

# INDO-US BUSINESS

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## A Refreshing Change & An Exciting New Phase



India: A Country  
With A Billion  
Opportunities

Founder Chairman  
Late Shri R.K. Prasad

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# In This Issue

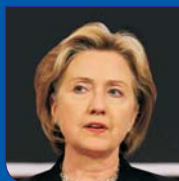


## COVER STORY

08

Indo-US Economic Relations

**A Refreshing Change &  
An Exciting New Phase**



## FOCUS

11

USIBC Synergies Summit in Washington

**Hillary Clinton Heralds A  
New Era in Indo-US Ties**



## DIPLOMACY

19

**Singh's New Govt to  
Accord Top Priority to  
Indo-US N-Deal**



## OPPORTUNITY

22

**US Congress Approves  
Boeing Spy Plane  
Deal with India**



## REPORT

25

Target \$320 bn by 2018

**Mission Possible**



## NEWS

32

**Timothy Roemer  
Named New  
US Ambassador to India**



## CHAMBER NEWS

36

**Welcome Dinner in  
Honour of US Interim  
Charge d'Affaires Burleigh**



## Dear Reader,

Greetings. With two new regimes firmly in place, relations between India and the United States are heading for exciting times. While President Barack Obama has talked about the 'change' that the US and India can bring about in the world working together, his Secretary of State Hillary Clinton has described the emerging relationship between the two new governments as the Dawn of a New Era. Prime Minister Manmohan Singh, who is back at the helm of power, is happy for the continuity of the new US administration's policy of regarding India as one of its most important strategic partners. The cover story of the current issue deals with the new phase of reiterated trust in their relationship by both the countries. In the focus section we have a speech by Clinton delivered at a 'Synergies Summit', held in recently in Washington to mark the 34<sup>th</sup> Anniversary of the United States India Business Council (USIBC). She talked about India as a 'country defined by democracy, diversity, and dynamic growth, a country that had over 1.1 billion opportunities to enhance not only individual potential, but the nation's.' Referring to the Indo-US nuclear deal, Clinton said, "This landmark accord, which the Obama Administration is fully committed to implementing, provides for economic and technical cooperation between our two countries and allows us to move beyond our concerns about the status of India's nuclear programme." Economic engagement between India and the US has never been so wide-ranging and intense as it is now. But the bilateral trade is far below the potential that exists between them. The issue carries a study made by the Confederation of Indian Industry (CII), which projects Indo-US two-way trade to double every three years to touch \$320 billion by 2018 from the present \$41 billion if suitable measures are taken expeditiously. In the diplomacy section, we carry two reports, one that reaffirms the Obama Administration's commitment to implement the Indo-US nuclear energy deal and the other that reiterates Prime Minister Manmohan Singh's government according a high priority in carrying it forward. Indo-American Chamber of Commerce (IACC) organized a high-profile business delegation from the Indian media and entertainment industry to the NABSHOW 2009 Las Vegas in April this year. We carry a report. As usual, we have plenty of news from various IACC branches, constituting the chamber news. We also present a legal viewpoint on India considering offering protection norms to pharmaceutical multinational companies. The issue carries the usual features, besides plenty of news.

*Wish you happy reading*

**Satya Swaroop**

Managing Editor

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Dear Member,

Now the question being asked across the world among policy makers, corporate honchos and common men is when the melt down is going to bottom out. Discussions on intensity of the melt down, how it is affecting various economies, sectors which are mostly hit etc, are put in the backburner. Barring a few countries, meltdown has ridden rough shod over them and every one is looking forward to the deliverance. Significantly, there is a marked perceptual cleavage among economists, policy makers etc about the timing of the recovery. There is an overwhelmingly pessimistic school of thought, which feels that recovery process will be longer than what it is expected. They feel that it might take little more for the US economy to pick up. According to them deliverance from the present turmoil is directly linked with the upswing of the US economy, particularly that of the Europe, China and Japan, which have very strong trade links with the US (US accounting for major share of their exports).

The other view is that the recovery is round the corner. They cite the example of recent results of some of the American and European corporations, which have bucked the trend and shown profit last year. Citibank is one such example. According to them many corporations across the world are in a fast track to recovery, which will be unveiled in the coming months. Protagonists of this view also point out the perceived buoyancy in the Indian market as a trailblazer to the global recovery. According to them, the positive movements in the Indian stock market, has started attracting investments from abroad, particularly from FIIs from US and Europe. Very soon they are going to be net investors in the Indian market. The growth process in India will gather momentum with a stable government in place at the centre. A massive growth program will be triggered for ushering in inclusive growth. Some of the reform process, which had to be put under tight leash on account of the political expediency and stiff opposition from the coalition partners will be taken to the logical end. These include much awaited reforms in insurance sector, banking sector, educational, judicial and administrative reforms and the like.

What that will portend for the global economy? Undoubtedly, that will open up many areas of investment for the global companies, particularly in the field of infrastructure, such as power both in the conventional and non conventional sectors like solar energy, wind mill and bio-mass. A rough estimate by the governmental agencies put the requirement for the infrastructure investment in India in the next five years or so is worked out to over US\$ 500 billion. This massive figure include sourcing of equipment such as plant and machinery, FDI and a host of consultancy services and technical know-how, countries like the US are keen to participate.

The bail out plans of India is not an isolated happening. Almost all countries, the US, Europe, Japan and China have come out with such rejuvenation plans to boost their sagging economies. Some of the plans unveiled by the US for repairing roads and bridges, strengthening urban facilities and housing have already showing encouraging results. In the months to come, these development activities will gain momentum pushing up the beleaguered economies.

There is also another dimension to the development process. That is the fund infusions that can be expected from the multi-lateral organizations like World Bank, IMF etc. These funds may flow mainly to developing world, which can catalyze the demand for imports of capital goods and technologies world-wide. It is expected that in a few months time from now, these funds would be released in phases, which can help signaling growth processes world-wide.

But the recovery process and the resultant economic landscape will be essentially different from the one existed below. We have learned the lessons the hard way. Investment banks and



hedge funds have to transform themselves from greedy outfits to responsible institutions. There will be greater degree of controls and regulations on them to ensure their orderly growth. Inclusive growth should be the buzz word in the post recovery period and all administrations should gear themselves for this challenging task.

Significantly, during the recovery and post recovery period three countries will have cut out roles. They are the US, India and China. Their combined efforts should be not only coordinated but also should seek greater synergies. The thinking that prevailed during the bad days of the melt down that the US, sooner or later will be decimated as a super economic power. But that thinking seems to be thinking without any sound rationale. The US will continue to play a powerful role in the emerging economic and financial architecture. Possibly, its pre-eminence will to a large extent dependent on the type of support and synergy it can strike with the Indian and Chinese economies, the two fastest growing economies in the world.

As a partner in progress, IACC has been cementing the relationship between the oldest and largest economies of the world. Three important events that have taken place in our continuing effort to take the economic engagement to a higher orbit of growth need are mentioned below.

A delegation comprising of 34 delegates from the Indian media and entertainment industry and officials from the Ministry of Information and Broadcasting Smt. Sushma Singh, Secretary along with Mr. Amitabh Kumar, IRS Director (films) participated in the world famous National Association of Broadcasters Show 2009 held in Las Vegas, USA from April 18-23, 2009. IACC also organized a India Pavilion and Info Session on "India: Transitioning to a digital future on April 22, 2009 which was chaired by Mr. Farokh Balsara, Partner & Director, Advisory Services Technology, Communications & Entertainment.

The second is the interface we had with the Indian Commerce Secretary G K Pillai. We could impress on him some of the policy changes that are required to boost the exports to US. We also had an interface with the Indian Ambassador Peter Burleigh, Charge d'Affaires, Embassy of USA, New Delhi where we discussed the need for taking the Indo-US civil nuclear energy agreement to the logical end.

An interactive meeting with members of IACC in New Delhi held on 16 April '09, Ms. Meera Shankar, India's Ambassador designate to the US, underlined the need to take appropriate steps to further enrich the economic engagement. She specifically referred to the decline in the share of the US in the overall foreign direct investment (FDI) India received last year. Ms Meera Shankar, has underscored the need for greater business involvement of the small and medium enterprises (SMEs) of India and the US to strengthen bilateral economic relations.

Shortly, we are going to meet the Revenue Secretary for a detailed discussion on Budget and a pre-Budget memorandum will be submitted to him.

Thank You

**S.K. Jain**

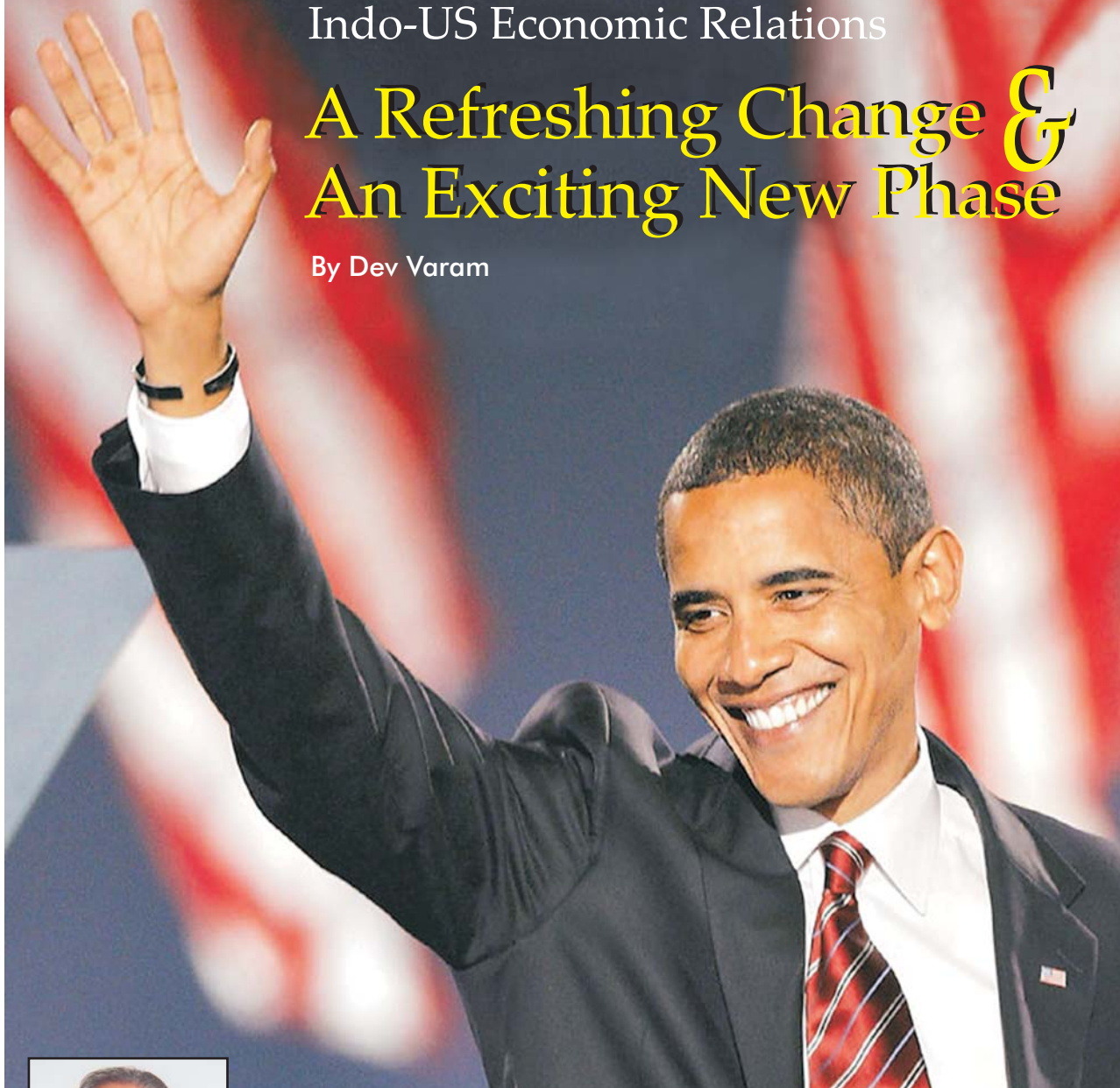
National President, IACC



## Indo-US Economic Relations

# A Refreshing Change & An Exciting New Phase

By Dev Varam



Dev Varam

India and the United States (US) have entered a new phase of intensified economic engagement. President Barack Obama obviously wants this to be a changer over; a new beginning in relations between the world's oldest democracy and its largest counterpart. To emphasize his point, he eloquently quoted Mahatma Gandhi. 'You must be the change you want to see in the world', President Obama said while accepting the credentials of India's newly-appointed Ambassador to the US Meera

Shankar recently in Washington. He expressed his belief that the US and India can deliver this change. So, change it is; change for the better, from the best that has already been achieved by the two countries, like their signing a historic civilian nuclear energy cooperation agreement last October after three years' deliberations, debate and legislative approval by both governments.





President Obama's powerful Secretary of State Hillary Clinton is lyrical about this relationship. In her much-applauded speech at a 'Synergies Summit', to mark the 34th Anniversary of the United States India Business Council (USIBC) held recently in Washington, Clinton referred to 'the Dawn of a New Era' in relations between the two countries that need to be nurtured further. "Here was a country defined by democracy, diversity, and dynamic growth, a country that had over 1.1 billion opportunities to enhance not only individual potential, but the nation's," she said. Then Clinton added, "And when I was elected to the Senate, I co-founded and co-chaired the Senate's India Caucus, the first time we had done that. And I have returned to India to talk about this partnership which I think is critical not only to both of our countries, but literally to the future of the world, the kind of world we want to shape together." That sums up the US policy vis-à-vis India.

