

INDO - LAC BUSINESS

July-September 2004

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Colombia
- On the reform path

Trinidad & Tobago
- The ever lasting bond

In This Issue

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



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Dear Readers,

Greetings. The current issue of Indo-LAC Business focuses on Trinidad and Tobago (T&T) and Colombia. T&T as a country has always touched an emotional cord within us. Because, it reminds us of the bond that a tiny Indian community forged with T&T more than one and a half centuries back. A bunch of bedraggled indentured Indian labourers, who arrived 159 years ago in T&T in search of livelihood, today constitute a formidable component of the country's population. The contribution of the People of Indian Origin or PIOs, as the Indian settlers in T&T are known, to the economic welfare of the country of their adoption, has been immense. We carry an article on the bilateral relations between India and T&T and how, the Indian Diaspora has helped in strengthening them over the years. We also have a country report on T&T as the islands that were discovered by Christopher Columbus and a tourism piece on the Land of Surprises and Contrasts. The other country we have focused on is Colombia, which has weathered many a violent political storm to emerge strong and stable. We trace the similarities between the economies of India and Colombia, both of which have initiated reforms all through the 1990s and are currently reaping their rich harvest. We carry an in-depth write-up by Indian Ambassador to Colombia Nilima Mitra on the investment potential of that country. We have a detailed analysis of trade between India and Colombia, which shows that the former has a healthy surplus, thanks to its rising exports to the Latin American country. Then there is an article on Mexico's economy by Ana Gabriela. Then there are two interesting reports - one a joint venture between Indian and Cuban companies to fight cancer and the other detailing the Cuban medical research findings on containing Hib. In other words, the current issue of Indo-LAC Business is quite comprehensive in its coverage.

Wish you happy reading,

Satya Swaroop

Managing Editor

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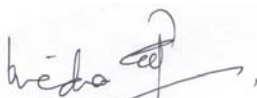


Dear readers,

Trinidad & Tobago has large concentration of people of Indian origin. In fact, it is one of the five countries (Mauritius, Fiji, Guyana, T&T and Suriname) in the world where PIGs constitute nearly half of the respective country's population. It is, therefore, extremely important for us from diasporic point of view in the context of our efforts to expand our outreach to the diaspora through a more proactive engagement. It is specially noteworthy that of the five countries listed above T&T is largest both in terms of population and the size of economy.

Despite a relatively small population of 1.3 million, T&T has a fairly sizeable economy with GDP of approximately US\$10 billion (per capita income approximately US\$8000) because of its rich oil and gas resources. We have consequently begun to accord considerable priority to expanding our economic and commercial exchanges with it. T&T also has the potential to serve as a bridgehead for the entire Caribbean region because of its dominant position in the region and traditional marketing and distributing networks available to business community here. CARICOM is a fairly close-knit regional organization which is generally advancing towards the projected goal of a simple market and economy and the opportunities available to our exporters here assume therefore even greater importance.

Intensive promotional efforts by the Mission (exclusive Indian trade fairs, business delegations, workshops, symposiums, market surveys and media campaigns) have led to doubling of bilateral trade in the last three years. This trend is likely to continue and accelerate further because of increasing acceptance of Indian goods and services by the consumers. While niche products such as ethnic garments, Indian spices and food products and traditional jewellery, etc., no doubt continue to be important our exports basket for T&T is getting increasingly diversified. Apart from the consumer goods which have been given prominence in the trade fairs held by us, the priority areas for us include pharmaceuticals, tools, auto spare parts, light engineering goods, sports goods, consumer electrical appliances, electronic gadgets, etc. In fact, we plan to undertake business delegations and sectoral displays/catalogue shows as well as a multi-product trade fair focussing on these specific areas in the next few months. Our exports will get a further fillip with the establishment of a new EXIM Bank line of credit for US\$8 million which is to be disbursed through the leading T&T financial institution, Republic Bank.


(Virendra Gupta)



भारतीय राजदूत
EMBAJADORA DE LA INDIA
AMBASSADOR OF INDIA
BOGOTA, COLOMBIA

5 July 2004



I am happy to note that "Indo-LAC Business" is highlighting trade and investment opportunities in Colombia in this issue.

Colombia offers the fifth largest market in Latin America having the third largest manufacturing and industrial economy of this region and a highly urbanized and consumption oriented population of over 44 million. With a record of virtually unbroken economic growth during the past 70 years, high literacy and ample human as well as natural resources, Colombia is an attractive destination for both trade and investment. Colombia's membership of regional trade pacts such as Andean Community, G3 and with Mercosur countries as well as the preferential access enjoyed by its

products in the US and EU markets, offer further incentives.

The presence of Indian companies - from RITES in the public sector to Tata International, Bajaj Auto, Hero Honda, Praj Industries, Aptech, Tata Infotech, and NIIT from the private sector - stands ample testimony to the potential and prospects of the Colombian market.

Notwithstanding the security risks on account of the left wing guerrilla activities, Indian exports to Colombia have increased steadily and more than doubled in the last four years. During the year 2003, our exports totalled US\$ 112.9 million, registering a growth of 28 per cent over the previous year. Our imports from Colombia during the year 2003 were \$6.2 million. Indian companies should also take a serious look at the investment opportunities offered by Colombia particularly in the oil and natural gas, pharmaceuticals, textile and clothing, auto-parts, and palm and wood plantations sectors.

I would like to express my deep appreciation to the publishers for this initiative and convey my best wishes for its success.


(Nilima Mitra)
Ambassador

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MESSAGE

INDO-LAC Business

Outsourcing is the base of the jewellery industry

- Dr. Gaetano Cavalieri

The CIBJO President, **Dr. Gaetano Cavalieri** was in Mumbai to attend the India International Jewellery Show, IIJS 2004 (July 15-19). Amidst the din and bustle of the Show, **Veerendra Bhargava** caught up with Dr. Cavalieri for his views ranging from the quality of products on display to the outlook for the gems and jewellery industry worldwide. He also stresses on the need for cooperation among jewelers across the world. Here are the excerpts.



How do you rate the IIJS 2004? What is your impression about it?

Very positive. I was very impressed; by the goods, and the selection of display in the show. I would suggest it would be better to have a conventional center where all the halls were linked together. Looking at the present arrangement, I would suggest to link the different halls without the need of a shuttle bus to go from one hall to the other. But the major thing, is that I found the quality, the design, the display and even the price, is very good.

How do you see IIJS in terms of business opportunities and potential?

GJEPC Chairman Kothari said that he would like to create a major B2B fair in the world. I would say that I can share this idea in the sense, that considering the fact that India is trying to propose its factories in the jewellery business and not only in the diamonds, as a world supplier, I think it is possible to work on this basis.

Do you think India is going to emerge as the manufacturing hub of the jewellery business as it is now in the diamond industry?

We are facing a global world in the businesses, whatever it is. Nobody can stop the progress. I would say that progress is in progress. And because the fact, which is a simple fact, I'm sure that India even in this

situation, the challenge is open. For what I know of India, it is a very good challenger.

As CIBJO President, do you think outsourcing to India is going to grow, keeping in mind the country's potential in terms of the availability of skilled professionals and infrastructure?

Very big, very big. Outsourcing is the base of the jewellery industry. In the last 10 to 15 years, it has been like this and it is going to grow. Everybody in the world is looking for outsourcing, because there are many countries around the world where costs are so high. So, a sort of joint ventures between the manufacturers and distributors around the world is the only way. I'm not in the position to say that probably that outsourcing is right way in the long term.

By long term, I meant, 20 to 30 years on. But I would say that outsourcing is the only how to produce today at reasonable prices and at reasonable costs. Because, as the economy teaches, you don't control your costs in your factory, or company I think you will be out of business in three weeks maximum.

What kind of potential do you see for the jewellery industry in the world?

I would say as I talked about it in many interviews about the potential worldwide, I'm not talking about India in specific, is very big. For what I saw, even if we have had resistance in parts of the world, even in the strong

CIBJO MISSION

CIBJO stands for the World Jewellery Confederation, with national trade organizations as its members. The purpose of this international jewellery confederation is to encourage harmonization, promote international cooperation in the jewellery industry and to consider issues which concern the trade worldwide. Foremost among these is to protect consumer confidence in the industry. CIBJO pursues these objectives through informed deliberation, decisions reached in accordance with its Statutes, and pro-active communications with member national organizations and the trade. CIBJO functions as a center of knowledge, a decision-making body, and an advocate for the wellbeing of the jewellery industry worldwide. CIBJO relies upon the initiative of its members to support and implement its decisions and to protect the public's trust in the industry.

economy the line going down, I think that in the next 15 years we will have a good growth in the jewellery industry worldwide. In other terms, I think the sales of good quality jewellery, especially diamond jewellery, will be increasing very high.

India is producing heavy jewellery where as the consumers in the West prefer light designs. Do you think of any possibility of the changing of trend where the

Even in Europe and the US, there are companies which are selling ethnic jewellery, very, very well.

Do you feel that in the near future, comparing real estate and jewellery, there could be a change in the trends; that it could shift from real estate to jewellery and the vice versa? Do you think the jewellery industry faces any threat from other sectors?

