha Reddy releasing the Silver Jubilee Souvenir of the Branch, followed by a cultural Kuchipudi dance programme by Ms Veena, a young dancer. ■



B V R Mohan Reddy, CMD Infotech Enterprises Ltd., being felicitated



V.C. Nannapaneni Chairman and Managing Director, Natco Group, being felicitated

KERALA BRANCH

Seminar on Export Opportunities and Procedures for MSMEs

Micro, small and medium enterprises have vast opportunities in export trade and this should be properly utilized, said Muthukumar, Chief General Manager, Export Import Bank of India at Chennai. He was inaugurating a seminar organized by the Kerala chapter of the Indo-American Chamber of Commerce in association with Exim bank and KINFRA in Cochin at Hotel Avenue Centre on 20 January, 2009.

Muthukumar also explained the different types of schemes that Exim bank is offering the exporters.

Srinivas, Director, Exim Bank, Bangalore, Chandrasekhar, Manager, SMERA, Sundararajan, Deputy General Manager, SIDBI, Sobi of KINFRA, and G.R. Pillai of ECGC also spoke and made their presentations.

The seminar was very well attended by CEOs of micro, small and medium enterprises. There were 46

participants including the members of IACC-Kerala.

Vijay Narayan Govind, Vice-Chairman of the Chamber welcomed the gathering and Sajuk. Thomas, Chairman, proposed a vote of thanks. ■



L-R: K. Muthukumar, Vijay Narayan Govind, Sajuk. Thomas, S. Srinivas, Chandrasekhar

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