The symbolism of the Synergies Summit assumes significance because both countries are headed by newly-elected governments and their renewed commitment is afresh. Even as his administration grappled with the biggest-ever economic crisis in history, President Obama found enough time to pay attention to Indo-US relations. He dispatched a personal letter to New Delhi making it clear that India is "an absolutely critical country" with which Washington is keen to work. US Undersecretary of State William Burns, who was in the Indian Capital recently to make the first high level contact with the

government of Prime Minister Manmohan Singh, since the United Progressive Alliance's return to power, delivered the "presidential letter", the contents of which were not disclosed. In Washington, Richard Holbrooke, Obama's special envoy for Afghanistan and Pakistan, referred to the Presidential letter and said, "It's a private letter. But the important thing is that the number three person in the Department of State has gone to India to reaffirm immediately after the election." Elaborating, Holbrooke said, "Burns is now beginning the dialogue with the newly elected government in an atmosphere of great positive feelings. And without getting into Indian politics, all I can say is that all of us - Secretary (of State) Hillary Clinton, Bill Burns, myself, President Obama - everyone looks forward to working with the newly elected Indian Government." More importantly, President Obama is keen on engaging India even in its foreign policy matters concerning the Indian sub-continent. On this, Holbrooke said: "All I can tell you is that this Administration believes that what happens in Afghanistan and Pakistan is of vital interest to our national security. And ...that India is a country that we must keep in the closest consultations with. And we consider India an absolutely critical country in the region. They're not part of the problem, but they are vitally affected, and we want to work closely with them."



## Indo-US Nuclear Deal

Besides politics, it is on the economic front that India's engagement with the United States will remain strategic with the Indo-US civil nuclear agreement as the latest referral



milestone from where both countries will move forward. Obama described it as a landmark achievement for both the countries during Ambassador Shankar's credential presentation ceremony. Clinton reiterated it in her "Synergies Summit" speech. "This landmark accord, which the Obama Administration is fully committed to implementing, provides a framework for economic and technical cooperation between our two countries and allows us to move beyond our concerns about the status of India's nuclear program, an issue that dominated our relationship for much of the last decade," she said.

## Untapped Potential

Considering the untapped potential existing in the vast and wide-ranging economic sphere, what has been achieved is not very significant. Compare Indo-US bilateral trade at \$41 billion in 2007-8 to US-China two-way trade figure of \$386.7 billion during the same year. This means the Indo-US partnership has a long way to go. Though this bond is now stronger than ever, it requires further nurturing. "Now we are at a stage wherein the



Indo-US partnership is getting more and more confident, but it still requires nurturing. It is a newly strong relationship," USIBC President Ron Somers said ahead of the "Synergies Summit." USIBC represents nearly 310 American companies having a presence in India - 220 of which figure in the Fortune 500 list. USIBC is the largest and most influential of American trade bodies in the US related to India. The synergies of both of our countries are now finding one another and we are going to, in the private sector, with these synergies shape the destiny of the 21st century," Somers said in a press interview.

## CII Optimism

This optimism is amply reflected in the outlook for the decade ending 2018 by a study conducted by the Confederation of Indian Industry (CII). a detailed study of the potential existing between two countries, has in a report envisaged the bilateral trade doubling exponentially every three years to reach \$320 billion in the next 10 years, that is by 2018. The path-breaking



report, which lays down the CII vision for the next decade, has just been released by Commerce Minister Anand Sharma. The report says: "Considering that India, a country with a GDP of around \$1 trillion, accounts for a mere 1.3 percent of US trade, there is substantial potential to increase bilateral trade. The two countries should set a target of doubling bilateral trade every three years, which would mean a trade level of \$320 billion by 2018, an eight-time increase over nine years. It is also recommended to set in place a Comprehensive Economic Cooperation Agreement covering both goods and services." The target is achievable because it falls far short of what China has already achieved. ■





USIBC Synergies Summit in Washington

## Hillary Clinton Heralds *A New Era* in Indo-US Ties

The 34th Anniversary of the United States India Business Council (USIBC) held on 17 June 2009 in Washington DC was truly historic. A 'Synergies Summit' held on that day to mark the occasion provided a platform for the new US administration to redefine its equation with India. The summit was the converging point of the synergies of the world's most powerful and the largest democracies. The symbolism of the summit assumes significance because both the countries are headed by the newly elected governments, one headed by President Barack Obama and the other by Prime Minister Manmohan Singh. Reiterating the Obama regime's faith in the strategic partnership between the US and India was no other person than Secretary of State Hillary Clinton herself. Sharing the podium with distinguished guest were USIBC Chairman Indra Nooyi, who is also Chairman & CEO of Pepsi Co, USIBC Board of Directors and USIBC



president Ron Somers. Ahead of the summit, Somers told newsmen that, "With the historic elections in both countries now behind us, USIBC aims to 'bang the pots and pans' and awake both governments as to the real work that now needs to be completed in order to keep the US-India commercial and trade relationship flourishing." Thanking the USIBC at the outset,

Clinton said how much she admired Nooyi, for her leadership of a great American company with international reach and how much they both

admired each other. In her much-applauded speech, Clinton referred to various aspects of growing Indo-US cooperation and with the two new governments taking forward the agenda, a New Era has begun, which needs to be nurtured further. Following are the excerpts from her speech.



This (important dialogue at the Synergies Summit) could not be better timed. It is early in our new Administration, and we are clearly committed to furthering and deepening our relationship with India in every way possible. I'm also pleased to welcome India's new Minister of Commerce and Industry. Anand Sharma is here with us, and newly arrived Ambassador (to the US) Meera Shankar.

It is exciting to see the election results in India as well, as the Congress Party and the people of India made such a strong statement about the future that they hope to make together. And I look forward to working with Minister Sharma and the Ambassador and others on our common agenda and goals.

I will be visiting India next month, which I'm looking forward to. It is exciting for me to have an opportunity to return again, and it is also a great privilege and honor to be doing so representing the United States.

The broad range of talents in this room is an indicator of how important the relationship is. Now, when I first had the great delight of visiting India in 1995, I was just overwhelmed by not just the hospitality and the warmth

of the people with whom I met, from the very highest to women in villages who were working for better lives for themselves and their families, but how easy it was, even back in '95, for India's many accomplishments to be overlooked in other places in the world. Here was a country defined by democracy, diversity, and dynamic growth, a country that had over 1.1 billion opportunities to enhance not only individual potential, but the nation's. And when I was elected to the Senate, I co-founded and co-chaired the Senate's India Caucus, the first time we had done that. And I have returned to India to talk about this partnership which I think is critical not only to both of our countries, but literally to the future of the world, the kind of world we want to shape together.

And it is great for me to be standing in front of this significant crowd and to say that the word about India has obviously spread. People know what kind of business and investment opportunities are there. India's growing role in the global economy is accepted the way we accept the law of gravity. And the partnerships that are blooming at all levels of our societies are indeed exciting.

Now, I tell you this because I want you to place me and where I stand as Secretary of State. It is in a position of deep commitment to building stronger ties with India, a commitment based on mutual respect and mutual interests. And I know that President Obama feels the same way. We see India as one of a few key partners worldwide who will help us shape the 21st century. The forces of positive change versus those of destruction, the forces that move people forward rather than holding them back. We are both eager to build on this relationship, and of course, we're not alone. We build on the past.

## Wide Support for US-India N-Deal

It is now three successive United States administrations from different parties that have identified the US-India relationship as a foreign policy priority. For the United States, this is a project that transcends partnership and personalities, and I believe the same is true in India. When the US-India nuclear deal passed the United States Congress, it had strong bipartisan support, including backing from two former senators named Barack Obama and Joe Biden, as well as a senator from New York.

But the agreement also received support from across the political spectrum in India. The formation of India's new government is an opportunity to strengthen our ties and

launch new initiatives. Now that the government is in place, we are moving quickly to strengthen our ties. Our senior career diplomat, Under Secretary of State Bill Burns, and his newly minted Assistant Secretary of State Bob Blake have returned from India this weekend to tell me of the enormous potential for progress in our relationship with New Delhi.

In a world where, let's admit it, frankly, the headlines can get depressing, our relationship with India is a good news story. And I think it's going to get even better. But it's important to place this in history and to remember that the United States and India haven't always had such a promising partnership. We need to acknowledge the road we have traveled together. We have already come through two distinct eras in US-India relations on our way to this new beginning.

The first era opened with India's founding and lasted through the end of the Cold War. It was colored by uncertainty about each other's motives and ambivalence about whether to pursue closer cooperation. The relationship between our countries was never hostile. But the missed opportunities for closer partnership during this period were casualties of old conflicts between East and West, and North and South.

After the Cold War ended, President Clinton opened a new chapter of engagement with India. I love saying that, and it has the benefit of being true. (Laughter.) Talks between former Deputy Secretary of State Strobe Talbott and his Indian counterpart helped to establish a new foundation for our relationship. And of course, my

husband and daughter had an extraordinary visit toward the end of his term in office.

This second stage in our history continued through the last U.S. and Indian administrations and culminated in completion of the Indo-US civilian nuclear agreement this past October under the Bush Administration. This landmark accord, which the Obama Administration is fully committed to implementing, provides a framework for economic and technical cooperation between our two countries and allows us to move beyond our concerns about the status of India's nuclear program, an issue that dominated our relationship for much of the last decade.

### Beginning of a New Era

The nuclear deal, which was completed through the efforts of former President Bush, removed the final barrier to broader cooperation between us. And that brings us to today. We find ourselves at the beginning of a third era. I'll call it US-India 3.0. The new governments in Washington and New Delhi will build this future together, and we will be discussing the details of that partnership when I visit India next month.

But today, I can tell you my hope and President Obama's hope that the next stage in our country's relationship will see a dramatic expansion in our common agenda, and a greater role for India in solving global challenges. We recognize the extraordinary progress that India has made already, and we know that many of these advances have not come easily, and we don't take them for granted. As we pursue an enhanced bilateral partnership, we should recognize that compared to other metrics of our cooperation, our official ties are past due for an upgrade.

### Flourishing People-to-People Ties

You see, a funny thing happened on the way to this third era of US-India relations. Our scientists and business people, our universities and movie studios, and vibrant Indian-American personal familial connections accepted the truth that cooperation between our countries can be a driver of progress long before our policymakers did.

Today our trade between our nations has doubled since 2004 and now exceeds \$43 billion; there are over 90,000 Indian students studying in the United States; and the new Fulbright-Nehru program strengthens





educational exchanges between India and the United States with both countries acting as full partners in governance and funding.

We find ourselves in an unusual position. We need the bilateral cooperation between our governments to catch up with our people-to-people and economic ties. We need to make sure that the partnership between Washington and New Delhi, our capitals, will be as advanced and fruitful as the linkages that already exist between Manhattan and Mumbai, or Boston and Bangalore.

Now, that's not to say that our governments have not made significant progress in our cooperation over the past several years. Top officials see each other more often, and I think we speak more candidly with each other, which is a true sign of friendship. And we have found more common ground of late. But this is a relationship that has largely grown from the ground up. And I think our governments are ready to start following the examples of partnership established by our citizens, our companies, and our colleges.

I hope that an expanded partnership between the US and India will be one of the signature accomplishments of both new governments in both countries, and I do plan to make that a personal priority. To achieve the goal of stronger ties between our countries, we will have to confront and transcend the mistrust that has hampered our cooperation in the past, and address the lingering uncertainties in our relationship still today.

Each of us have our own perspectives, as you would expect, about the challenges we face as individual countries and as partners in the world. Some Americans fear that greater prosperity and partnership with India will mean lost jobs or falling wages here in the United States. Some Indians believe that closer cooperation with us runs counter to their nation's very strong tradition of independence.

But as friendly democracies, in fact, as the oldest and largest democracies in the world, we should work through any issues in our relationship and differences in our perspective by focusing on shared objectives and concrete results. I want to put us into the solutions business.

## Global Security

In order to achieve that and realize the benefits of this 3.0 relationship, we need to build on several natural platforms. The first is global security. India and the



United States share an overriding interest in making the world more secure. The tragic attacks of 26/11 were a global event. They played out in slow motion on television screens across India, the United States, and the world. The violence inflicted on the people of Mumbai, and the loss of six American citizens in those attacks, was a reminder that terrorism represents a common threat to our nations and our people, and we must meet it with a common strategy.

## Human Development

Human development particularly in the fields of education, women's empowerment, and health is another platform for cooperation. In both India and the United States, the most important national asset we possess is the energy and creativity of our citizens. In Prime Minister Singh, we have a partner who is determined to leverage India's progress to improve the lives of his people. We need to work together to ensure that every child, girl or boy, born in our countries can live up to their God-given potential.

As part of that commitment, we should build on the goals articulated by India's leadership to boost literacy, expand vocational training, and improve access to higher education. I hope we can partner with India to improve outcomes at all levels of education. Our countries should continue the tradition of intellectual exchange by



increasing opportunities for interaction by American institutions of higher learning and their Indian counterparts as well.

India's women have made great strides. The country has a woman president, a woman leader of the nation's largest political party, more women in parliament than ever before. In many areas, the United States can learn from India. (Applause.) But there is more work to be done in both of our countries. (Laughter.) We should continue working together to promote initiatives like micro-lending and provide training programs for rural women as tools to help lift them and their families out of poverty.

### Bilateral Investment Treaty

We can also work together to address health challenges including nutrition, maternal and child health, HIV/AIDS, and other infectious diseases, as well as the growing problem of chronic disease in both of our nations. We need to share knowledge and best practices to improve human development at home and around the world. And I appreciate all that is being done by this group and certainly this Council to promote economic and trade cooperation. We should begin negotiations on a bilateral investment treaty soon. And I'm confident that our Trade Representative and Minister Sharma will bring a fresh perspective and new ideas to help move the Doha Round negotiations to a successful conclusion.

President Obama has been clear that the United States has learned the lessons of the past. We will not use the global

financial crisis as an excuse to fall back on protectionism. We hope India will work with us to create a more open, equitable set of opportunities for trade between our nations.

### Cooperation in Agriculture

Encouraging greater agricultural cooperation should be a major focus of our economic agenda. India is ripe for a second green revolution. A significant expansion of India's agricultural sector would have dramatic benefits for Indians, but also could help to spur agricultural revolutions in Africa and other parts of the globe where food security remains a persistent problem.

All of you in this room will be critical partners as we work to expand economic cooperation. Our commitment to work with the business community means that in September we will re-launch the CEO Forum on the margins of the United Nations General Assembly. We hope that effort, along with other initiatives, will channel the power of the private sector and entrepreneurs to build and improve the lives of both Indians and Americans.