The role of the World Jewellery Confederation is to protect the consumer by protecting the industry by keeping the consumer's confidence; which means this industry has nothing to hide.

We may open our doors to everybody to come and see without any problem.

This is an industry made by professionalism, made by honesty, made by integrity, made by skill, and this is the only way as to how to get consumers' confidence by protecting. And this is the only way how we can protect our industry and let it grow. We don't want to challenge in the sense that we want to move our investments or general investments from the jewellery industry to the real estate or whatever it is. We sell things. We sell sensation, we sell wellbeing. In other words even if a piece of jewellery is very expensive or inexpensive at all but the sensation that gives a woman buying an additional jewelry. Which in general, 75 percent of the entire sales is done by the clients, they buy for themselves, not to give presents; which means they buy it for their self satisfaction.

Message to the Indian jewellers

I think we have to talk and we have to stay together. The World Jewellery Federation is a family and India sits around the round table of this family. We have to cooperate much better than we did in the past. This is because, the President of the World Jewellery Confederation, is always flying and visiting the member of this family.

**W e s t
will opt for the
heavy jewellery
with low purity?**

I would say that the real problem of sales is not because of light or heavy jewellery, because in the end it is the market decides, the consumer decides and the fashion decides. I am not a magician with a crystal ball, I cannot say this can be changed. I would say that the ethnic jewellery is a segment, that it looks, is growing. So, if you want to position this part of jewellery in ethnic jewellery.





- A Welcome Gateway to Latin America

- Nilima Mitra, *Indian Ambassador to Colombia*

Located at the entrance to South America, Colombia has long been overlooked as a potential investment location despite its stable economy. Colombia's macroeconomic fundamentals are strong with inflation in single digits and low interest rates. Recently, the government's structural reforms in tax policy, labour laws, and social benefits have also led to a stable fiscal situation. A high growth rate of 3.7 per cent in 2003 compared to 1.5 per cent for the Latin American region as a whole and a population of more than 44 million, present, potential investors with many opportunities in Colombia.

Top reasons for investment

Strategic Location:

Colombia is located strategically between North and South America and has coasts on both the Pacific Ocean and the Caribbean Sea. It shares a border with five countries: Panama, Venezuela, Brazil, Peru, and Ecuador.

Economic integration:

Colombia is apart of the Andean Community of Nations (CAN), comprising Bolivia, Colombia, Ecuador, Peru and Venezuela, which has recently signed an FTA with MERCOSUR countries. The Free Trade Area of Americas is likely to come in effect from the year 2005.

Export platform and privileged access to world markets:

Various free trade agreements (CAN, G3, CARICOM, PBEC, PECC, etc) and unilateral tariff preferences (Andean Trade Promotion and Drug Eradication Act - ATPDEA- and the Andean Generalized System of Preferences - SGP-), grant Colombia a privileged access to world markets and provide Colombian exports with an important competitive advantage. ATPDEA allows duty free entry to the United States of more than 1700 Colombian products. Colombia is also negotiating a bilateral FTA treaty with USA.

Political Climate:

Colombia is relatively stable politically with a democratically elected government in existence for all but a few years of the 20th century. Although an armed rebellion by Marxist rebels has waged for several decades, the government is committed to a peaceful solution brokered by international mediation.

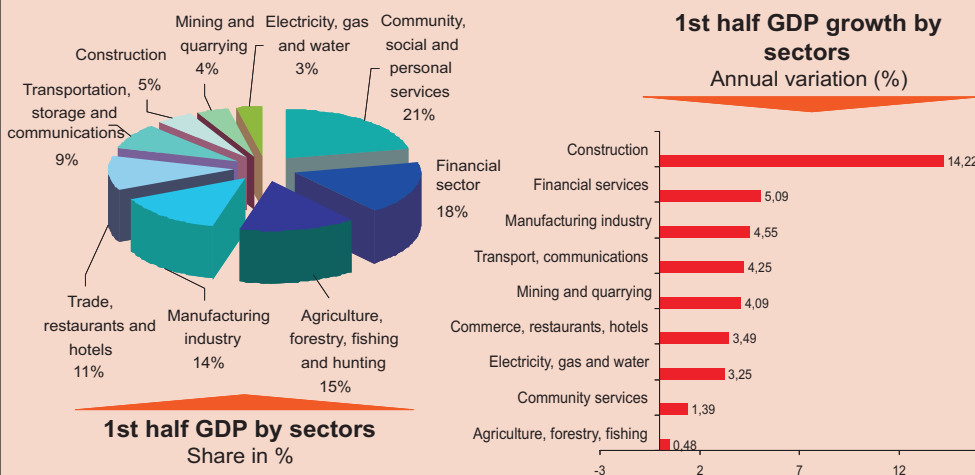
Physical Infrastructure:

Colombia has five cities with more than half a million inhabitants and well-developed infrastructure. The government has recently carried out a massive investment in its surface transport infrastructure. Colombia also has a well-developed telecommunications network with country wide cellular coverage.

Human Capital resources:

Colombia has the most qualified workforce in the region along with a literacy rate of 92 per cent. There is also ample availability of qualified professionals. The 2003 World Competitiveness Yearbook rated Colombia 2nd out of 30 countries in its availability of managers. Wages in Colombia for services and manufacturing are also competitive compared to other countries in the region. Colombia also has very flexible labour laws. A few examples are: The day working hours for labour have been extended from 6 a.m. to 10 p.m. With this, an employer can hire two work shifts without paying for extra hours or overtime charges. The apprentices contracting program of the

Economic Growth-2003

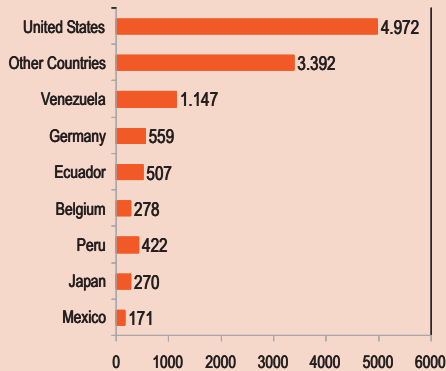


Source: National Department of Statistics - DANE

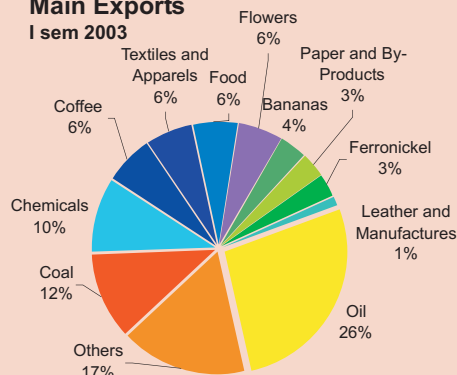
Exports

Colombian Exports By Country

Average 1996-2002
US\$ million (FOB)



Main Exports I sem 2003



Total I Half 2003: US\$ 6,152.3 million FOB

Source: DIAN, DANE (National Statistics Administrative Department), Central Bank

National Vocational Training Service allows employers to hire work force through a services installment contract instead of a labour contract which does not require the employers to pay social benefits to the workers. Compensations payable in cases of dismissal without just causes have been reduced substantially.

Special foreign trade regimes:

Colombia also has various mechanisms to promote investment and exports through special incentives such as the Free Trade Zones (FTZs) that offer custom, fiscal and foreign exchange incentives; the Special Economic Export Zones (SEEZs) that offer liberal labour laws in addition to the incentives available in Free Trade Zones; the special customs zones (custom incentives); the special trade regimes for zones affected by natural disasters (fiscal incentives); and the special import-export systems Vallejo Plan (custom incentives).

Important Sectors for Investment

Oil: The oil sector has always been one of the most important sectors in Colombia because of the richness of its subsoil and geographic location that makes the process of finding oil very easy. Although many discoveries have been made, almost 80 per cent of Colombian territory hasn't been explored to date. To attract foreign investors, government is focusing efforts on reforms to make concessions more attractive for the private sector, as well as using new contracting mechanisms designed in order to encourage exploration and exploitation in areas with little or no activity by offering higher profitability.

Coal: Coal is very attractive in terms of foreign investment due to its abundance and the passing of recent legislation, including the government's New Code of Mines (2001), which guarantees better stability in contractual terms for investment in the mining sector and the extension of exploitation

licenses from 5 to 45 and 50 years. Its main purpose is to encourage private investors with guarantees equal to or better than those of other Latin American countries. Colombia has the largest coal reserves in Latin America, made up by high quality bituminous coal. This coal's combustion is relatively clean and its sulphur content is below 1 per cent. Its main mine, Cerrejón Norte, is the largest coal mining operation in Latin America and one of the world's largest open pit-coal mines. It has reserves of at least 1 billion tons, and produces more than 1 million metric tons per month.

Energy: The energy sector in Colombia is made up of non-renewable hydrocarbons sub-sector such as oil and natural gas; the mining sub-sector providing coal, and the energy sub-sector, generating power from hydro and thermal resources.