### Science & Technology

Finally, we should bring together the best of our technological and scientific brains to encourage breakthroughs in both science and technology. This is particularly important on issues related to energy and climate. We are committed to working with India to see India's economy continue to prosper, to create more



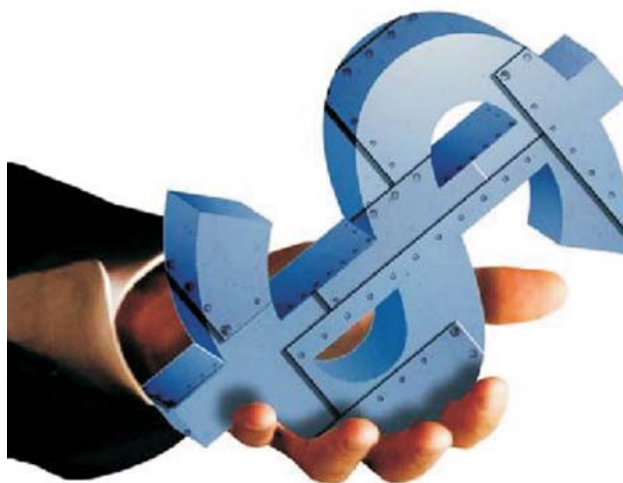


economic opportunity, rising incomes. We want Indians to have a higher standard of living. And we hope our countries can work together to achieve that overriding goal, while avoiding the mistakes that were made by everyone in creating the climate crisis we face today. We think there is great promise in a clean energy cooperation strategy focused on adopting low carbon technologies, improving energy efficiency, forestation, and water management. And these efforts should be supported by new and existing high-level dialogues between representatives of our governments.

We can also learn from Indian doctors and companies that are pioneering low-cost solutions to many of the health challenges we face today. The Serum Institute's groundbreaking work to reduce the cost of vaccine manufacturing is one example of this phenomenon. There are many others. Applying their discoveries to global health initiatives will help us save resources and lives.

## Public-Private Partnership

Public-private partnerships between governments, industry, civil society will be vital to everyone of these platforms. Yes, we can use all of you to help us drive economic cooperation, but also to improve human development and technological advances as well. And I



think that the security cooperation is not just government-to-government, but can operate much more broadly and deeply.

So four platforms of cooperation global security, human development, economic activity, science and technology can support us in launching this third phase of the U.S.-India relationship. I think our successes and our futures are intertwined. Obviously, we want India to do well on its own for its own sake, but we also have a stake in that outcome, because we want India to succeed as a model of democratic development. We want India to succeed as an anchor for regional and global security. And we want India to succeed so that the world's two largest democracies can work together as strong partners.

This is a relationship with deep roots. Both of our countries emerged from struggles against colonialism to become proud, independent democracies. And both are living proof that people espousing espoused different faiths, speaking different languages, and travelling different paths can unite and form nations that are greater than the sum of their parts.

Sixty years ago this October, then-Prime Minister Nehru told a joint session of the United States Congress that, quote, "Progress cannot go far or last long unless it has its foundations in moral principles and high ideals." The United States and India share an allegiance to what Nehru called the "fundamental human rights to which all [those] who love liberty, equality and progress aspire."

So let us build on those timeless principles, and let us create a new era in our relationship that will produce so much progress for our people, so much more peace for the world, and live up to those high ideals that both of our nations and our peoples represent and aspire to. ■







## US & India to Build on Strategic Ties to Face Challenges: Obama



India's newly-appointed Ambassador to the United States Meera Shankar couldn't have had a more inspiring welcome when President Barack Obama quoted Mahatma Gandhi as she presented her credentials to him at the President's Oval office recently.

"You must be the change you want to see in the world", President

Obama cited the words of the Father of the Indian nation, and expressed his belief that the US and India can deliver this change.

Stressing that the world's oldest democracy and the world's largest democracy are natural partners, President Obama said he looked forward to building on the close strategic partnership between India and the US that would address the challenges of the 21st century.

Describing the India-US civil nuclear agreement as a landmark achievement for both the countries, Obama expressed a desire to further deepen and strengthen the relationship between the two countries.

Highlighting the broad range of strategic interests and fundamental democratic values shared by the two countries, he noted that the process of strengthening of ties between India and United States has been sustained through two administrations of two different parties in each of their countries.

Conveying his felicitations on the recent elections in India, Obama expressed the hope that the relationship will continue to expand as his administration works with the new government in New Delhi.

He referred to Prime Minister Manmohan Singh as a very wise leader whom he respected and said he was looking forward to visiting India at an early date.

Shankar too reiterated the desire of the Indian government to further strengthen the multi-faceted bilateral relations between the two countries that have recently witnessed a remarkable transformation.

She also underlined the commitment to democracy and the cherished values of individual liberty, rule of law, respect for diversity and pluralism, shared by India and the United States.

The Ambassador conveyed to Obama and his spouse Michelle Obama greetings from President Pratibha Patil and Prime Minister Manmohan Singh. ■



# Singh's New Govt to Accord Top Priority to Indo-US N-Deal

India's nuclear deal with the United States (US) has received a shot in the arm with the return of a Congress Party-led Government headed by Prime Minister Manmohan Singh to power following the recent elections in the country.



Singh, the architect of the deal along with the then US President George Bush, staked his reputation on the issue and won a bitterly-fought vote of confidence for his government in Indian parliament earlier and the elections that followed. In the US too, both the Congress and the House of Representatives approved the deal.

Now, with the opposition, mainly the Communists off his back following their defeat in the elections, Singh is all set to take the deal forward with much more vigour, opening further opportunities for nuclear commerce between India and the US. Indian requirements are estimated to involve an investment of around \$150 billion in the years to come, providing enormous avenues for the involvement of the US companies in building nuclear power reactors in this country.

The US on its part had ensured that the Nuclear Suppliers' Group (NSG) waived the three-decade long sanctions on India imposed on this country for testing an atom bomb. The NSG waiver which came in September 2008, allowed India to sign civilian nuclear energy cooperation deals with three other countries, France, Russia and Kazakhstan, apart from the US.

Now, India has assured the nuclear and allied industries in the US that the India-US civil nuclear deal is very high on the priority of the new government and it would very much like to move forward on it.

In Washington, Indian Ambassador to the US Meera

Shankar told the US-India Business Council (USIBC) recently that India was keen on commercial deals with US manufacturers for building nuclear reactors. Noting that the US did the "heavy hitting" in getting the

nuclear deal through.

To facilitate the process, New Delhi was looking at speeding up negotiations on arrangements to give effect to India's right to reprocess US origin spent fuel and wanted to pursue this vigorously.

New Delhi was also looking at expediting joining the international nuclear liability convention, another issue of concern for US nuclear suppliers, she said.

On its side, flowing from the nuclear deal, India wanted a liberalization of export procedures for high technology goods and services to make them more facilitative to trade instead of restrictive, she said noting that the US was the single largest source for technical collaboration in India.

Noting that India no longer has a problem with the credibility of reforms, Shankar hoped that the US companies will take advantage of the enormous potential of cooperation and take their business relationship to the next level.

"If ever there was a time to raise the US-India profile, this is our moment!" USIBC President Ron Somers said greeting the ambassador.

"The astonishing electoral outcome in India provides a rare opportunity for USIBC - as the premier business advocacy association promoting deeper US-India ties - to awaken the Obama Administration and India to the absolute excitement which was so perfectly expressed last week by the people of India," he said.



"With a new government in India now in formation, and the Obama administration presently staffing key posts that will shape US-India engagement for the long future, our companies have much at stake to make certain that momentum is regained, our trajectory is pointed ever-upward, and our countries are united against petty backsliding and protectionism," Somers said.

USIBC, formed in 1975 to deepen trade and strengthen commercial ties between the two countries has a membership of 300 companies, representing the top companies investing in India joined by Indian global companies.

## First Meeting of the Working Group

Meanwhile, the United States hosted the second meeting of the US-India Civil Nuclear Energy Working Group at Idaho National Laboratory from 28 to 30 April, 2009. However, this was the first meeting held by the Working Group since the coming into force of the US-India peaceful nuclear cooperation agreement.

The agreement, signed in October 2008, aims to provide new opportunities for trade and job creation for both economies, help India meet its rapidly increasing energy needs in an environmentally responsible way, and enhance global nonproliferation efforts by bringing India closer to the nonproliferation mainstream.

With completion of the peaceful nuclear cooperation

agreement, both governments are now working to reinvigorate technical discussions begun under the Working Group in 2006. Shane Johnson, Acting Assistant Secretary for Nuclear Energy in the U.S. Department of Energy, and Ravi Grover, Director of India's Strategic & Planning Group in the Department of Atomic Energy, served as co-chairs of the meeting. They opened the dialogue by reaffirming their commitment to work collaboratively to face global economic, climate change, and energy security challenges.

Discussions focused on deepening mutual understanding of each country's nuclear energy development plans, including light water reactors, near term reactor deployment, licensing, management of nuclear waste, research and development programs as well as international best practices. The U.S. delivered presentations on safeguards and physical protection. The Working Group will continue its efforts by developing an action plan to focus collaborative work efforts. Its next meeting is scheduled near the end of 2009 in India.

The Obama Administration is committed to the implementation of civil nuclear cooperation agreement with India and looks forward to India bringing its IAEA Safeguards Agreement into force, filing its declaration of facilities pursuant to the safeguards agreement, publicly announcing reactor park sites for U.S. companies, and enacting global standards of liability protection. ■

## Hire & Fire Figure in Microsoft Realignment Operations

Software giant Microsoft has said it is going to hire 2,000-3,000 employees worldwide in 2009 to focus on growth areas, even as it announced plans to shed 5,000 jobs worldwide. The growth areas include online services business and the enterprise server group.

In India, the company will lay off about 55 employees one percent of its 5,500 employees in the country. The Redmond-based company said it would realign its business in India and that it was also looking for alternative positions for the concerned employees.

Sources said Microsoft India has dismantled the Response Windows team completely. The job cuts are part of the company's global realignment plans announced in January.

The company had laid off 1,350-1,400 people largely in the US in the initial round while another 3,000 were laid off on 5 May. Microsoft has so far eliminated around 4,500 jobs.

On whether more layoffs would be announced in the India operations, which have over 5,500 people on its rolls, sources said that such a possibility could arise under a new round of job cuts, though no hint or official announcement to the effect has come from the company.

Microsoft CEO Steve Ballmer, in a memo announcing the second round of job cuts, had said recently that the company would closely monitor the impact of the economic slowdown and take necessary action on its cost structure, including further job cuts. ■





## US Congress Approves Boeing Spy Plane Deal with India

The US Congress has approved the sale of eight Boeing P8-I Multi-mission spy planes to India, apparently clearing the decks for transfer of a variety of other sophisticated defence systems by the new Obama administration to New Delhi.

A Congressional committee comprising members from both the Senate and House of Representative examined the proposed sale, and cleared it through a notification issued recently.

According to defence sources in Washington and New Delhi, the clearance is significant as it indicates that the administration of President Barack Obama would continue to build up defence and strategic ties with India, initiated actually by President Bill Clinton although it was President George W Bush who followed them up aggressively.

A top naval official said that although the US government had cleared the sale of six Lockheed Martin C 130Js in the past, the sale of Boeing P8-I aircraft actually determined the course of Indo-US defence ties as of now. "If the sale had been blocked, then all other equipment that the US companies are trying to sell to India, would automatically be off the acquisition list of India."

In its notice to the Congress, mandatory under US rules for selling weapons to foreign countries, the State Department had said that it had factored in "political, military, economic, human rights and arms control considerations" before deciding on the \$2.1-billion sale of these aircraft.

Boeing's Vice President and Country Head for Integrated Defence Systems (India) Vivek Lall said that the approval was "historic" as it clearly signified that both the US and Indian governments were leaning forward in cooperation on newer technologies.

Boeing was offering lifetime support and modernization of its systems in accordance with bilateral agreements.



He described the deal as "unprecedented" as this is the first time that the US is sharing the technology developed for US armed forces with another country at the same time.

It is significant that the Indian Navy will be the first foreign naval force to get this technology after the US Navy, which has paid for the aircraft's development for its



global maritime role, and nearly at the same time. Canada, Australia and Italy are the other countries which have expressed interest in the MMA, designated as P8-A for the US Navy.

The aircraft is still under development, and will take off for the skies for the first time later this year. Its delivery to India would begin in about four years. India is in a major drive to replace its outdated, Soviet-vintage equipment for the Army, Navy and Air Force with latest and contemporary generation precision strike systems and their supporting infrastructure. Boeing itself is trying to sell heavy lift C17 Globemaster III transport aircraft, heavy lift Chinook helicopter, Apache combat helicopter, F18 Super Hornet attack aircraft, Harpoon missiles, and more Boeing P8-I and other Boeing 737-based aircraft.

The big deal though is for the \$10 to 15 billion Medium Multi Role Combat Aircraft (M-MRCA) for the Indian Air Force (IAF), in which Boeing has fielded the F 18, and another US military giant, Lockheed Martin, has offered the Indian version of F 16 designated F-16 IN Viper. IAF is looking for 126 aircraft, with an option for an additional 63.

IAF has just commissioned three new Boeing Business

Jets (BBJ) for ferrying VVIPs, replacing an earlier set of three older Boeing 737s acquired during the 1980s.

Both the BBJs and P8-I are built on the Boeing 737 platforms, which are being flown in India for some 40 years and are easy to maintain. However, these are new generation aircraft are equipped with totally brand new systems. The BBJ for instance, which is specifically to ferry the President, Vice President and Prime Minister, can also serve as an airborne Command and Communication Centre in a war.

The same is also true of the P8-I, which is designated as the Multi-mission Maritime Aircraft (MMA). But its profile is much wider than the name suggests: it can locate hostile submarines, and can attack them as well as small or large ships near or far from the coast.

Lall said that Boeing is committed to provide continuous technology insertions on all its systems in accordance with agreements with the buyer countries.

Notably, US companies develop technologies, mostly at the initiative of and funding by the US armed forces. But they are allowed to sell them to foreign countries only with the approval of the US Department of Defence and Department of State. ■

## Dow Jones to Double Investment in India Expansion

Dow Jones & Co. Inc., a unit of Rupert Murdoch's News Corp. and provider of global business news and information services, plans to double its investment in India over the next two years, making it one of its largest operating centres outside the US.