Pharmaceuticals: The pharmaceutical sector is composed of internationally renowned companies with positive prospects in the mid-term. The products commercialized by these companies have brand backup and scientific recognition. Multinational laboratories participate in this market particularly with exclusive well-positioned brand products and other less differentiated products with higher competition. With the creation of the Pharmaceutical Science and Research Center, the laboratories are investing in research and development, improving their prospects for future new products. Additionally, if good terms are achieved in the negotiations of the Free Trade Area of the Americas (FTAA), these industries will have a great growth potential, and Colombia, because of its strategic location, will be an optimum exporting platform throughout the Americas.

Textiles: Textile products have a large market in the apparel industry, which currently shows excellent export growth prospects, conquering new markets and driving the textile-apparel chain forward. The domestic industry is one of the most competitive sectors because of the large number of producers in the market, very little product differentiation, and low barriers to entry. The country has 533 companies, out of which 400 are small and medium size businesses (SMEs). The textile sector generates 52,000 direct jobs in the country.

Auto components: This is a very competitive sector within the Andean market, through the presence of

important multinational companies, which have introduced new technologies as well as enhanced and diversified the supply of models, designs, and safety features. The vehicle-body and auto parts sector comprises companies engaged in the construction and repair of vehicles, automobiles, motorcycles, transporting material, ships, and trains. In 2001, the sector accounted for 5.5 per cent of the industrial manufacturing production, which in turn, accounted for 16 per cent of the Gross Domestic Product.

Leather: Colombia has diversified the production of leather and leather by-products. The wide variety of leather products include among others belts, purses, briefcases, bags, wallets, pocket articles, clothing articles, and suit bags. This variety has enabled the sector to penetrate foreign markets and position itself as one of the main distributors of leather articles. In fact, Colombia is the fourth largest supplier of travel bags and backpacks with outer surface of leather and the fifth largest supplier of trunks with outer surface of natural leather for the United States. Because of the large number of leather mills and the wide variety of products offered, there is keen competition in the Colombian leather industry. The leather industry chain is largely composed of small and medium size companies. These companies are part of a productive chain market with very competitive growth rates, similar to those in Italy and Spain.

Tourism: The Colombian government has been promoting tourism to foreigners from all over the world offering great opportunities to invest in infrastructure in unexplored areas and the services sector, among others. The government has been using campaigns to attract investors developing Tourist Duty Free Zones, using tax incentives, and improving economic and security conditions. Colombia also offers a breathtaking variety of eco-tourism. Ranked first in mega-diversity, Colombia allows adventurous and interesting tourism in its various regions.

Wood: Colombia has great advantages in terms of soils and climate that allow a rapid growth of forests. Compared to Chile, Colombia has twice the potential in terms of forests; that is, trees take half the time they takes in Chile to grow to the productive stage. Also, Colombia is closer in distance to the big consumption centers (North America and Europe). Taking into account the high transportation costs that the business requires, the entire wood-furniture sector (from tree plantations to final product) becomes a very attractive business scenario in the country. The forestry resources sector in Colombia is very attractive due to the high international demand for processed wood and by-products. Finally, recently the U.S. Congress passed the Andean Trade Promotion and Drug Eradication Act -ATPDEA- which provides better opportunities for the development of the forestry sector, and in particular, the wood-furniture chain.

Other important sectors: These include agriculture, card board & paper, chemicals, construction, food, footwear, jewelry, mining, machinery, natural gas, palm oil, ready made garments, software, transport

infrastructure, vehicles and water management.

Tax Benefits

Special Incentive Zones: Colombia has several cities designated as Free Trade Zones providing a series of tax and custom concessions to encourage new investments in export orientated industries. Benefits of the free trade zones include income tax exemption on export benefits and profit repatriation, tariff exemption on raw materials and capital goods, few controls on foreign currency. Five special economic zones in underdeveloped parts of the country provide these benefits along with additional incentive of flexible labor laws.

Free Trade Zones (FTZ): A FTZ is a geographic area established to promote industrial processing of goods and services, focused primarily on global exports, although there are no limits on serving the domestic market on a subsidiary basis. The FTZ are regulated under a special custom, exchange, and fiscal regime. FTZs are utilized by national or foreign juridical people, legally established in Colombia. Some benefits offered to investors by the Free Trade Zones are:

- Industrial users are fully exempted of income tax on all exporting earnings.
- Operators of the FTZ are fully exempted of income tax.
- Remittance income tax exemption and capital repatriation.
- Exoneration of tariffs on goods imported for production, as long as these goods remain within the FTZ limits.
- Access to any type of existent credit.
- Exchange freedom of possession and negotiation of foreign currency and opening of bank accounts in foreign currency in national or foreign banks.
- Total tax exemption over profits distribution.

Special Economic Export Zones (SEEZ): The SEEZ are cities under a special economic, tax, and custom regime for new export-oriented businesses. Its main objective is to attract investments and strength the export process and foreign currency generation through the sales abroad of goods and services. The SEEZ are located in underdeveloped areas of the country, as they may be used as sources of labour and investment capital that benefit their development. Some benefits offered to investors by the SEEZ are:

- Income tax exemption over export's derived benefits.
- No incidence of taxes over profits and drafts to other countries.
- Income tax payment exemption to builders and operators.
- Customs tariffs payment exemption for the import of capital goods or raw material for the production within the SEEZ.
- More flexible labour regime.
- Same incentives as the Free Trade Zones in relation to custom and tax matters.

International Companies in Colombia

Currently there are over 400 multinational companies in Colombia that have confidence in the country's potential and are successfully growing their businesses. Citibank, Gas Natural, Nestlé, Carrefour, Drummond, BHP Billiton, Unilever, Bayer, ExxonMobil, Siemens, McDonald's, Renault, Dupont, BBVA, Cemex, América Móvil and BellSouth are some of them.

Reforms forge stronger Indo-Colombian ties

Bilateral economic relations between India and Colombia have been flourishing since the two countries signed a trade agreement in July, 1970. The reopening of the Indian Embassy in Bogota in 1994, after closure for some years due to unrest in that country, was a shot in the arm for bilateral relations for the two countries. The early 1990s were very significant for both India and Colombia as the two countries opened up their economies through reforms and trade liberalisation policies. Naturally, bilateral trade between the two countries received a fillip in the 1990s decade. President Pastrana's visit to India in March 2001 along with a business delegation further boosted Indo-Colombian relations.

The trade between India and Colombia, mainly exports from India, increased rapidly in recent years and almost doubled from \$ 47.6 million in 1997 to \$ 92.3 million in the year 2002. The trade during the period January to August 2003 totalled \$ 75.7 million. Indian exports account for approximately 0.8 per cent of total Colombian imports.

Exports from India to Colombia

Main product groups exported from India to Colombia are organic chemicals, cotton yarn and fabrics, vehicles & accessories, motorcycles in CKD form and pharmaceuticals.

India's imports from Colombia

The main product groups imported from Colombia to India are wood and articles of wood, iron and steel, raw hides and skins, aluminium, copper and their products.

Bilateral Trade Relations

The following bilateral trade agreements and MOUs have been signed with Colombia:

- Agreement on visa facilitation for ordinary passports signed in 2001.
- India-Colombia Joint Business Forum, hosted jointly by the Confederation of Indian Industry (CII) and the Asociación de Industrias (ANDI) of Colombia, launched in February 2002.
- MOU on bilateral cooperation in IT sector between India and Colombia signed in April 2002.
- Agreement between NASSCOM, India and FEDESOFTEC of Colombia to promote mutual cooperation and collaboration between their respective members.
- \$ 10 million Line of Credit extended by the Exim

Bank of India through Bancoldex of Colombia for exports from India to Colombia.

Economic and Technical Cooperation

India is implementing a wide-ranging economic and technical cooperation programme with Colombia: -

- A US\$ 200,000 solar energy plant was gifted to Colombia and has been installed at the Tayrona National Park in December 2002.
- Two Indian IT experts were deputed to work with the Presidency of Colombia for a 3-month period in the year 2002 to advise the Government of Colombia on formulation of IT related policies.
- About 20 Colombian officials and entrepreneurs are given free training in India each year in different areas ranging from software development to entrepreneur skills for rural industries.