"This is good time for investments," Mitya New Managing Director, Dow Jones India, said recently. "Unlike other businesses, which have to focus on retaining business during this time, we can just focus on building and acquiring new businesses."

The company refused to disclose details of the planned investment. It plans to focus mainly on improving content, starting with the output of journalists for the newswire, as well as to licence content as a part of its content aggregation business Factiva.

It will also build its commercial team, which would sell, market and support products and services in India. Dow Jones is the publisher of The Wall Street Journal, with which Mint has a content sharing agreement.

Dow Jones India has been scaling up its business in

recent months, starting with the Enterprise Media Group, which includes Dow Jones Newswires, Factiva, Client Solutions, Dow Jones Indexes and Financial Information Services.

According to New, the market for such services in India would continue to grow. "One area we will undoubtedly see growth in is the asset management area...as pension funds grow as people worry more about managing their wealth...all those areas require more sophisticated information tools to be more aware of financial markets and understand them," he said.

The company also maintained that while the local language market is interesting, it is not its focus right now. "In the future, we will not rule that market out," said New.

The Consumer Media Group, which publishes The Wall Street Journal, MarketWatch and the Far Eastern Economic Review, has received the required approvals for a facsimile edition of The Wall Street Journal in India, which New said would be launched shortly. ■

# US Fed Reserve Chief Expects Economic Recovery in Late '09

While domestic unemployment in the US is likely to increase in the coming months, there are indications that the pace of the US economic crisis may be slowing, Federal Reserve Chairman Ben Bernanke has said.

"Consumer spending, which dropped sharply in the second half of last year, grew in the first quarter," Bernanke said in congressional testimony in Washington recently. "In coming months, households' spending power will be boosted by the fiscal stimulus programme, and we have seen some improvement in consumer sentiment."

Since the recession began in December 2007, the real gross domestic product (GDP), the total value of US goods and services produced in a year and a basic measure of an economy's performance, dropped at an annual rate of more than 6.0 percent in the fourth quarter of 2008 and the first quarter of this year, Bernanke said.

"Among the enormous costs of the downturn is the loss of some five million payroll jobs over the past 15 months," he said in prepared testimony for Congress' Joint Economic Committee. The most recent information from the labor market indicates the US can expect sizeable job losses and increased unemployment in coming months.

Bernanke said conditions in the labour market and declines in the value of housing along with tight consumer credit conditions will continue to hold consumers back from spending more until they experience a loosening of conditions that impact them directly. Contrasting to somewhat better news with consumers, Bernanke said the available indicators of business investment remain weak.

There has been a 30 percent drop, at an annual rate, in the purchase of equipment and computer software by businesses in both the fourth quarter of 2008 and the first quarter of this year, he said. And the level of new orders for equipment remains below the level of shipments, which suggests a further near-term softness in business equipment spending, he said.

"Conditions in the commercial real estate sector are poor," Bernanke said. Adding to that bleak outlook is that credit conditions in commercial real estate are

severely strained, with no commercial mortgage-backed securities having been issued in almost a year, he said.

Bernanke said economic activity abroad is also an important consideration in how soon the U.S. economy rebounds. "The steep drop in U.S. exports that began last fall has been a significant drag on domestic production, and any improvement on that front would be helpful," he said. "A few indicators suggest, again quite tentatively, that the decline in foreign economic activity may also be moderating."

Bernanke said inflation remains well under control as prices for energy and other essential commodities began falling rapidly in the second half of 2008. "Weakness in demand and reduced cost pressures have continued to keep inflation low so far this year," he said.

## Outlook

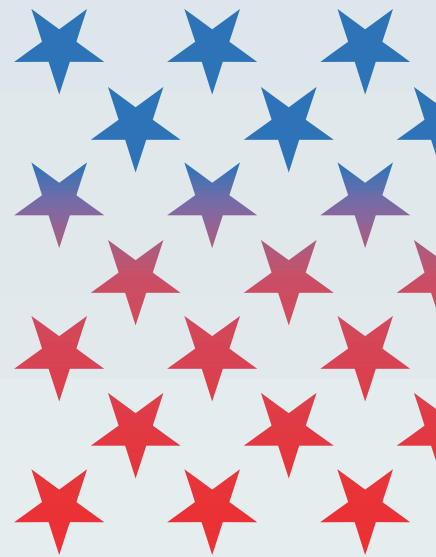
"We continue to expect economic activity to bottom out, then to turn up later this year," Bernanke testified. Key to the economic turnaround is that the housing market is beginning to stabilize, and that the sharp inventory liquidation that has been occurring will slow over the next few quarters, he said.

But Bernanke warned that the forecast assumes the gradual repair of the financial system continues. "A relapse in financial conditions would be a significant drag on economic activity and could cause the incipient recovery to stall," he said.

Bernanke also said the recovery will gain momentum only gradually and that economic slack will decline slowly. And he said that businesses are likely to be cautious about hiring new workers, which means the unemployment rate could remain high for a time, even after economic growth returns. Normally, employment follows the economy, but does not lead it.

Inflation in this type of economic environment is expected to remain low, he said. "A sustained recovery in economic activity depends critically on restoring stability to the financial system," he said. "However, financial markets and financial institutions remain under considerable stress, and cumulative declines in asset prices, tight credit conditions, and high levels of risk aversion continue to weigh on the economy." ■





Target \$320 bn by 2018

# Mission Possible

At the dawn of the 21st century, heralding a new millennium, India and the United States had agreed to boost bilateral trade and investment, and to expand the commerce between the two countries in the emerging knowledge-based industries and high-technology areas. This was faith the two countries bestowed in a historic joint statement signed and issued by the visiting US President Bill Clinton and Prime Minister Atal Bihari Vajpayee on 20 March 2000. Since then, the governments of the two countries and their respective business communities and chambers of commerce have vigorously worked towards implementing the envisioned mission. The Indo-US bilateral trade, which stood at \$14.3 billion in 2000 nearly tripled to \$41.7 billion in 2007-08. During these years, several milestone agreements in economic relations between the two countries have been reached, the most significant of them being the Indo-US civilian nuclear energy cooperation pact, signed by President George Bush and Prime Minister Manmohan Singh in 2005 and formalized by their respective foreign ministers in September 2008. The Confederation of Indian Industry (CII), after a detailed study of the potential existing between two countries, has in a report envisaged the bilateral trade doubling exponentially every three years to reach \$320 billion in the next 10 years, that is by 2018. The path-breaking report, which lays down the CII vision for the next decade, has just been released by Commerce Minister Anand Sharma.

The report, titled 'India-US Economic Relations: The Next Decade' was released at a session jointly organized by CII, the Asia Society, and USIBC in New York City. The session was held to coincide with the CII CEOs' annual mission to the US, led by Venu Srinivasan, President, CII,

and Chairman, TVS Motor Company Ltd.

Sharma congratulated CII on this effort that clearly showcases the need for partnership on many fronts and indicated the importance of a successful completion of the Doha trade negotiations.

This report has been prepared in the context of new governments in both countries and examines the potential of bilateral economic engagement in the next 10 years.

The report says: "Considering that India, a country with a GDP of around \$1 trillion, accounts for a mere 1.3 percent of US trade, there is substantial potential to increase bilateral trade. The two countries should set a target of doubling bilateral trade every three years, which would mean a trade level of \$320 billion by 2018, an eight-time increase over nine years. It is also recommended to set in place a Comprehensive Economic Cooperation Agreement covering both goods and services."



**The report emphasizes that Indo-US economic relations in the next years can attain the following dimensions:**

- Strategic shift from high-technology trade to frontier technology India and USA can be close partners in expanding knowledge frontiers in science and technology, including space, robotics, nuclear energy, defense, etc. and their business applications. India can play a key role in signature multi-country projects in space, oceanography, polar exploration, etc.
- Robust trade in mass-market and niche products Comprehensive Economic Cooperation Agreement, including goods, to be set in place to take advantage of complementary competitiveness. Set a target of \$320

billion in ten years, with robust bilateral investments leading the way for high volume turnover. Quality and safety would be the basis for exchange.

- High interface in services trade Strong bilateral engagement across diverse services sectors. This would involve significant liberalization of the Indian services economy on the one hand, and easy movement of personnel across borders on the other.
- Preferred investment destinations Scale up mutual investments massively. An investment treaty should be rapidly negotiated. US investors should have a leading role in the economic transformation of India. US companies can emerge as key partners for Indian business.
- Building infrastructure in India India needs over \$475 billion in investments over the next five years to sustain a high growth rate of 8-9 percent. The US private sector can find a big opportunity in the next decade in India's need for capacity building in infrastructure. Collaboration in this regard would prove to be a mutually beneficial partnership.
- Collaboration on clean energy and climate change India's rapid development makes it one of the fastest-growing energy users and carbon emitters. US is the largest energy user and highest carbon emitter after China. Both countries can collaborate closely on energy security, emissions, efficiency, and renewable energy as well as on global discussions on mitigating climate change.
- Collaboration in healthcare: US and India to

collaborate in making healthcare more affordable and accessible worldwide. Healthcare market in India was nearly at \$ 38 billion in 2007, expected to grow at 15 percent per annum to reach \$ 79 billion by 2012. Tremendous opportunities can be found in providing healthcare services, building healthcare infrastructure and developing related technologies.

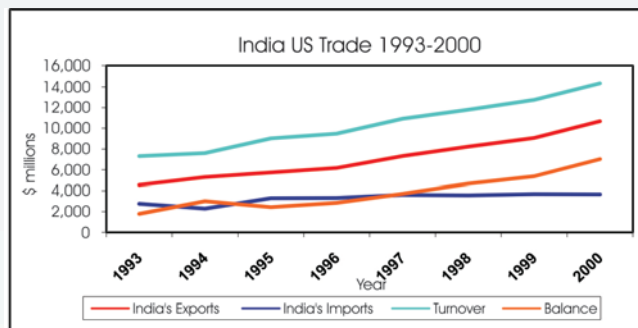
- Seamless cross-continental cooperation in knowledge economy sectors India and the US to be anchors for global interaction in sectors such as biotechnology, nanotechnology, drug development, renewable energy, green products, etc. R&D, innovation, and academic collaborations to be close and continuous, rooted in strong IP protection.
- Strong cooperation in education and academia Participation in each other's higher education and research sectors. Centers of educational excellence should open campuses in the other country to offer students the best of education in their place of residence. This would also enable high-level continuous exchange of professors, researchers and academics, and cross-cultural educational interchange.
- It is crucial to engage the private sectors of both countries in a strong partnership at all enterprise and sector levels. Governments can guide and aid private sector partnerships.

Though India-US economic relations have moved into a new phase of intensive interaction since 2000, the recent Indo-US nuclear agreement can act as a springboard for a new trajectory of bilateral economic engagement.

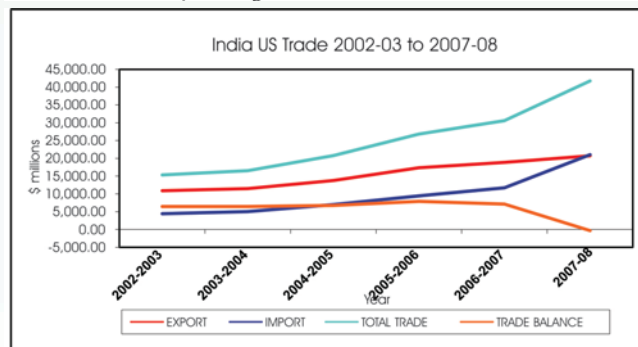
## Global Economic Crisis & Opportunities

The global economic crisis, which has hit the US hard, creates a new opportunity for both sides to not only leverage each other's advantages, but also provide mutually support. While the US seeks markets for its industry products, India needs technology and expertise for faster development and global integration. In the medium term, protectionist measures must be avoided. Over the longer term of 10 years, India and the US can become much more significant economic partners.

To ensure that the synergies of both countries complement each other, the governments need to address internal barriers to trade and investment. India needs to undertake pending reforms to open up sectors of interest to US businesses and improve the investment climate. Similarly, the US must work towards reducing barriers for trade and investments from India and facilitate freer movement of professionals between the countries. The US must view India as a strategic partner and rank it high in its economic priorities.



Source: Indian Embassy, Washington DC



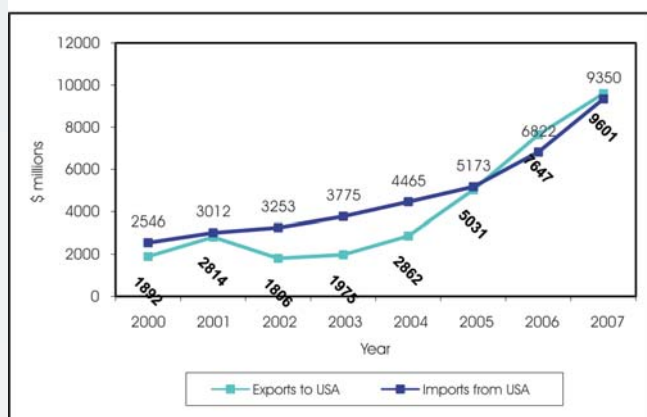
Source: Export Import Data Bank, India

## Following Measures Are Needed:

- A Comprehensive Economic Cooperation Agreement to cover goods and services
- A Bilateral Investment Treaty
- Opening up of key sectors such as retail and higher education in India to FDI
- Freer movement of people under H1-B visa scheme
- The private sectors of both sides must be an integral part of the new engagement. Industry associations on both sides must take the lead in overcoming the information barrier, building brand relevance, and forging new business ventures.
- Cooperation must shift to interaction between regions, industry sectors, and enterprises of all sizes.