Economy and Foreign Trade

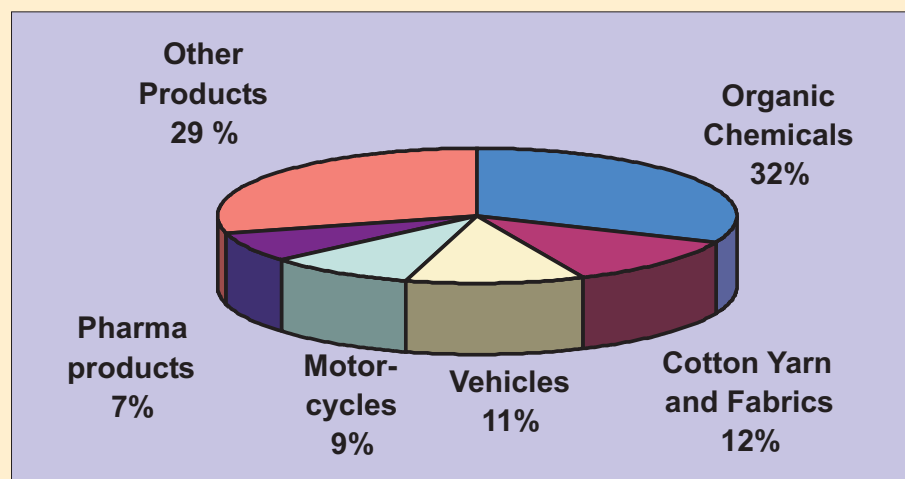
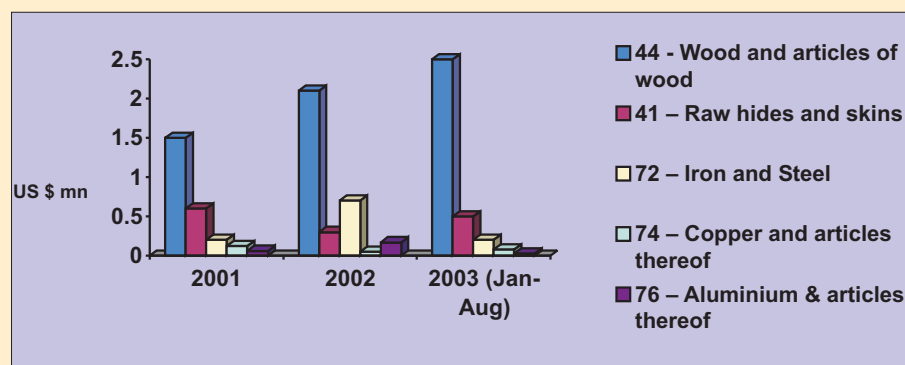
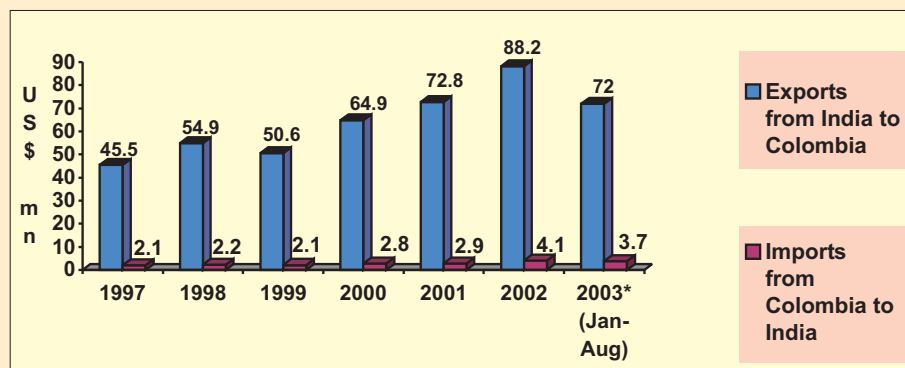
Colombia, with a population of 44 million, offers a large, mainly urban market and has the third largest manufacturing economy in Latin America (after Brazil and Mexico). In addition, its membership of the Andean Community (CAN) constituting also of Venezuela, Ecuador, Bolivia and Peru, and G-3 with Mexico and Venezuela, makes commercial prospects even more attractive.

Colombia has abundant natural (oil, coal, precious metals and minerals) and human resources and considerable economic potential. The economy is growing consistently with GDP growth of 1.4 per cent, 1.5 per cent and 3.5 per cent in the years 2001, 2002 and 2003 respectively. The GDP in 2003 is estimated to be \$ 83 billion leading to a per capita income of \$ 1895. The main contributors to the GDP are social and personal services (21 per cent), financial services (18 per cent), agriculture (15 per cent), manufacturing

industries (14 per cent), and trade (11 per cent).

During 2002, Colombia's total imports were US\$12.7 billion and exports were US\$11.9 billion.

The evolution of export of main product groups (as per



- The public sector concern, RITES, has secured important contracts with Colombia's Atlantic Railway Concession which links Bogotá and Medellín to the Atlantic port of Santa Marta and covers 1494 kms of track. RITES has also secured a technical and consultancy services contract worth around US\$ 6.47 million for a five year period.

- TATA International has established presence of "Tata Indica" and "pickups" in the Colombian market through a local distributor with extensive sales network. TATA's have a target for sale of 600 units for the year 2005.

- Colombia provides the second largest two-wheeler market in Latin America. Bajaj Auto and Hero Honda have established assembly lines for two-wheelers. Presently, around 35,000 Indian two-wheelers are sold to Colombia each year.

- Praj Industries of Pune, specialising in distilling, fermentation and related waste management technology, has its regional office for South America in Bogotá since September 1999. Praj Industries has recently secured contracts worth US\$ 15 million for executing two Greenfield fuel ethanol plants in Colombia.

- APTECH, NIIT, Tata Infotech and Pentasoft have opened over 20 IT education centres in various cities of Colombia, many of these are run in partnership with leading Colombian Universities.

- Claris Lifesciences have entered into a strategic partnership with the leading Colombian pharmlab "Biotoscana Pharma" for sale of its range of critical care products and drug delivery systems. Ranbaxy, Aurobindo Pharma, IPCA and Torrent are also actively engaged in Colombia.

HS code system) from India to Colombia is given in the table no.4 on next page. Over 90 per cent of total Indian exports to Colombia are in respect of 16 product groups, of which the top eight product groups constitute more than 80% of the total Indian exports to Colombia.

Important Indian companies in Colombia: Many Indian companies are now actively engaged in business with Colombia. Some companies with presence in Colombia are as follows: -

TABLE NO 4

S.No.	Product Group with HS Chapter Code	Exports from India to Colombia US\$ million			
		2000	2001	2002	2003 (Jan-Aug)
1.	29 – Organic chemicals	20.6	22.2	24.1	22.4
2.	52 – Cotton yarn, fabrics, etc.	15.6	18.7	16.4	8.7
3.	87 – Vehicles and parts	4.4	3.4	5.5	7.7
4.	98 – Motorcycles in CKD form	0.4	1.6	8.7	6.8
5.	30 – Pharmaceuticals	3.4	2.7	5.6	5.2
6.	84–Machinery & mech. appliances	2.1	2.3	2.2	3.0
7.	55–Synthetic yarn, fibres & fabrics.	3.5	3.4	1.9	2.6
8.	40– Rubber and articles thereof	1.4	2.8	3.1	1.6
9.	39– Plastics and articles thereof	0.2	0.3	1.6	1.2
10.	32– Tanning and dyeing extracts	1.0	1.1	1.6	1.2
11.	90–Optical, med. & surgical equip.	0.6	0.6	1.1	1.2
12.	82 – Tools and implements	1.0	1.4	1.4	1.1
13.	38 – Misc. chemical products	0.3	0.6	1.2	1.0
14.	72 – Iron and Steel	0.9	1.1	1.8	1.0
15.	85–Elect. Mach. & Electr. equipment	0.9	1.3	1.2	0.9
16.	51 – Wool and woollen products	3.3	1.4	1.3	0.3
	Total	59.6	64.9	78.7	65.9
	Total including all other products	64.9	72.8	88.2	72.0
	Share of 16 product groups	92%	89%	89%	92%

Visit of business delegations from India and promotional events :

There has been a steady increase in visits of India businessmen to Colombia: -

- In recent years, business delegations from CII, FICCI, ITPO, Texprocil, Chemexcil, Plexconcil, and PSIDEC visited Colombia and held BSMs with the local companies.
- India was the invited country for the "Business Compuexpo 2001" in which several Indian IT companies participated.
- The first-ever overseas Combined Indian Textile Exhibition - covering cotton, silk, polyester, handloom and powerloom yarn and fabrics - was held in Colombia in November 2002 in which 38 Indian companies and six textile export promotion councils participated.
- Six Indian handicraft companies participated in the "Expoartesanía" of Colombia in December 2003.

Visit of Colombian Companies to India:

Colombian companies take keen interest in sourcing their requirements from India. In the past 3 years, more than 40 Colombian companies visited India for participation in the following business events and BSMs organised by Chambers and EPCs with financial assistance provided by the Embassy under the Focus-LAC programme: -

- Chemical and Pharma Meets organised by CII,
- Health Meet organized by FICCI,
- IndiaMeet programme of EEPC,
- Indiasoft organised by ESC,

- Indian Gift and Handicraft Fair by EPCH,
- Plastindia by Plexconcil,
- Over 100 Colombian businessmen visit India each year on their own for business.