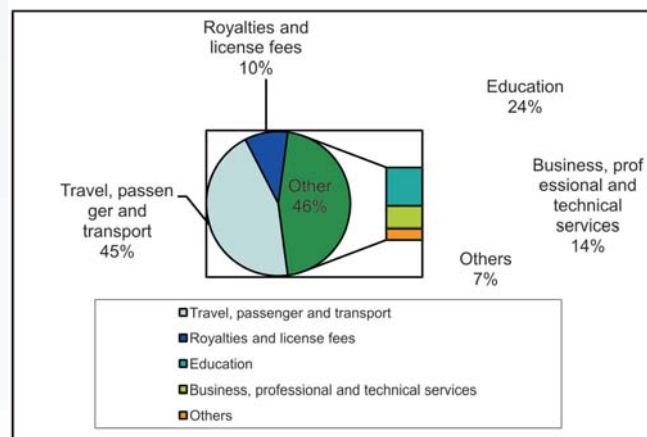
Though India has felt the impact of the global meltdown in terms of falling production and exports, the situation is not alarmingly dire so far due to high savings and investment rates, consistent internal demand, low exports in relation to GDP, and strong measures to counteract the crisis. Recovery in India is expected to be faster and steeper than the global norm.

Services Trade 2002-2007



Source: US Bureau of Economic Analysis

Imports of Services from USA 2007



Source: US Bureau of Economic Analysis

In the US, mitigation and containment is the immediate urgency. Indicators are expected to show positive signs from the third quarter of 2009. A crisis of demand, following on the heels of financial and confidence seizure, will be the key factor to be resolved, going forward. Within this scenario, US companies may consider it profitable to examine opportunities in India's infrastructure and consumer durables sectors.

It is important that the US and India do not indulge in protectionist measures and lower each other's market access. Proposals that limit H1-B visas, create non-tariff barriers to trade, mandate use of local products, etc should not dominate for a protracted period. Business should be left unfettered to re-energize respective economies.

It may be reiterated that substantial increase in economic engagement would require intensive policy measures on both sides. More particularly, India would need to progress much faster on overall trade and economic liberalization and reforms to facilitate greater participation of overseas businesses in its economy. Areas that need to be addressed include agriculture, infrastructure, direct and indirect taxes, investment facilitation, administrative procedures, financial sector, services including retail trade, mining, etc

## WTO & Related Snags

India and the US stood at opposite ends in the recently-concluded and inconclusive WTO Doha Round negotiations. Therefore there are many issues to overcome before the two countries can build an atmosphere for free and fair trade. India and USA need to identify items of mass demand in each other's markets, and attempt to meet these demands.

India's top exports to the US generally consist of value-added products. However, USA imports large volumes of items such as mineral fuels and products, vehicle parts, machinery, electrical equipment, etc. and India's exports in these products can be significantly ratcheted up.

Among items the US can export to India are high-technology products such as computer hardware, semiconductors, telecommunications equipment, etc. Also, India has high need for defense products, power and construction equipment, aviation, and electrical products which can boost bilateral trade. There is a major need in India to upgrade civil aviation capabilities and the US is best placed to assist and collaborate in this regard. While the scope in aviation is tremendous, one concrete, actionable item on the agenda should be to conclude a Bilateral Aviation Safety Agreement (BASA).

Investment-led trade: India as a stable democracy with a high proportion of young workforce and a competitive



economy offers an excellent platform for investments for the export market. However, the country lacks the capital and managerial expertise for large-scale manufacturing projects. American companies could fill the investment gap, addressing Asian markets from India, and fitting India into the overall global value chain.

## India as Production Hub for US firms

American companies need to explore India as a manufacturing hub for export goods, and invest accordingly. While manufacturing has become a sector of choice for American investments, it is chiefly in order to address the domestic markets rather than export markets.

There are several sectors where India has already demonstrated high capability in exports, including textiles and clothing, organic chemicals, pharmaceutical products, auto components and automobiles, and some electronic products. Some products that were earlier reserved for production in the small-scale sector in India have now been de-reserved, opening up to foreign investments as per overall sectoral norms.

## Taking Advantage of India SEZs

The new export-promotion strategy of Special Economic

Zones reduces administrative procedures, tariffs and taxes, and infrastructure gaps to export-oriented factories. Singapore is setting up its own SEZ of Singaporean companies. Japan is partnering with India for a dedicated rail freight corridor and an investment corridor alongside. The corridor is expected to attract \$90 billion of investments and Japan has inked a \$4.6 billion loan package for tied development. American companies could also consider such a strategy.

## Technology-led trade:

While security considerations and export control regimes hamper trade in strategic high-technology items from the US, there is a large segment of these products that may not be under their purview. India's technology-adaptation in manufacturing sectors is low, and it needs high transfusion of technology to upgrade and modernize production in many areas. The Indo-US High-Technology Cooperation Group (HTCG) has identified four industries for special focus, viz, information technology, nanotechnology, biotechnology and defense.

SME involvement: Both countries have large and vibrant small and medium enterprise (SME) segments that contribute significantly to exports of manufactured goods. However, these sectors have not fully explored each other's potential as suppliers. In India, liberalization has recently opened up the SME sector for FDI. The lack of information and clarity has deterred overseas companies from investing in Indian SME or in sectors earlier reserved for small units.

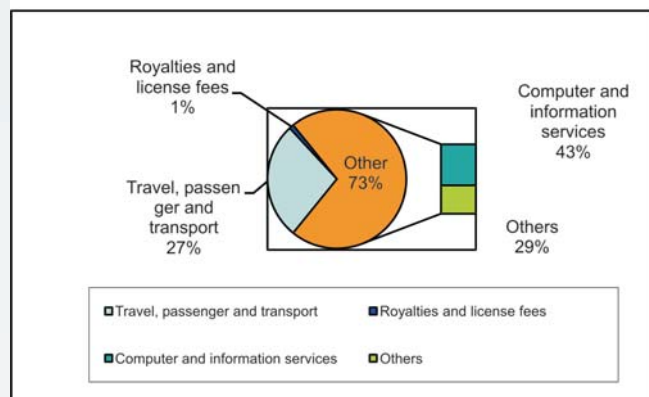
A special platform for increasing SME engagement needs to be instituted to overcome the information gap. Angel and venture funds should be encouraged to invest in Indian SME for export markets. Many Indian SME companies are at the forefront of technology adaptation, while many others have yet to become IT-ready. There are tremendous opportunities in partnering both kinds of SMEs for maximum benefit.

Regional engagement Trade promotional efforts from both sides are currently operating at the macro country level, and have not yet reached adequately into the hinterland. Thus, the major cities are targeted, but cooperation at the regional level is insufficient. While large US companies have India-strategies, and most Indian companies have high operations in US, the tier 2 and 3 entities in smaller towns are barely aware of the opportunities arising from economic engagement. More support needs to be accorded to interaction between national and local level industry associations on both sides.

## Services Trade: Further Reforms Needed

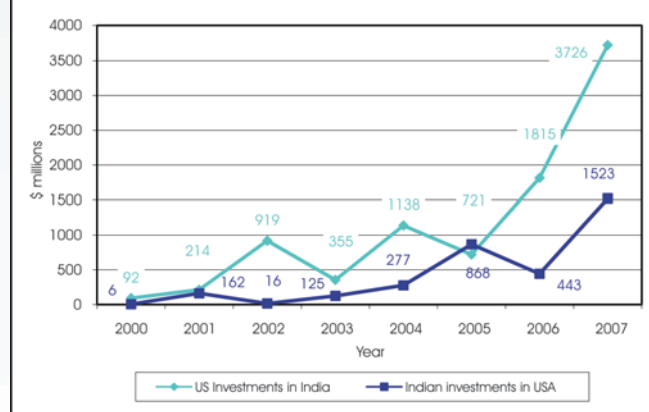
India's trade in services, especially software, over the last

Exports of Services to USA 2007



Source: US Bureau of Economic Analysis

Bilateral Investments 2000-2007



Source: US Bureau of Economic Analysis

decade, has truly been remarkable. A good part of this success has come from increase in software services exports to the US. These exports have also helped build a very positive brand image of a globalizing India at the forefront of the emerging knowledge economy.

In 2000-2001, India's total services exports were \$16.3 billion, two-fifths of which came from software exports. In 2007-08, services exports stood at \$87.7 billion, and the share of software had increased to 46 percent. Exports to USA accounted for 61 percent of the software exports in 2006-07, according to RBI. Business services, travel and transportation contribute the bulk of other services exports from India. According to Bureau of Economic Analysis, USA, services trade between India and USA stood at \$20.0 billion in 2007. US exports to India stood at \$9.4 billion, while Indian exports to USA were at \$9.6 billion. Total trade in 2007 was almost double the figure in 2005 (\$10.2 billion).

A key consideration in expanding services trade with India has been its relatively slow pace of reform in many sectors. For example, retail trade in the large multi-brand supermarket format is still not open to foreign investment due to considerations about livelihood of small traders, who are the largest segment of India's workforce after the agricultural workers. Single-brand retail is also not fully open to FDI.

Similarly, the financial services sector is also relatively

closed. Foreign banks' expansion plans are restricted by central bank regulations. Insurance, pension and other financial markets are severely regulated, while development of sophisticated financial instruments has been slow. Capital convertibility is still incomplete.

## Tourism, Healthcare & Entertainment

As in the merchandise sector, areas where trade in services is relatively easier need to be identified, and stepped up. For instance, tourism between the two countries could be significantly stepped up provided US visas were easier to obtain, and the Indian tourist infrastructure could be vastly upgraded. Similarly, the logistics sector in India is opening up (DHL is India's largest express delivery and logistics provider). India's telecom sector is the world's fastest-growing telecom market.

Healthcare can be a sector of cooperation as India can supply drugs, undertake clinical trials, and engage in medical tourism, all at lower costs. Finally, after the success of 'Slumdog Millionaire', entertainment, animation and related industries can benefit from India's competitive technical capabilities.

## Brand India

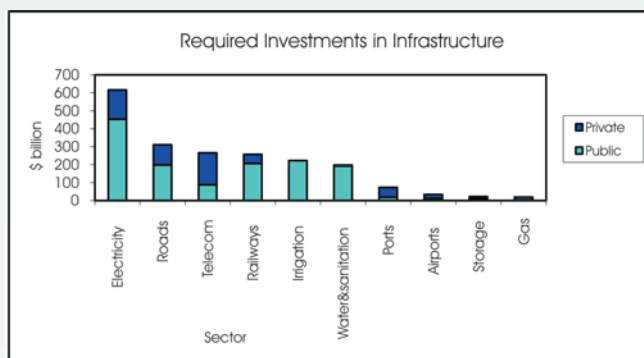
Brand development exercises need to be carried out in the US to position India as a valuable service provider. Service outsourcing has drawn greater attention than manufacturing outsourcing which has been a practice for decades. Thus, India is being perceived adversely as a threat to US jobs. However, outsourcing has helped US firms deliver quality services at lower costs and has increased overall benefits to the US consumer.

## Reverse Outsourcing & Indian Investment in US

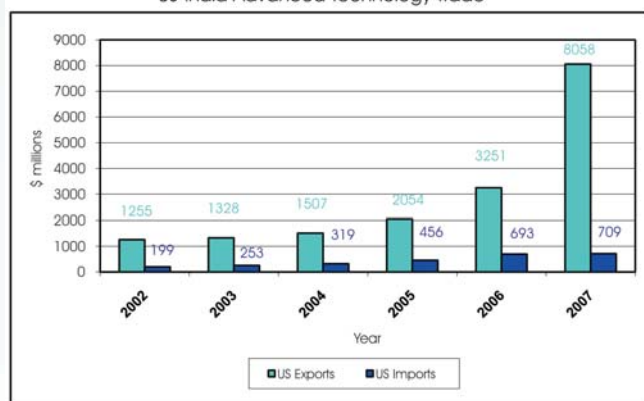
The process of reverse outsourcing has begun as Indian companies hand out multimillion dollar contracts to US companies. Also, Indian companies have been acquiring US companies in trouble, thereby preserving jobs. The Tata Group has invested \$3 billion in USA, employing 19,000 people. Indian companies employ some 30,000 in manufacturing and services businesses across the US. These developments need to be highlighted.

## Need for CECA

The report stresses the need for a Comprehensive Economic Cooperation Agreement (CECA): This agreement would address all the issues related to trade in goods as well as services. It would help in achieving a trade level of \$320 billion by 2018, an eight-fold increase over the next decade.



Source: Committee on Infrastructure, Planning Commission, India  
US-India Advanced Technology Trade



Source: US Census Bureau, Foreign Trade Statistics



## India May Offer Data Protection Norms for Pharma MNCs

By Neeraj Dubey, Advocate, PSA Legal Counsellors

Meeting one of the longstanding demands of multinational pharmaceutical companies and other innovator companies operating in India as they want a level playing field in the country's pharma market, the Indian health ministry is considering extending the scope of India's patentability criteria for new drugs in India to include incremental pharmaceutical inventions.

The issue of keeping data exclusive is a major challenge that the US and EU based multinational pharmaceutical companies currently face in India. Pharmaceutical companies are required to submit test and clinical data to the national health authorities to obtain marketing approval for a new drug. Data exclusivity requires the data to be kept confidential against "unfair commercial use" for a certain time period, thus barring generic manufacturers from using the submitted innovator data for the stipulated period.

In India, once patented, protection extends only to the invention, but not to the data generated. Clearly, the concept of patents and exclusivity of proprietary test data are distinct, but are complementary to each other in building a competitive platform for the innovators and marketers. Though India has not introduced provisions pertaining to data exclusivity so far, but is currently considering amendments to the Drugs & Cosmetics Act, 1940 and the Indian Insecticides Act, 1968 for incorporating provisions for data protection.

The concept of data exclusivity was incorporated in Article 39(3) of the TRIPS. Data protection spells out two distinct components of protection against "unfair commercial use" and protection against "non disclosure". TRIPS, makes data protection/exclusivity

mandatory for all member countries along with product patents and, therefore, to comply with its international obligations under TRIPS, the Indian government designated Reddy Committee to consider whether data protection can be offered under the existing legal provisions.

The Indian government is reportedly open for providing a limited term of protection against disclosure to the pharma companies in line with the recommendations included in Reddy Committee Report. Multinational pharmaceutical companies, backed by the US and the EU, have been lobbying for a five-year data protection term. They fear that Indian firms will use their data for unfair commercial purposes.

However, under the new scheme, the officials in the office of Drug Controller General of India should be under obligation to keep secret the undisclosed information submitted to Drug Regulator for approval of new drug. Though the government has agreed to the non-disclosure clause, it may still take a while to take a call on protection of the submitted trial data from unfair commercial use by other companies.

Once data exclusivity is introduced, generic companies would have to do their own safety and efficacy tests. The huge cost involved in this exercise could result in generic companies being barred from producing a generic version of a product for a period extending effectively beyond 20 years. The multinational pharmaceutical companies will finally get the much needed level playing field to withstand challenges posed by the generic industry in India. ■





## Timothy Roemer Named New US Ambassador to India

Timothy Roemer, a distinguished scholar and former Democratic Congressman has been named as the Ambassador of the United States to India, the White House announced recently. He succeeds Ambassador David Mulford in New Delhi.

Roemer, 52, a personal choice of President Barack Obama, has served on the blue-ribbon commission investigating the 11 September 2001 terror attacks on the US and on a key committee to prevent nuclear proliferation. His experience on both counts is expected to contribute significantly in dealing with terror that is sweeping parts of the Indian subcontinent, which is also home to nuclear-weapons countries India and Pakistan.

President Obama, who also named envoys to Sri Lanka and Japan, said the ambassadors will "strengthen our partnerships abroad at this critical time for our nation and the world." The ambassadorial positions still need confirmation by the US Senate.

Roemer served in the US House of Representatives from 1991-2003 before becoming the president of the Centre for National Policy (CNP), a Washington -based national security think-tank. While in the House, Roemer served on the intelligence, education and workforce,

and science committees. He did not run for re-election in 2002.

Roemer is a distinguished scholar at the Mercatus Centre at George Mason University. He was a partner at Johnston and Associates, a public and legislative affairs consultancy, before he became the president of the CNP.

Roemer now serves on the Commission on the Prevention of Weapons of Mass Destruction Proliferation and Terrorism, a bipartisan commission created by Congress in 2007 as a fallow-up of the reforms recommended by the 9/11 Commission to examine how the US can best address this threat to its national security.

Besides, Roemer also serves on the Washington Institute for Near East Policy's Presidential Task force on Combating the Ideology of Radical Extremism and the National Parks Second Century Commission.

Born in South Bend, Indiana, Roemer graduated from the University of California, San Diego with a BA degree in 1979. He earned his MA and PhD from the University of Notre Dame. His 1985 dissertation was titled "The Senior Executive Service: Retirement and Public Personnel Policy."

## Indians Bag Bulk of US H1-B Work Visas in 2008

People of Indian origin cornered 157,726 (or 37.8 percent) of the most sought-after H-1B work visas for highly skilled categories in the US in 2008 totalling 409,619, an official report said.

In 2007 157,613 Indian citizens were admitted to the US on H-1B visas while in 2006 the figure was 125,717, according to the Annual Flow Report released by the Office of Immigration Statistics.

Canada is a distant second in terms of H-1B visa admissions with as many as 23,312 Canadian nationals entering the US in 2008 under this visa category, followed by Britain (19,209), Mexico (16,382) and China (13,828).

"The leading countries of citizenship for H1-B admissions in 2008 were India (38 percent), Canada (5.7 percent), and the UK (4.7 per cent). Nationals from these three

# India, Can Be Hub of Asian Growth & Avenue for US Exports



India has the potential to become a regional hub of prosperity in Asia, according to Robert O. Blake, a former deputy chief of mission at the Embassy of the United States in New Delhi.

"India, with its vibrant democracy and rapidly expanding economy, can be an anchor of stability and opportunity for South and Central Asia," said, adding that the country provides crucial export opportunities to American companies.

"With a massive and expanding middle class, and an economy projected to grow at 5.0 percent this year, India can be a hub for regional prosperity," Blake told his confirmation hearing as the new US point man for South and Central Asia.

Noting that US exports to India increased from \$5 billion in 2003 to almost \$19 billion in 2008, he told the Senate Foreign Relations Committee that India also offered several opportunities where US can enhance its regional integration.

"India has a middle class the size of the total US population. It is projected to swell to 580 million people in the next 20 years," he said, underscoring the nation's import in the "region of extraordinary opportunity for the US".

Blake, most recently US Ambassador to Sri Lanka, said that the South and Central Asian region would be a growing market for the US in this century even as other parts of the globe were nearing saturation.

"India provides vital export opportunities," he said. Blake is slated to replace Richard Boucher as Assistant Secretary of State for South and Central Asian Affairs in the Barack Obama administration.

Blake said India and the US had some key common interests as democracies, in combating terrorism, getting the global economy back on track, addressing the issue of climate change and reinvigorating global trade talks.

"With India we will seek an expanded strategic partnership, building on the growing convergence of our interests and values," he added. ■

countries accounted for 48 percent of H1-B admissions," the report said.

Indians also accounted for a major share of people entering the US on L-1 visa, which is primarily used for intra-company transferees.

However, Indians, the largest non-resident immigrants to the US for years, have now been overtaken by Mexicans, according to the latest official report for the year 2008.

In 2008, of more than 3.6 million foreigners coming to the US on resident non-immigrant visas, Mexico topped the list with 440,099 followed by a close India with 425,826 admissions.

Japan has been a distant third with 257,401 admissions followed by South Korea (216,648), Britain (216,280) and China (163,433), the report said.

"The leading countries of citizenship for resident non-immigrant admissions to the United States in 2008 were Mexico (12 percent), India (12 percent), Japan (7 percent), South Korea (5.9 percent), and the UK (5.9 percent).

"These five countries accounted for more than 40 percent of resident non-immigrant admissions to the US," it said. ■

# NABSHOW 2009

## Digitization High on India's Agenda

Indo-American Chamber of Commerce (IACC) organized the visit of a high-profile business delegation from the media and entertainment Industry to Nabshow 2009 held in Las Vegas from 18 to 23 April 2009.

The 34-member delegation included Ms. Sushma Singh, Secretary, Ministry of Information and Broadcasting and Amitabh Kumar, Director (Films). The media and entertainment industry being identified as one of the thrust areas with the objective of promoting trade between India and the United States, IACC organized road shows in Mumbai, Chennai and Hyderabad to publicise and recruit Indian organizations to participate in the Nabshow 2009.

IACC also organized an India Pavilion with companies such as Valuable Group, Kavithalayaa Productions, Movico Technologies Pvt. Ltd etc., displaying their cutting edge products and content they had to offer. A Resource directory providing details on each of the delegates with their business interests, participants in the India Pavilion and speakers at the India sessions was printed and distributed at the show.

The delegation, led by Farokh Balsara, Chairman of IACC's Media and Entertainment Committee, coordinated the "Info-Session" with the theme 'India: Transitioning to a Digital Future' on 22 April. The panelists included Ms. Sushma Singh, Ameya Hete, Executive Director, Valuable Group, Arvind Jha, Director & Co. founder of Movico Technologies and Krishnan Raja, Digital Media Technology, Motion Picture Association of America.

Balsara provided an update on the business opportunities available in India as a result of economic growth and technological expansion. India has the world's largest film industry with over 1000 films produced annually. Indian films now reach non-diaspora audiences in the US, Europe and East Asia leading to many International partnerships. In 2008, content creators witnessed a growth rate of about 25-40 percent over 2007. With new genres and international formats taking over from traditional soaps as consumer preferences change.



L to R: Arvind Jha, Sushma Singh, Farokh.T Balsara, Ameya Hete and Krishnan Rajagopalan



Sushma Singh, Secretary and Amitabh Kumar from Ministry of Information & Broadcasting, GOI with the NAB Delegates at the India Pavilion



He said that Digitization is one of the key growth drivers for the Industry and it was witnessed across the entertainment value chain. Digital technologies are used as enablers to overcome distribution inefficiencies. India will increasingly become a preferred destination for digital content generation, post-production and animation related services.

As world's largest roll-out of digital cinema is in India and



*Farokh.T Balsara interacting with the delegates*

implementation of Conditional Access (CAS), Direct-to-home (DTH) and Head-ends in the Sky (HITS) is under way, Ms. Sushma Singh said that India is in the process of digitization. This was already being done through various ways through set-up boxes in four metro cities, cable operators etc. Digitization was high on the Indian Government's agenda and it will be completed by 2017, she said.

An increasing number of countries around the world are recognizing the NAB Show, not just as a radio and TV broadcasting show, but as the global business to business event for the entire electronic media industry. In spite of the global slowdown, this year Nabshow had 1541 exhibitors, and registered attendees of more than 83,000 where 23238 electronic media professionals representing 166 countries networked to establish business partnerships with global players. ■

## Mayfield to Invest Venture Capital in Five Indian firms

Mayfield Fund, a Silicon Valley-based venture capital fund focusing on the US, China and India with \$2.8 billion assets under management, is looking at parking its investments in about five Indian companies this year.

"China offers opportunity for early stage venture capital investing like in the US, whereas in India it is venture growth. There are an enormous number of small and medium enterprises about 20,000 in the country that have achieved some scale and size but are capital-starved. We are looking at tapping into this potential. We currently have about five companies on our radar and will invest in them from our \$110 million (around Rs 550 crore) India-dedicated fund this year," Nikhil Khattau, Managing Director of Mayfield said.

Khattau said the fund was looking at three main themes infrastructure and ancillaries, consumer and globally-competent Indian companies in the IT, ITeS and manufacturing space to invest in India. "About 65 percent of India's gross domestic product (GDP) is consumer-oriented and that will reflect in the deals that

we make here," he added.

"Although the amount we invest is driven largely by the opportunity, our initial investment is between \$5 million (Rs 25 crore) and \$15 million (Rs 75 crore) with the typical holding period being three to five years. We generally also participate in follow-on financing rounds and assist in finding co-investors in these rounds," Khattau said.

Mayfield has so far parked 20 percent of its India-dedicated fund in seven companies including Genesis Colors, a fashion designer label based in Delhi, Bangalore-based steel design and construction services firm Geodesic Techniques and optical networking products company Tejas Network, Hyderabad-based voltage stabilisers and power-saving equipment provider Servomax and Chennai-headquartered Consim Info (formerly known as Bharat Matrimony Group).

"South India is where we get more deals from," Khattau said, adding that the VC firm expected its current fund to be exhausted over the next three to four years. ■

## WEST INDIA COUNCIL

# Welcome Dinner in Honour of US Interim Charge d'Affaires Burleigh

The Western India Council (WIC) of Indo-American Chambers of Commerce (IACC) hosted a grand reception at the Taj in Mumbai on 20 April, 2009 in honour of Ambassador Peter Burleigh, who took over recently as interim Charge d'Affaires at the Embassy of the United States, New Delhi.

The evening of cocktails followed by dinner at the Crystal Room, which was gaily decked up for the occasion, started with IACC-WIC Regional President Brian Brown welcoming Ambassador Peter Burleigh and an exclusive guest list of IACC members. He briefed them about the Ambassador's vast diplomatic experience.

Ambassador Peter Burleigh's interim, appointed by Secretary of State Hillary Rodham Clinton, reflects the US Government's emphasis on assuring highest-level of representation and continuity in US-India relations. Ambassador Burleigh's substantial diplomatic experience



Ambassador Peter Burleigh, Charge d'Affaires a.i. Embassy of the United States of America briefing the guests about his mission in India

and many years in South Asia will provide leadership of the US Mission in India and continue to nurture the important bilateral relationship until a permanent Ambassador is named in the months ahead.

Ambassador Peter Burleigh said that his main focus was to reassure India that the strategies and policies of the Obama Government would be solely directed towards enhancing trade and commerce between the two nations.

It was a delight to watch dignitaries from the US Consulate, including Consul General Paul Folmsbee mingle freely with IACC members. The evening ended with IACC-WIC Regional Director Shabina Patel, thanking the guests who had come in full zest to welcome Ambassador Burleigh.

This event was yet another laudable effort of IACC in its endeavor to strengthen ties between India and the US. ■



L-R: Paul Folmsbee, Brian Brown, Ms. Shabina Patel, & Ambassador Peter Burleigh, Charge d'Affaires, US Embassy

# Seminar on Paradigm shift in Indo-US Corporate Security Scenario

The West India Council (WIC) of Indo-American Chambers of Commerce (IACC) WIC organized a seminar on 'Paradigm shift in the Indo-US Corporate Security Scenario' on 21 April 2009 at the Taj Mahal Hotel, Mumbai.

The seminar started with a brief introduction of IACC by IACC-WIC Regional President Brian Brown. He also introduced the eminent panellists present on the dais, the Guest of honour Paul Folmsbee, US Consul General, the conference chairman Pradeep Udhas and the Keynote



speaker Dr. Diwan Rahul Nanda, Global Chairman & Managing Director, TOPSGRUP.

Folmsbee enthralled the audience with his experience on the war front. Dr. Nanda's keynote speech was thought-provoking and captivating. He spoke on various aspects of security from the common man's point of view. He illustrated with the help of a short film how TOPSGRUP played a proactive roll in rescuing the victims of the tragic 26/11 terror attacks.

After the inaugural session, a wide-range of topics like cultural aspects of security, Institutionalizing Security (Internal Security within a corporate), Infrastructure Security were discussed by well-regarded speakers in the security sector like Benjamin W. Sides, Regional Security Officer, U.S. Consulate, Mumbai, Ben Kleimer, International Director-Sales & Business development, Viper Elite, USA & Devon Archer, Diamondback Tactical, USA. The main point that were intriguing were an individual's greatest aid during a crisis is ones 'instinct which an individual should always trust and fall back on, building a culture & environment for security among staff is of prime importance.

A panel discussion by experts from various fields followed the speeches. The regulatory sector was represented by Satish Maneshinde, Advocate, High Court, the corporate Sector by Prakash Shukla, Sr. Vice President Technology and CIO, Taj Mahal Hotel, Mumbai while Vikram Oza, Features Editor, UTV News Ltd. represented the media sector. In this session, the experts gave their views on security from the standpoint of their respective sectors. This session turned out to be highly interactive as the audience came up with a number of queries addressed to the experts.

This seminar would not have been possible without the generous support of the sponsors- Diamondback Tactical & Direct Action Resource Centre (DARC).

The seminar was attended by a number of delegates ranging from CEOs of top security companies to Chief security officers of multinational banks. The seminar was very interactive as there was a Q&A sessions at the end of the speeches during each session. Overall the seminar was very insightful and well received by the highly knowledgeable members of the audience who felt that the various topics discussed at the seminar were very relevant and a need of the moment. ■



L-R: Speaking on the podium Shabina Patel, on dais Pradeep Udhas, Paul Folmsbee, Diwan Rahul Nanda & Brian Brown.