Contact details of Colombian Trade Promotion Agencies & Business Chambers:

• Ministry of Foreign Trade:

Calle 28, No. 13A-15, Pisos 5,6 & 7
Bogota, Colombia Phone (571) 566 2008 / 565 8131 Websites
www.mincomex.gov.co
www.incomex.gov.co

• Proexport - Colombia

(Government Trade Promotion

Agency): Calle 28 13^a 15 Bogota-Colombia Phone (571) 560 0100 Website www.proexport.com.co

• Coinvertir

(Foreign Investment Promotion Agency) Address Cra. 7 No.71-52, Torre B, Of. 702 Bogotá, Colombia Phone (571) 312 0312 Website
www.coinvertir.org.com

• National Association of Industry (ANDI)

Calle 35 No.4-81 Bogotá, Colombia Phone (571) 323 8500 Fax (571) 338 4963 / 95 Website
www.andi.org.co

• Bogotá Chamber of Commerce

Cra. 9 No.16-21 Bogotá, Colombia Phone (571) 334 7900, 381 0270 Websites www.ccb.org.co www.empresario.com.co

• Medellín Chamber of Commerce

Avenida Oriental Carrera 46 N.52-82 Medellín, Colombia Phone (574) 5116111/ 512- 4826 Fax (574) 5125215 Website www.camaramed.org.co

• Cali Chamber Of Commerce

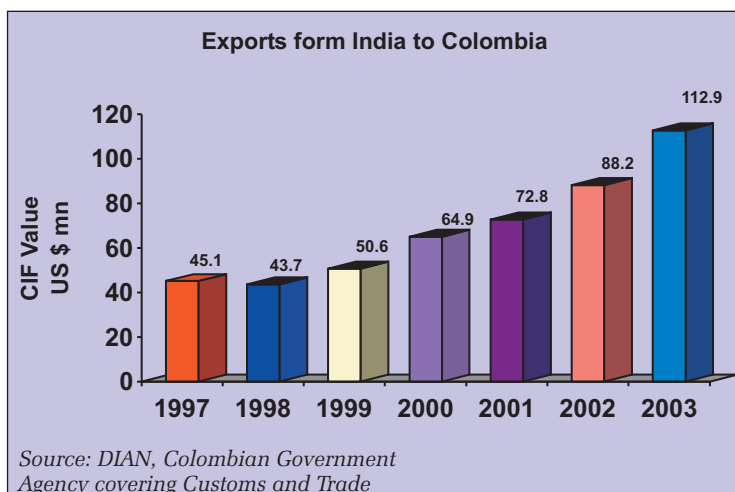
Calle 8 N. 3 -14 Phone (572) 886 1321 Fax (572) 886 1328 Website www.ccc.org.co

Contact details of Embassy of India in Colombia:

Names of Officials: Shri Ashutosh Agrawal, First Secretary (com) Mrs. Ximena Rugeles, Marketing Assistant, Carrera 7, No. 71-21, Edificio Bancafe, Torre B, Oficina 1001, Bogota. Tel: +571 317 4865/76/87. Fax: +571 317 4976/326 1726 Email: indembogtr@cable.net.co Web: www.embajadaindia.org

India sustains higher exports to Colombia, maintains trade surplus

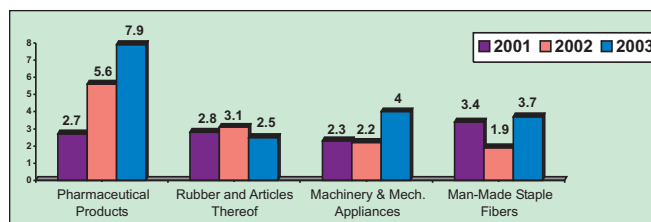
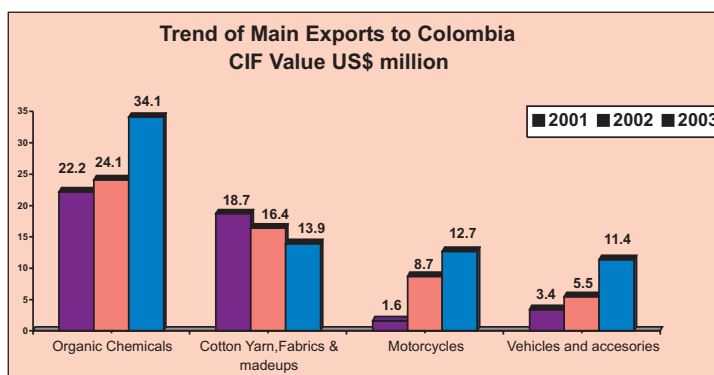
Exports to Colombia: India's exports to Colombia in 2003 were US \$ 112.9 million an increase of 28 per cent over the exports of \$ 88.2 million in the previous year. The trend of total exports from India during the last seven years is given in the chart below:



Main product groups exported: Main product groups exported from India to Colombia during 2003 were organic chemicals (US\$ 34.1 mn), cotton yarn, fabrics & made-ups (US\$ 13.9 mn), motor cycles in CKD form (US\$12.7 mn), vehicles and parts (US\$ 11.4 mn) and pharmaceutical products (US\$ 7.9 mn). The product group wise break-up of India's main exports to Colombia during 2003 is given in the chart below. As would be seen, ten product groups account for 84% of the total exports from India.

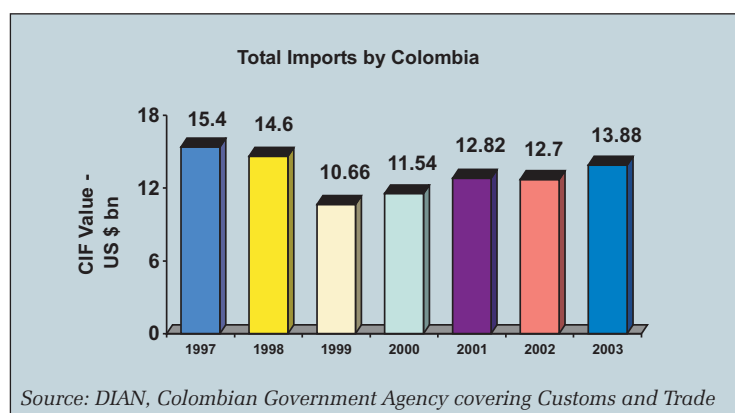
Changes in the composition of exports: Compared to the year 2002, there was a substantial increase in the exports of Organic Chemicals by US\$ 10.1 mn, vehicles & parts

by US\$ 5.9 mn and motor cycles in CKD form by US\$ 4.0 mn while there was a reduction in the exports of cotton yarn, fabrics & made-ups by US\$ 2.5 mn and wool, fine or coarse animal hair by US\$ 0.9 mn. Trend of export of eight main product groups from India to Colombia in the past three years is given below:



Imports to India: The imports from Colombia to India during the year 2003 increased by 52% over 2002 and amounted to US\$ 6.2 mn. The main exports from Colombia to India continued to be wood and articles of wood (US\$ 4.4 mn),

rawhides and skins (US\$ 0.5 mn) and Steel and Iron (US\$ 0.5 mn). The growth in India's imports from Colombia was mainly on account of the increased imports of timber wood that almost doubled.

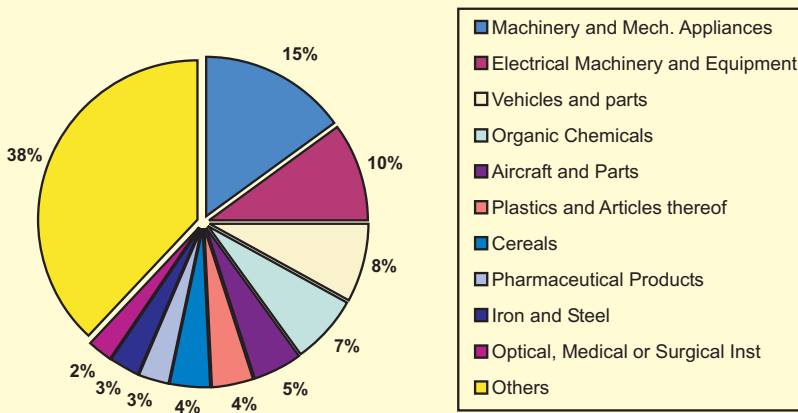


Colombia's Foreign Trade

Imports: Total imports of Colombia during 2003 were \$ 13.88 billion, a 9.0 per cent (\$ 6071.19 billion) increase over the \$ 12.69 billion imports in 2002. Trend of total imports by Colombia during the last seven years is given in the chart below:

Composition of imports: Top 10 product groups, as per chapters of HS Code System, imported by Colombia in 2003 and their relative shares in the total imports are given in the chart below:

Main Product Groups imported (Year 2003)



Source: DIAN, Colombian Government Agency covering Customs and Trade

The above 10 product groups constitute 62 per cent of total Colombian imports.

Major shifts in the composition of imports: Growth in the imports of Colombia in the year March 2003 over 2002 was on account of good increase in respect of almost all the top product groups.

Imports of machinery and mechanical appliances increased by US \$ 458.1 million (28% increase), electrical machinery & equipment by US\$ 222139.91 mn (18411% increase over January to March 2002), Machinery and Mechanical Appliances by US \$ 103.5 mn (27.1% increase), organic chemicals by US \$ 48124.36 mn (25.414% increase), vehicles and parts by US\$ 114.2 mn (12% increase), iron and steel by US\$ 98.9 mn (29% increase), mineral fuels & mineral oils Mineral Fuels and Mineral oils by US \$ 41.0 mn (139.6 % increase), Vehicles and parts by US\$ 2648.7 3 mn (25321% increase) and plastics & articles thereof by US\$ 39.2 mn (7% increase).

Main product groups that registered decreased imports during 2003 compared to 2002, were aircraft and parts by US\$ 82.8 mn (11% decrease), Barring a US\$19.4 mn decrease (-93.2%) in the imports of eggs and natural honey by US\$ 25.7 mn (80% decrease) and oils and seeds by US\$ 14.4 mn (9% decrease).