L-R: Pradeep Udhas, Benjamin W. Sides, Devon Archer & Ben Kleimer



Panel discussion L-R: Pradeep Udhas, Satish Maneshinde, Prakash Shukla, & Vikram Oza





## PUNE BRANCH

# IACC's First-Ever Golf Event Tees off to Grand Success

The Pune Branch of Indo American Chamber of Commerce, organised an Invitational Golf Tournament "IACC Golf Cup 2009" at Poona Club Golf Course on 25 April 2009.

The one-day tournament was organized for corporate heads of the city to give them a platform to discuss business along with the game. The one-day event began around 7.30 am on Saturday and ended around 9 pm after the prize distribution.

The first ever Golf Tournament by IACC, Pune was a huge success by many measures. The attraction here was the game itself - GOLF. The tournament was designed to complete in about five hours. Registration for the event began at 6.15 a.m. at the Poona Club Golf Course. The tee off took place at 7.00 a.m.

The "IACC Golf Cup 2009" overall winner was Prashant Bafna. P. Sethna was runner up while Ms. Arti Kirloskar came out as the 'Lady Golfer' of the tournament. In the IACC members' section the winner was Manpreet Sachdeva from Mumbai followed by the runner up Sameer Sagade who,

also, won a prize for 'Monster putt'. Col. D. K. Bhandarkar won the prize for the 'Straightest Drive', Arvind Sethi, Ernst & Young, for the longest drive while Vilas Rathod won 'Closest to the pin'.

It was time to cool and time to network, as well, over Beer and lunch, after the tournament! The event, thus, provided great opportunities for businessmen to combine fun with some business as well. Every one was praise for the immaculate arrangements made and looked forward to such events by IACC in future.



IACC Golf Cup 2009 Sponsors and the  
Guests with Mokashi

## Golfing & Networking Go Together

Indo-American Chamber of Commerce, Pune, organized a Golf Tournament prize distribution ceremony and networking event.

The function was held jointly in association with Poona Club as 'Annual Golf Prize Distribution' organized on the same evening of the Golf tournament - 25 April 2009 at Poona Club Golf Course.

"It was a gathering where we get to meet some good people from the corporate world and mixing it with golf added spice to the occasion," said the champion, Prashant Bafna, Managing Director of the Bafna group. "It was a good day out for the golfers as it was not hot out there and we could play a better game," Bafna said.

The evening Prize Distribution Ceremony was filled by the

dancer troupe from Mumbai followed by cocktails and dinner. The well organized tournament and prize distribution ceremony was appreciated by sponsors Sadashiv Pandit, CEO of Fleetguard, Arup Bhattacharji, Head, Corporate Banking of HSBC and K.U. Rao, CEO of DNA.

The rave reviews, positive feedbacks from the participants and the media coverage show clearly that the event was, indeed, a run-away success. Many important decision makers from the corporate world such as Synechron, BMC Software, PTC Software, Kirloskar Oil Engines, Serum Institute were present at this delightful evening function. Building on this success, IACC plans to have a regular golf event to help busy business professionals get together for fun and networking in the future.



## GUJARAT BRANCH

### Meet on Legal Issues Related to Cross Border Business

The Indo-American Chamber of Commerce (IACC) Gujarat Branch organized an interactive meeting on "Cross Border Business Related Legal Issues" on the evening of April 11, 2009 at Dinner Bells Hotel, Ahmedabad.

IACC-Gujarat Chairman, Kaizar Mahuwala warmly welcomed the speakers Utkarsh Jani, Jani Advocates and Sunil Arora, Chartered Accountant of the CCI group and introduced them to the IACC members attending the function.

Jani's presentation included topics such as International Joint Venture Agreements, Joint Ventures' traditional modes of entry. He gave detailed information on mergers, acquisitions and takeovers with a particular reference to their context in India and the United States and the procedures involved. He further mentioned the four main Acts of Merger and Acquisition and the consequences of violation of these acts. Also gave a brief of Cross Border Interactions and International taxation procedures.

During his talk, Arora gave detailed information about the issues related to business in Cross Border Issues. He touched upon the topics of Cross Border Payments, Guiding Section (Sec 195), Payment to Non-Residents, DTAA vs. Domestic, issues under consideration-Improve tax only on the skill that is rendered. Extract of the

MOU on article, Singapore treaty, Payments to Non-Residents, Permanent Establishment, Service PE Case Study-Morgan Stanley Ruling the consideration paid, some miscellaneous issues were discussed, dividend distribution tax paid by subsidiary in India, Overseas holding structures-needs for holding overseas structures and ideal holding company jurisdiction. He took the example of Vodafone and said that a foreign investor would always come through favorable tax jurisdiction.

Members from various sectors, who attended the meeting, found it highly informative. Vice-Chairman Narendra Patel offered a vote of thanks. Feedback forms were circulated to know more popular topic of programmes among members. The programme was followed by refreshments. ■



L-R Sunil Arora, Kaizar Mahuwala & Utkarsh Jani

### Session on ECGC' Factoring & Other Services to Exporters

The Indo-American Chamber of Commerce (IACC) Gujarat Branch organized an interactive meeting on "ECGC Services to Exporters and Benefits of Factoring Services" on the evening of March 19, 2009 at IACC Conference Hall, Ahmedabad.

IACC-Gujarat Chairman Kaizar Mahuwala warmly

welcomed the speaker Shivaji Narvekar, Asst. GM ECGC & Branch Manager, Ahmedabad - Branch. He also gave a brief introduction of IACC as well as Narvekar.

In his presentation Narvekar explained the salient features of ECGC, which is the fifth largest credit insurer



in the world in terms of coverage of national exports. ECGC provides a range of credit risk insurance covers to exporters against loss in export of goods and services. It offers guarantees to banks and financial institutions to enable exporters to obtain better facilities from them. It also provides Overseas Investment Insurance to Indian companies investing in joint ventures abroad in the form of equity or loan. ECGC protects the exporter from the risks of non payment. It reviews the credit worthiness. It provides advice to exporters in debt recovery and also open insurance too in order to avoid paper work.

Around 20 members from various sectors attended the interactive meeting and found it highly useful. Senior Council Member Dr. O.P. Pahuja delivered vote of thanks. The programme was followed by refreshments.



*"ECGC presentation by Sunil Narvekar in progress."*

## Interactive meet on Gujarat's Economic Growth

The Indo-American Chamber of Commerce (IACC) Gujarat Branch organized an interactive meeting on "Economic Environment in Gujarat" on the evening of 28 April 2009 at Ellisbridge Gymkhana, Ahmedabad.

Nick Parikh, Vice Consul for Political/Economic Affairs, US Consulate Mumbai, briefly talked about his experience in the field of Economic Affairs. Parikh, who started his career in technical sales and marketing for British Telecom and later became Regional Manager for IBM Global technology sector for RBC Dain Rauscher, is serving his first stint in Mumbai as a Consular officer. Keith Ritter who accompanied Parikh is currently assigned to the Policy Research Staff. He also served in the White House Situation Room

from 1990 to 1992, where he provided support during Desert Storm/Desert Shield.

Both Parikh and Ritter had specially come to study economy growth of Gujarat. Parikh shared his observations about the economy, which were found to be interesting by the members present. He also discussed the connection between the stock markets of India and USA. Certain points of recession were also discussed. He said that recession had not hit all the sectors and that sectoral changes had taken place in industries like IT, garments etc. Real estate would take time to heal.

IACC-Gujarat Chairman Mahuwala and other members present at the meeting gave a brief account of the Gujarat Economy growth to the distinguished visitors.

Besides IACC members, presidents of leading chambers of commerce in Gujarat were present at the meeting. Parikh specially thanked all the members present at the meeting. The programme was followed by dinner.



*Nick Parikh and Keith Ritter along with IACC officials & members*





## Talking about US Visa over 'Obamamania' Breakfast

The Gujarat Branch of Indo-American Chamber of Commerce (IACC) organized a Breakfast meeting on "Obamamania & US Visa" on 13 May 2009 at Ellisbridge Gymkhana, Ahmedabad.

IACC, Gujarat Branch Vice-Chairman Narendra Patel gave a brief introduction of Sudhir Shah, Advocate, M/S Sudhir Shah & Associates, Mumbai. Ms. Krishna Bhaya, Branch Secretary, IACC- Gujarat, warmly welcomed Shah.

Shah, started with a brief introduction of his experience. He gave detailed information on U.S Visa. He talked about how Barack Obama, a man of African origin, defeated the charismatic white person, Hillary Clinton for the Democratic Party nomination and his eventual victory over the Republican rival John McCain to become the 44th President of the United States.

Unfortunately, for Obama recession started but it had not affected the US that much as feared. The people around the world are fond of Obama and there is 'Obamamania' sweeping the US.

Shah talked about different types of Visas. Immigrant Visas and non- Immigrant Visas. Immigrant visas, based on which Green Cards are granted to people qualifying in 10 different ways. Each category normally has a particular quota. An immigrant visa is valid for six months from the date it is issued. Under

certain circumstances, a Green Card holder may apply for citizenship after five years of holding the Green Card. Non-Immigrant Visas are classified into different categories 1) B-1 & B-2 for businessmen and tourists respectively 2) P-1 for athletes 3) R-for people working for religious purposes 4) K-1 for Fiancés 5) S-for special informers. Each Visa requires particular graduation. 6) L-1 visa is for intra company transfer.

He said that every year 50,000 immigrant visas are granted through lotteries. Around 30 members from various sectors attended the meeting and found it highly interactive & informative. Krishna Bhaya, Branch Secretary, IACC Gujarat Branch, gave a vote of thanks. ■



Advocate Sudhir Shah (centre) along with Narendra Patel and Krishna Bhaya

## NORTH INDIA COUNCIL

## Ambassador-Designate to US Apprised of Key Bilateral Issues

The North India Council (NIC) of Indo-American Chamber of Commerce (IACC) organized a meeting with India's Ambassador Designate to the US, Ms. Meera Shankar, on 15 April 2009 in New Delhi.

IACC-NIC Regional President S. Madhavan welcomed the Chief Guest and Gautam Mahajan, Executive Vice

President, delivered special remarks and Dr. Vivek Lall, Regional Vice President, proposed a vote of thanks.

Madhavan, in his opening remarks, apprised the Ambassador- Designate of the IACC activities and how the Chamber had been servicing its members for the last 40 years. She was briefed on the key events like Indo-US



Economic Summit and Aviation Summit organized by the Chamber each year. He also informed her of the IACC being the Co-host for the US India Aviation Cooperation Program.

Mahajan apprised the Ambassador-Designate of the IACC Committee of the Past Ambassadors to the US, which had been providing guidance and critical inputs for the Chamber to develop its brand as well as to service its members.

To further service the members effectively, Mahajan made some suggestions and requested support from the Indian Embassy in US to take these forward:

- Setting up US India SME Leadership Forum
- Support in conducting a Summit on US India Trade and Economics in the US
- To sell India to the US industry and America to the Indian industry
- To get the US investors to invest in the infrastructure sector

Ambassador-Designate Ms. Shankar observed that the SMEs of each country provided the foundation for the economic relationship and we needed ways to get this relationship moving by promoting trade, investments and technical collaborations. India had traditionally been an exporter of gems and jewellery, spices, garments, engineering goods etc but there has been a growing need to focus more on exporting manufactured products.

There has also been a need for US investment in terms of portfolio and foreign institutional investment. She observed that the Indian stock market seemed to have bottomed out in the case of portfolio investment and that it was a good time for FII's to return to India.

She informed that the US FDI in India had declined by 12 percent due to global slowdown and that there was a need for more FDI in the transport, ports, airports, roads and renewable energy sectors.

The Ambassador-Designate said that more US presence was required in the Indian infrastructure sector. The US investment in infrastructure would not only help stimulate India's market but also the US's domestic industry. There was scope for Public-Private Partnerships (PPPs) in the infrastructure sector as well.

She observed that an important area in promoting trade is technical collaboration. America can help India with technology to utilize agricultural residues to generate bio-mass energy. She also added that renewable energy is a key area, particularly solar energy. She also emphasized on the need for water conservation. ■



Ms. Meera Shankar, Ambassador-Designate to US addressing the participants



S Madhavan, Regional President, IACC welcoming the participants



Dr. Vivek Lall, Regional Vice President, IACC giving a vote of thanks



Gautam Mahajan, Executive Vice President, delivering special remarks.



The North India Council (NIC) of Indo-American Chamber of Commerce (IACC) organized a luncheon meeting with Commerce Secretary G K Pillai, coinciding with its Executive Committee meeting on 4 April in New Delhi.

IACC National President SK Jain welcomed the Commerce Secretary and the Executive Committee members.

Pillai said that India would not see the same growth in its exports as before owing to a fall in demand in the US and European markets. On Indo-US trade, he said that some of the US companies were still investing in India and that the investment climate in the country was improving. Pillai also said that the rural sector was showing improvement reflecting more purchasing power, thereby creating demand in the domestic market. He also said the Government was focusing on the housing sector and there was a need for developers to bring down the prices. The session was followed by an interactive question and answer session.

## Luncheon Meeting with Commerce Secretary Pillai



L-R: R. K. Chopra, Syed Baderuddin Shez, S K Jain, G K Pillai, and S Madhavan

## VARANASI BRANCH

## Conclave Calls for Better Deal for SMEs & MSMEs

The Varanasi branch of Indo-American Chamber of Commerce, organized a "Conclave on SMEs & MSMEs" in collaboration with PHD Chamber of Commerce of Commerce & Industry, New Delhi and Konrad Adenauer Foundation, Germany on 28 April 2009. Honorary Advisor of PHDCCI C.M. Krishna was the key-note speaker. Members of IACC-Varanasi, representatives of various industrial associations of Varanasi and Bhadohi, businessmen and industrialists, senior bank officials, eminent citizens and representatives of the media took

part in the discussion.

IACC - Varanasi Chairman Debashis Mukherjee welcomed C.M. Krishna and all the participants. Highlighting the significance of the programme, Mukherjee said that at present exporters were facing various problems such as higher rates of interest on bank loans, difficulties faced due to communication gap between RBI and the local banks over taxation, double taxation, issues regarding service tax and VAT applicable to exporters, etc.