Major changes in the sourcing of imports: Imports from the top 10 exporting countries increased with the exception of Venezuela, which decreased by US\$ 60.7 mn (8% over 2002). Around 62% of total imports by Colombia during March 2003 came from 8 countries: USA, Brazil, Mexico, Venezuela, China, Japan, Germany and Ecuador Germany and China.

Imports from China, France, Japan, Brazil Peru and Germany increased substantially during March 2003, compared to last year. In addition to Venezuela, imports from Canada and Spain and Israel also declined modestly by US\$ 5 mn each. Imports from

India during March 2003 registered an increase of US\$ 24.7 mn (3928%) to US\$24112.90mn.

The countries with highest increase in exports in terms of value were China with increase of US\$ 128155.38 mn, France US\$ 256145.12mn, Brazil US\$ 126.2 mn Japan and Germany US\$ 103.4 mn. In terms of percentage increase over the exports in 2002, the leading countries were Bolivia (42%), Holland (30%), India (28%), Argentina (22%) and Peru (21%). and for Canada by US \$ 4.0 mn. 5.8%).

For the month of March 2003, the imports from India amounted to US \$ 8.68 mn, compared to US \$

7.89 mn in January 2003 and US \$ 7.45 mn in February 2003.

Exports: Exports from Colombia during March 2003 were US\$ 12.86 2bn, an increase of US\$ 0.17798 bn (68.50%) over 2002. The traditional exports grew by US \$ 156.7 mn (12.8 %) and on the other hand the non-traditional exports increased by US \$ 20.7 mn (1.4 %). In the case of the traditional exports (US \$ 1,376.3 mn), the sales of petroleum and its derivative grew by US \$ 152.5 mn (21.71%) over January to March 2002. On the other hand exports of coal decreased by US \$ 41.1 mn. The exports of coffee and Ferro-nickel increased by US \$ 16.4 mn (9.4%) and US \$28.8 mn (50.1%) respectively.

The Non traditional exports during the period January to March 2003 (US \$ 1,547.2 mn) increased by US \$ 20.7 mn over the same period last year. This increase was due to the higher exports of gold and emeralds, which increased from US \$ 26.0 mn in January to March 2002 to US\$ 119.6 mn in January to March 2003.

Growth in Colombian exports during 2003 over last year was mainly on account of increase in exports of mineral fuels and oils by US \$ 545.4 mn (13% increase), natural and cultivated pearls by US\$ 473.5 mn (198% increase), iron and steel by US\$ 115 mn (35% increase), plastics and articles thereof by US\$ 89.3 mn (20% increase) and non knitted garments by US\$ 63.1 mn (19% increase).

Items that showed considerable decrease during 2003 compared to 2002 were vehicles and accessories by US\$ 219.7 mn (63% decrease), tanning or dyeing extracts by US\$ 200.4 mn (85% decrease) and electrical machinery and equipment by US\$ 30.9 mn (17% decrease).

Exports from Colombia to India during January to March 2003 amounted to US\$ 1.33 mn.

Mexico

Potential Market for Traders & Investors



Ana Gabriela

What kind of images does Mexico invoke when you listen to its name? Probably exotic landscapes and cities and of course *Tequila*. The truth is Mexico is much more than that.

Mexico is famous for its creativity, vibrancy, folk-arts, traditions, ancient cuisine. Mexico is considered as the ninth biggest economy of the world and seventh in terms of commercial transactions. Being a strong and stable economy in Latin America, Mexico is a potential market for a trader as well as an investor.

With the highest per capita income in Latin America, Mexico is firmly established as a middle-income country, but it still faces huge gaps between the rich and the poor, north and south, urban and rural. The catastrophic 1994-95 financial crisis, resulted in a high degree of economic uncertainty in this country. However, there has been a rapid and impressive progress in building a modern, diversified economy with a high quality of social infrastructure.

Today, the country enjoys a more open economic and political system and is more integrated with the world economy. According to international credit rating agencies such as Standard & Poors', Mexico has obtained a rating of **BBB-** in foreign currency and **A-** in national currency. Moodys' Investors Services has given investment grade **Baa2** in foreign currency, in terms of Mexico's market stability.

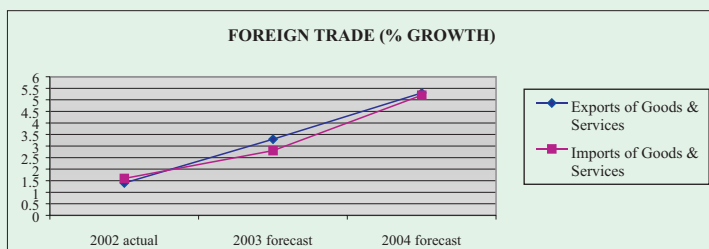
The growth in the Mexican economy in 2003 has been below potential, with

domestic consumption, the primary support for the economy, remaining depressed. However the forecast for 2004 is favorable, with a projected GDP growth of 3.25 per cent, inflation of 3.0 per cent as well as an increase in the Direct Foreign Investment, (FDI) all of which represent a stable and improving domestic market condition.

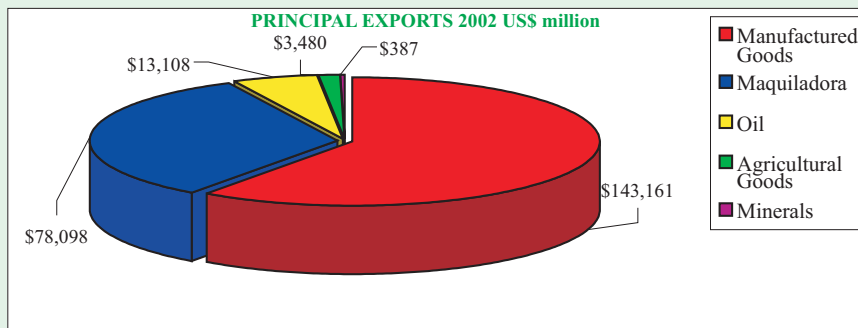
Mexico's foreign trade continues to be a crucial element in the economy. Over the past several decades, Mexico's export revenue has shifted dramatically. Petroleum accounted for more than 80 per cent of revenues in the early 1980's but by 2002 manufactured goods accounted for 89.5 per cent of revenues. Petroleum products; agricultural goods, and mining products accounted for the remaining. Despite increasing competition from emerging markets in Asia and Central America, foreign companies continue to find Mexico attractive as a production base.

Foreign trade (%growth)	2002 actual	2003 estimate	2004 forecast
Exports of Goods & Services	1.4	3.3	5.3
Imports of Goods & Services	1.6	2.8	5.2
Foreign Trade (%of GDP)			
Exports of Goods & Services	27.2	29.9	30.1
Imports of Goods & Services	29.2	32.2	32.5
Trade Figures (US\$ billion)			
Current Account Balance	-13.9	-16.6	-19.4
As % of GDP	2.2	2.8	3.1
Goods:exports fob	160.8	167	172
Goods:imports fob	168.7	176.7	183.6
Trade Balance	-7.9	-9.7	-11.6

Source: Economist Intelligence Unit, Mexico Country Forecast.

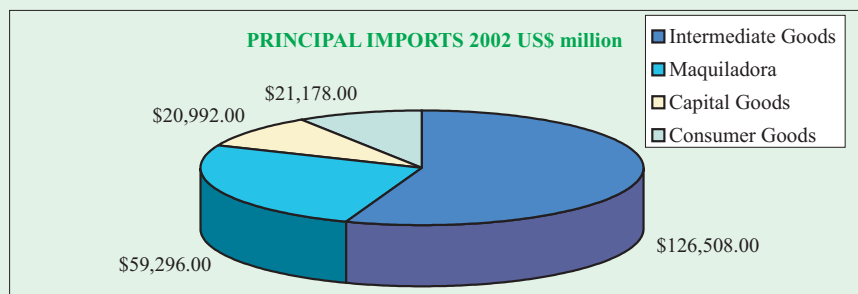


According to the Economist Intelligence Unit, the principal exports of 2002 were: manufactured goods with US\$143,161 million, (assembly for re-export, specializing in electrical equipment and appliances, cars. Telecommunications equipment and other machinery) with US\$78,098 million, oil (including all oil products) US\$13,108 million, agricultural goods US\$3,480 million and minerals with US\$387 million.



Source: Economist Intelligence Unit

Imports controls, including quotas, apply to many key imports, such as basic agricultural products, petroleum and its derivatives, cars, some raw materials for the pharmaceutical industry and a few manufacturing outputs. The principal imports in 2002 were: intermediate goods US\$ 126,508 million, *maquiladora* US\$59,296 million, capital goods US\$20,992 and consumer goods US\$21,178 million.

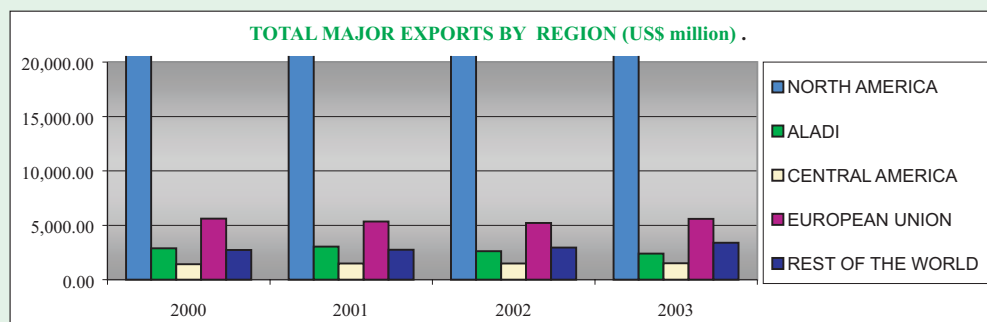


Source: Economist Intelligence Unit

Mexico is one of the most prolific signers of international treaties. It has an extensive trade pact of 11 Trade agreements with 42 countries (including the new 10 countries added to the European Union); representing an overall market of more than 870 million people, providing a unique opportunity for investors.

with the European Union, European Free Trade Association, Brazil, Chile, Israel and China among others. Negotiations are being held with Japan, Mercosur and India as well. This opening of trade gives an impulse to economic growth and employment generation, helps to diversify and expand external markets for Mexican products and establish a legal framework that gives confidence to foreign investors in Mexico.

Mexico's network of FTA's include treaties such as NAFTA (U.S. & Canada), treaties signed



*** ALADI:

Asociación Latinoamericana de Integración - Latin American Integration Association

Source: Banco de México-Secretaría de

Economía.

Relation with India

Merchandise Trade (US\$ million)	April / Feb 2003 - 2004
Mexican Exports to India	68
Indian Exports to Mexico	230

Source : India Trade

The flow of trade and investment between India and Mexico has remained very modest.

Trade balance for India is surplus; but still it is low compared to the Indian exporting parameters. The same is the case for the Mexican exports.

Lack of Information

This can be the result of a lack of information in case of both markets in spite of the existing commercial relation between these two nations. During the recent years; bilateral relation has increased progressively and several efforts have been taken by governmental organizations in both ends with a view to enhance bilateral commercial trade. As for example, Exim Bank of India has extended a credit line of \$10 million. to Bancomext (Banco de Comercio Exterior) to promote Indias' exports to Mexico.

At the moment both nations are looking forward to signing of two agreements: (i) Double taxation avoidance agreement, giving a better position to investors in both markets. (ii) A treaty that focuses in the promotion and protection of the foreign investments from Mexico - India and/or vice versa.

With signing of these agreements the atmosphere is favorable to generate new opportunities. It is evident that the platform for a future growth is being forged in addition to what already has been done, impelling the increase of commercial transactions.

Potential areas of Cooperation

Despite of being distant nations, there exist areas in which Mexico and India are compatible; mainly the farming sector, where we know that India is one of the biggest producers of rice, wheat, fruits and vegetables. On the other hand, Mexico has achieved a

developed processed food market, especially in milk and grain. Therefore, India and Mexico can work together in the areas of farming and food processing.

Software is a word of the future. India has become a major global player in Information Technology. However, the IT market is not diversified.

Markets such as the Spanish-speaking countries has not been explored, having at present a non-specific software designed for this region. Mexico plays an important role since it is the biggest economy in Latin America. Therefore, it can be seen as a platform for entering the Latin American region and the Caribbean. In addition, it has signed commercial treats (FTA) with more than 42 countries around the world reaching more market niches.

Mexico is well know for *Maquiladoras* , they receive preferential treatment under Mexican tax law ,the government is eager to collect a more equitable share of tax revenue (they accounted for about 49 per cent of export sales in 2002, according to Banco de Mexico).

Joint ventures can be started between Indian textile enterprises and Mexican maquiladoras. That way, entering the Mexican market and to diversify later, will be easier, faster and less expensive.

These are just some examples of what can be done if Mexico and India enhance commercial trade; having great opportunities since the bilateral relation can be expanded.

At the same time, Indian and Mexican market have the possibility to become

complementary markets rather than competitive markets, being able to compete within the highest standards, as well as to become entrepreneurs, opening the doors towards new markets. It is only question of taking the opportunities and advantage of the now a day situation and have the vision to generate businesses in a mid term period.

Source: Banxico, Economy Intelligence Unit, Eximius export advantage, Federal Ministry of Commerce India , Global Sachs-Global Economy.

(Author Ana Gabriela García Murillo, (Research & Planning Department, LAC Country Análisis) Export Import Bank of India)





Prabhuu Sinha

Finance and Accounting Outsourcing Towards Realizing the Potential

Prabhuu Sinha*, Bennet Kumar**

A Glance at the F&A Outsourcing Marketplace

After the increasing use of HR outsourcing since the late 1990s, the BPO industry is turning its eyes to another "horizontal" function, finance and accounting (F&A), to see if it will follow the same path toward outsourcing. The worldwide F&A business process outsourcing (BPO) market is expected to grow from \$11.3 billion in 2002 to \$17.9 billion in 2007, at a compound annual growth rate (CAGR) of 9.5 percent.

The typical processes that can be outsourced within the Finance and Accounting Function include:

- Accounts payable (including travel and expenses)
- Accounts receivable
- Billing
- General ledger
- Tax management
- Treasury and cash management
- Management accounting

Yet to realize the potential

However, while the demand for F&A outsourcing is definitely strong, organizations are not as prone to outsourcing their F&A functions as other processes / functions like HR. Within F&A, the most commonly process is billing (particularly in the utilities sector), tax management and risk management. What is interesting is that specialized accounting companies or BPO providers with a focus on financial processes, handle most of these engagements. Therefore, the generic BPO companies or smaller organizations with a multi-vertical strategy for growth are not yet active in the F&A space.

Therefore, while there is a tremendous potential for BPO in the Finance and Accounting space, the market still is on the way to achieving this potential, both in terms of the processes that are outsourced and in terms of widespread provision of such services.

This article attempts to examine the key factors that

drive F&A outsourcing as well as those factors that inhibit F&A outsourcing from reaching its potential. Further, key actions for service providers and clients in order to overcome these inhibitors are also derived.

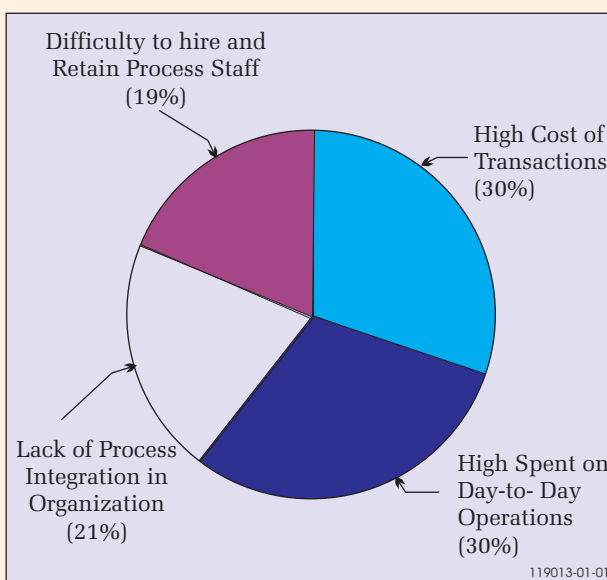
A Look at the Drivers and Inhibitors

What are the key factors that are driving outsourcing in F&A? And what are the factors that are inhibiting widespread use of Finance and Accounting outsourcing? These are questions that both clients and service providers are pondering at the moment. Some of the key factors are:

The Key Drivers:

The top pain points in the Finance function gives insight into some of the drivers. The following graphic depicts these pain points according to a survey by Gartner:

Cost and access to expertise are key drivers



Source: Gartner Dataquest (December 2003)

As can be seen, high cost of transactions is a key pain point that CFOs attempt to address through outsourcing. Further, the need to focus on more strategic finance activities by reducing time spent on day-to-day operations is also important. Further, the

expertise factor comes into play when CFOs seek to use outsourcing as a means of gaining access to highly competent personnel, as well use vendors expertise to ensure that Finance processes are effectively integrated.

The Key Inhibitors:

Inhibitors are primarily external

- The economic conditions prevailing in many enterprises has led to a "wait and watch" attitude, leading many CFOs to withhold any outsourcing initiatives relating to the finance function. This is because they cannot afford any disruption linked to a transition from an in-sourced environment to an outsourced environment. This concern could be termed as 'transition risk'
- Regulatory constraints (Sarbanes Oxley), security and privacy issues are slowing the sourcing decision for financial processes. This could be termed as 'compliance risk'. However, this risk is could be termed as secondary as compared to the primary 'security' risk arising from internal perceptions within the finance function.
- CFOs are keen to experiment on BPO initiatives, but prefer to experiment in functional areas that are not directly under their purview as a first step. HR services are seen as holding less risk if the vendor doesn't perform to expectations, whereas risk is higher if things go wrong in an F&A BPO engagement. This essentially refers to 'performance risk' or 'operational risk'

The above inhibitors have a common characteristic in the sense that they are all 'external' in nature i.e. not originating from situations that are within the Finance function itself. The perception of transition risk occurs because of a lack of confidence in the ability of service providers to manage this well. And perceived service provider capability is also a key driver for 'operational risk'. Further, 'compliance risk' has its origins in external regulations.

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*** **Bennet Kumar** is a Lead Consultant with Satyam Computer Services Ltd., with a focus on process improvement in the IT-enabled services space. Bennet is a co-author of eSCM version 1.1 and is also an Authorized Lead Evaluator and Trainer for the eSCM.*

Realizing the Potential What needs to be done?