"There is immediate need to bring these matters to competent authorities so that remedial measures are taken very quickly otherwise exports shall be badly affected," Mukherjee said.

IACC-Varanasi Vice Chairman Vinay Kumar presented a brief introduction of the Chamber's operations in Varanasi and hoped that discussion would be purposeful.

Krishna made an audio-visual presentation on the Financial Crisis of 2007-2009. Its causes, origin, growth, effects and gradual development were explained at length and in a very systematic manner. It







all started in July 2007 and the crisis deepened by September 2008 resulting in the failure of a considerable number of banks, mortgage lenders and insurance companies in the following weeks.

This crisis engulfed economies of the entire world since real estate, banking and credit in the United States had a global reach.

In this background the house discussed various problems and difficulties faced by exporters engaged in small and medium enterprises. The house was of the view that uniform laws and statutes should be chalked out for trade and commerce while dealing in international market in general and with SAARC countries in particular. This would minimize financial burden and transaction would be smooth. The house was unanimous in its view that local banks should take wide view of the situation and they should extend all their

help and cooperation to exporters. While government grants give many concessions to corporate houses, trade policy towards SMEs and MSMEs is confusing. It should be remembered that on many occasions in the past, SMEs and MSMEs have strengthened Indian economies and in the present scenario of economic crisis these are capable in facing this challenge successfully. Krishna assured the house that views and problems put forward shall be taken into consideration. These shall be presented at SAARC conference of SMES in Nepal.

Puneet Raman, Past Chairman, IACC, Varanasi thanked Krishna and all the participants.

Members of Indo-American Chamber Tanmaya Deva, R.K. Goel, Subrato Paul, Raj Agrawal, Kailash Baranwal, Pritam Khanna, Suraj Sah also participated in the discussion.

## SOUTH INDIA COUNCIL

## TAMIL NADU BRANCH

# Meet 'Success First Hand' Over Breakfast in Chennai

The Tamil Nadu Branch of Indo-American Chamber of Commerce (IACC-TN) organized the 9th edition of the breakfast meeting "Meet Success First Hand" on 26 March 2009.

IACC-TN Chairman S. Ravishankar welcomed the participants, followed by an introduction of the guest speaker C.K. Ranganathan, CMD, Cavinkare Pvt Ltd by Srinivas Acharya, Committee member. Ranganathan's speech, centering on his success as an entrepreneur was spellbound and highly motivating for the audience. Umesh Pujara, Vice-Chairman delivered vote of thanks.



S. Ravishankar, Chairman presenting a memento to Ranganathan, CMD, Cavinkare Pvt. Ltd.



At the 10th edition of the breakfast meeting held on 28 April 2009, the guest speaker R. Sarabeswar, Chairman & CEO, Consolidated Construction Consortium Ltd enthralled the audience with his insights on the road to success. S. Ravishankar gave the welcome address and the speaker was introduced by T.N. Venkatanarayanan, Committee member. Mrs. Usha Srinivasan, Vice-Chairperson, IACC- TN, proposed a vote of thanks.

L-R: Sarabeswar, Ms. Vasanthi G & S. Ravishankar



The 11th edition of the breakfast meeting was held on 27 May 2009 and the guest speaker was N.R. Panicker, Chairman & CEO, Accel Frontline Limited. S. Ravishankar, IACC-TN Chairman, welcomed the gathering and T.N. Venkatanarayanan, Committee member introduced the speaker. Panicker enumerated his experiences as a successful entrepreneur inspiring the participants and highly motivating them. Mrs. Usha Srinivasan delivered a vote of thanks.

Mrs. Usha Srinivasan, Vice-Chairperson delivering the vote of thanks. Others seen (L-R) Ms. Vasanthi G, S. Ravishankar, & N.R. Panicker.



## ‘Collaboration Simplified’

IACC-TN, in coordination with IACC-Karnataka, partnered with Cisco WebEx and C2C-TMA World to organize a video conferencing in Chennai to experience “Collaboration Simplified” To find out methods to improve and measure collaboration effectiveness in virtual global teams on May 19, 2009.

## Employee background verification in the Indian workplace

IACC-TN organized a programme on “Employee background verification in the Indian workplace” on 13 March 2009 at Chennai. The speaker for the programme was Col. Vijay Reddy, Founder-Director, Footprints Collateral Services Pvt. Ltd, Bangalore. Col. Reddy gave an overview of various problems faced by corporate sectors due to non-conduct of employee background verification and the need for it in the current times. The

speaker also briefed on important facets that companies must pay attention for safeguarding their operation interests.

S. Ravishankar, Chairman welcomed the audience and Umesh Pujara proposed a vote of thanks. The session was lively and interactive and more than 40 members had participated in it.



A glimpse of the audience at the programme.

## Meet on Free Trade Vs Protectionism

"The Secret of Success depends on how you manage them," said Dr. R. Swaminathan, IAS (Retd.), Former Secretary to Asian Development Bank, who was speaking at a programme on 'Free Trade vs. Protectionism' organized by IACC- TN on 20 May 2009 in Chennai. Dr. Swaminathan shared his views on the current trends across the globe. He believed that the fiscal stimulus package announced by the government would not work in India due to the poor public administration system. He also said the present global economic crisis was created by the poor fiscal discipline practiced by financial institutions in the US.

J.S. Chopra, President, Delphi TVS said, "The stimulus package of the government is a sign of revival for the automotive industry at present. Automobile industry exports are badly affected due to the global meltdown. Some strong measures like cuts in salaries and travel costs are inevitable for survival. The trading system of multilateral route is time consuming but the bilateral route benefits a lot because of the preferential treatment". He recalled how India was isolated totally until it opened its doors for globalization in 1995. He said that there was lot more confidence after the new government emerged and there would be demand in India for automobiles in future. India will remain a global hub for manufactures of small cars on two counts cost and ability. For exports

to be strong, domestic market is very important. He concluded that the benefits of liberalization are huge but, we have to face the challenge.

M. R. Venkatesh, Partner, GSV Associates said that there was no global solution to the global crisis but only national solutions since it differs from country to country. Those countries which encouraged globalization have now turned their policies upside down, trying to protect their local industries. He said there should be exchange of products rather than currency and there is a need for the book of economics to be rewritten.



L-R: J.S. Chopra, President, Umesh Pujara, Dr. R. Swaminathan, and S. Ravishankar.

## Celebrating World Earth Day

The Tamil Nadu branch of Indo-American Chamber of Commerce (IACC-TN), in association with the U.S. Consulate General Chennai, celebrated World Earth Day on 23 April 2009. A video on "Life after Oil: the new alternative energy resources" was screened and experts gave their views on alternative energy resources.

IACC-TN Chairman S. Ravishankar in his welcome address said that the EARTH DAY programme was organized to create awareness among the public to signify the sharing of ideas and reminders to preserve the planet. Besides, the rising cost of crude oil in the international market compelled the need for alternative energy sources.

Mohan Verghese Chankath, IAS, CMD, Tamil Nadu Energy Development Agency, urged entrepreneurs to set up solar thermal power plants in the range of 30-50 MW

and to go in for solar photovoltaic as and when the capital costs come down. He said "It is ideal to set up solar thermal power plants of 200 MW. But it requires huge tract of land, money and time. But the intermediate size would be 30-50 MW. Also, the transmission and distribution loss will be minimal. On the other hand, solar photovoltaic does not have moving parts or minimum size and it does not require water too. However, it costs Rs. 20 crore to set up a 1 MW production unit. Companies can go in for solar photovoltaic when the prices come down to Rs. 7-8 cores a MW. But it would not happen in the near future".

Speaking on the occasion, Consul for Public Affairs, American Consulate General in Chennai Frederick Kaplan said that to satisfy the growing demand for energy and to save our planet, the world needed more technological innovations. Energy efficiency was one of





the alternative sources of energy and was fastest, cheapest and cleanest. Kaplan said that to save planet earth, the US government has imposed energy efficiency standards on buildings and appliances, offered financial incentives and asked organizations to conduct information and education programmes.

E. Natarajan, Institute of Energy Studies, Anna University spoke on the topic of biogas as an alternative energy resource. Umesh Pujara, Vice-Chairman, IACC-TN proposed a vote of thanks.

L-R: Mohan Verghese Chunkath, S. Ravishankar, Dr. E. Natarajan, Frederick Kaplan, and Umesh Pujara.



## Understanding the New Regulations of H1B Visas

IACC-TN conducted a programme on "Understanding the New Regulations of H1B Visas" on the morning of 8 April 2009 at Hotel Taj Connemara in Chennai. The objective of the programme was to offer information and the latest updates on the new regulations governing H1B visas and the necessary procedures to be followed.

Two senior officials of the American Consulate General, Chennai - Bryan Dalton, Chief Consul of Consular Services and D. Ian Hopper, Deputy Chief of NIV, were the main speakers at the programme.

L-R: Ian Hopper, S. Ravishankar, Bryan Dalton and Mrs. Usha Srinivasan.



### KARNATAKA BRANCH

## Visiting Cisco Campus for a Look of Intelligent Urbanization

The Karnataka Branch of Indo American Chamber of Commerce (IACC) for the first time organized a visit to the Cisco Campus at the Cessna Business Park exclusively for its members on 25 March 2009. Steve Du Mont, Global Managing Director and Syed Hoda, Chief Head of Staff, Cisco Systems India Pvt Ltd, explained Cisco's Global

Organization Campus & the underlying globalization strategy. They also provided an overview of 'Intelligent Urbanization'.

Rotating visits to Intelligent Urbanization demos were organized and the following topics were covered: Intelligent Mobility, Intelligent Energy, Intelligent



Buildings, Intelligent Security and Unified Communications, Tele Presence and Health Presence.

The entire program was a good learning experience and was well appreciated by the IACC Members.



Steve Du Mont, Global Managing Director, Cisco Systems India Ltd explaining Cisco's Global organization campus to IACC Members.



Group snap of IACC Members at the Cisco Campus.

## Complex Issues of Collaboration Get Simplified

The IACC-Karnataka Branch in partnership with Cisco WebEx and C2C-TMA World hosted the CXO Breakfast event "Collaboration Simplified" on 19 May 2009. The meeting was held at the Cisco Global Briefing Centre and provided a unique opportunity to the participants to meet and network with the Industry leaders (CIOs, CTOs, and CEOs across verticals) and get exposed to some of the latest collaboration trends, tools and technologies.

The session was led by Ravi Shekhar Pandey, an analyst who described the drivers of collaboration and underlined why smart businesses are using collaboration technology and how it is expected to grow in the coming years.

Vinay Kumar, C2C Consulting, facilitated the talk about the TMA World collaboration model. He explained that the 6C's of Cooperation, Convergence, Coordination, Capability, Communication and Cultural Intelligence have become essential ingredients of looking at how global collaborative teams work. Finally Kiran Datar, Cisco Webex provided a complete overview of collaboration technologies.

The session also focused on collaboration challenges like security issues and how users can maximize investment in existing licensed software by using collaboration technologies. This meet was well appreciated by all the IACC Members.

## Session on Stress Management with Natural Healing Techniques

The Karnataka Branch of Indo-American Chamber of Commerce (IACC) organized an interactive breakfast session on Stress Management. Ms. Suja Issac, Executive Director, Soukya International Holistic Health Centre, spoke on how to cope with, manage and overcome stress in these days of increased pressure, with the help of

natural healing techniques. This session also taught techniques to deal with stress and thereby increase productivity and improve health.

The session was held in Hotel Fortune Select JP Cosmos on 13 May 2009. The talk was very interactive, informative and useful for IACC members.



## Interactive Session on Remote Management & Virtual Teamwork

The Karnataka Branch of Indo-American Chamber of Commerce (IACC) organized an interactive breakfast session on Remote Management and Virtual Teamwork. Vinay Kumar, Principal Consultant, C2C Consulting Pvt Ltd, spoke on how remote management and virtual teamwork takes on greater significance in these tough economic times when travel budgets have been tightened. This session covered some key models and

thoughts behind the trends today. One of the models that was discussed in the 6 C model for global collaboration. Some best practices and examples of high performing virtual teams were shared, as well as challenges faced by participants was understood and discussed.

The session was held in Hotel Fortune Select JP Cosmos on 9 April 2009. The talk was very interactive, informative and useful for IACC members.

## Seminar on Global Certification: Key to Market Success

The Karnataka Branch of Indo American Chamber of Commerce (IACC) organized a seminar on "International Certification: The Key to Global Market Success" on 18 March 2009 at Hotel Royal Orchid Central. The seminar was sponsored by U L India Pvt Ltd.

The seminar was designed to provide a company with essential strategies to help successful product launches into the global market. The seminar provided a unique opportunity for the IACC-Karnataka members to learn International Certification fundamentals and they would be able to:

- Increase speed to market anticipate and act quickly, positioning your products ahead of the competition
- Reduce costs reduce rework leading to cost control and faster time to market

- Design for market acceptance help ensure your products are designed to meet the full requirements of your targeted global markets
- Focus on core competencies maximize your resources to help your team be more productive
- Manage risk sustain viability, protect reputation and encourage growth

Distinguished panelists for this seminar were:

Sharath Alva - Business Manager- U L India Pvt Ltd

Saurabh Nag - Section Manager, U L India Pvt Ltd

Entrepreneurs, quality managers and engineers, compliance and regulatory professionals, design engineers and managers, procurement, technical/sales and marketing professionals, manufacturing managers, project leaders etc attended the seminar.

## Managing Indirect Taxes in Cash Crunch Times

The Karnataka Branch of Indo American Chamber of Commerce, (IACC) organized an interactive breakfast session on Managing Indirect Taxes in this Cash Crunch at Hotel Fortune Select JP Cosmos on 12 March 2009. Ms Krupa Venkatesh, Director, Deloitte Haskins & Sells, spoke on how a company can manage indirect taxes in both manufacturing and service industries. The presentation also covered plausible solutions/

opportunities around indirect taxes in navigating the cash crunch. A few stay-awake/contentious issues such as double taxation particularly on software downloads, annual maintenance contracts, telecommunication services, etc. were also highlighted.

The session was held in The talk was very informative and useful for IACC members.