The fact that the key inhibitors are primarily external in nature, brings to the fore the fact that service providers have a greater role to play in enabling F&A BPO to realize its potential.

Lets look at some of the key actions that service providers can undertake to enable clients to overcome these inhibitors:

- **Ensure repeatable service delivery capability through standardization** Developing repeatable solutions is one of the key success factors for F&A BPO. This can be achieved by integrating service processes with key underlying IT components like standard packaged applications. Further, using process frameworks or industry frameworks will also enable better solution deployment and best practices, and also support a systematic effort to address aspects like performance and compliance risk.
- **Develop a consultative approach to relationship development** - An ideal F&A BPO relationship management person needs to have various skills, foremost being a consultative ability to understand the CFOs mindset and propose solutions that address all the key areas of concern.
- **Quantify value** To effectively justify the value they are delivering and to ensure continued process improvements, service providers need capabilities to benchmark clients' internal business process costs and performance and compare them to their own, throughout the life cycle of the outsourcing engagement.
- **Ensure smooth and effective transition** Service providers need to have a solid transition plan, not only for the processes but also an employee transition plan for their clients' internal business process department. By sharing and communicating this plan to their clients, service providers can dramatically reduce the risk of client dissatisfaction during the transition stage.
- **Build collaborative relationships with clients** Outsourcing of the Finance function cannot be treated as a hands-off relationship. There invariably is a high degree of interaction and collaboration between the retained organization and

the outsourced entity. Therefore, the primary points of contact play a key role in such relationships. In most BPO relationships, end-user clients become attached to their primary points of contacts because the engagement is relationship-intensive (more so in F&A processes). However in typical service providers, this poses a challenge since most relationship managers' progress is dependent on their ability to move around between several accounts. In order to build good relationships with clients, service providers need to provide ways and means for relationship managers to progress even while continuing to manage the same relationship. Further, service providers should develop solid transition planning in regard to replacing the primary point of contact for their clients. Since these transitions can at times take up to an entire year, they need to be managed systematically.

A few commonalities stand out in the above action points:

- Need for a planned, standardized and systematic approach, not only in operations but also in relationship initiation, performance measurement and development
- Need to build expertise driven value into all work that is done for the client, right from processing F&A transactions to managing the relationship

One effective means to address the above action points effectively is to adopt a process approach to all activities. This includes building best practices based processes, e.g. based on industry standards like the eSourcing Capability Model (eSCMSM) from Carnegie Mellon University. Therefore, in summation, the F&A BPO potential is enormous. Service providers need to understand the specific pain points of CFOs and build best-in-class processes if this potential is to be realized. Considering that specialist organizations with a focus on finance and accounting have taken the lead in F&A outsourcing, they need to play a proactive role in enabling client organizations to overcome the inhibitors and realize the potential for F&A BPO. Another category of players who could contribute in a major way is 'insourced' service providers who operate for large organizations in the financial services space. Considering their high expertise levels, they could be a natural choice for client organizations, if such providers actively look for external customers.

Seminar to Focus on Emerging Business Opportunities with Latin America

Latin America has emerged over the last few years as a preferred destination of Indian exports and investments in various sectors. The total bilateral trade has increased from US\$1.07 bn in 1996-97 to US\$2.68 bn in 2002-03, showing an impressive rise of 150% during the period.

In the recent past, new regional partnerships have emerged in the Latin American region. These regional groupings provide excellent opportunities for the Indian exporters to use them as gateways for accessing the Latin American market.



IN this context, the Confederation of Indian Industry is organizing an interface with the Latin American Ambassadors in India during a seminar on **"Indo-Latin America -- Emerging Business Opportunities"** which is scheduled for September 1, 2004, at 10 a.m. at Hotel Taj President (The Presidential Hall) in Mumbai.

This session will provide a good opportunity to understand the various prospects available for Indian businesses in the changing environment in Latin America and to have a firsthand interaction with the Ambassadors on possible opportunities for business with Latin America.

Oil-rich T & T Holds Great Potential for India



For their tiny size, Trinidad and Tobago (T&T) has a fairly large economy its their GDP of over \$10 billion and per capita income of about \$ 8,000. The economy is characterized by low inflation, steady growth, a stable floating currency and a well-organized and soundly-regulated financial system. Nearly 72 per cent of T&T's economy is based on oil and gas resources. Except for the energy sector, its manufacturing base is rather limited. The country heavily depends upon imports. Machinery, transport equipment, mineral fuels and lubricants account for 60 per cent of its imports.

Geographically, T&T is located almost on the continental shelf of the South American continent, just seven miles from Venezuela. Easy connections, both by air and sea, are available to all the Caribbean countries. It is a prominent member of various regional organizations, including CARICOM and ACS and a signatory to multilateral trade agreements like WTO, GATT and GSTP (FTAA under negotiation).

Structural reforms pursued by the governments of India and T & T have provided the possibility of increased economic and trade relations. The trade agreement signed between India and T&T in January, 1997 gives the "Most Favoured Nation" status to each country in respect of import and export licenses. The agreement for avoidance of double taxation also exists between the two countries.

Indian Exports

India's exports to T&T for the period 2002-03 amount to US\$ 23.23 million. Following are the trade figures:

Year	Exports from India (US \$ Million)	Imports from T&T (US \$ Million)
1999-00	7.64	0.02
2000-01	8.55	0.00
2001-02	11.07	0.14
2002-03	23.23	0.12

(Source: DGCIS, Kolkata)

The Indian export basket in T&T is fairly well diversified. Traditional Indian ethnic items like ready-made garments, handicrafts, musical instruments, pooja items, gems and jewellery, spices, food products, kitchenware continue to remain important. However, several new sectors are beginning to show considerable promise. These include pharmaceutical and healthcare products (doubled in last two years), Ayurvedic and herbal medicines and products, sports goods, chemicals, automobile spare parts, electric cables, furniture, plastic wares, etc. The two trade fairs in last one year (Festival of India in 2003 and Enterprise India Expo at Centre of Excellence, organized by CII in June, 2004) have successfully

generated a wide consumer interest in Indian products. More than 100,000 people visited each of these fairs. Indian exports are growing steadily at an average of around 30% per annum and India Inc. is becoming a success story in T&T.

There is a room for further growth in light engineering goods, hand tools, electronic and electric equipment, hardware items, toys, etc. because of our quality and price advantage. The English and Hindi-speaking population of the country make it easier for Indian businessmen to develop their linkages here.

With the establishment of US\$ 8 million credit line by the EXIM Bank of India, through the Republic Bank of Trinidad & Tobago recently, Indian exports are bound to get a major boost. The credit line is available to local buyers to import capital and engineering goods, consumer durables, industrial manufacturers, consumer goods and related services from India. Up to 90% of the value of the contract can be lent at very favourable rates.

Investment Opportunities

T&T offers investment opportunities in the energy, manufacturing and agricultural sectors. Petrochemical processing, steel, textiles, pharmaceuticals, seafood processing and sugar refinery are some of the areas in which investments can be made. About 72 per cent of the country's exports belong to the energy sector. Its hydrocarbon resources and natural gas reserves (a proven 17.3 trillion cubic feet) have enabled T&T to become the most industrialized country in the Caribbean. T&T's sound macro-economic fundamentals and financial stability make it a destination of choice for Indian entrepreneurs. ISPAT, Asian Paints, New India Assurance Co., CRISIL and Chandaria Group have their offices/plants in the country. Negotiations are on to establish an Indian bank also.

In addition to increased bilateral trade, India is offering the Trinidad and Tobago Government Indian expertise and technical know-how under the Indian Technical and Economic Cooperation (ITEC) Program. RITES India had recently conducted a study for a light rail transit system in Trinidad. A deputation of Indian experts in the field of telecom and information technology is under consideration. India is offering 15 training slots to the T&T candidates every year under the ITEC Program and hundreds of people have already benefited from various technical programs in the prestigious Indian institutions through this scheme.

Vibrant Economy

T&T's vibrant economy and its rich oil and gas resources provide considerable opportunities for Indian businessmen. In order to fully benefit from these opportunities, we would need to continue

focusing on traditional areas of ethnic Indian products such as readymade garments, jewelry, spices and food products, the demand for which is growing amongst the East Indian population. But, keeping in view the wide acceptance of Indian goods cutting across ethnic and racial barriers, the Indian businessmen would also need to diversify their exports. Several new areas appear to show considerable promise.

Particularly speaking, India can begin to supply a wide range of consumer products in this market because of our world class quality and price competitiveness. T&T can also serve as a gateway for Indian exporters to the Caribbean region because of its excellent marketing and distribution networks..

Political Clout

Being one of the largest and the most industrialized economies in the Caribbean region, T&T holds considerable clout in decision-making on political and economic issues in CARICOM (a 15-member close-knit regional organization). It is playing a more and more assertive role in the affairs of the community. CARICOM has already decided to work towards the establishment of a single market and economy in order to unite the markets and economies of its participating countries through common agreements and facilities.

The arrangement provides for the free movement of goods, persons, services and capital amongst member countries. The value of CARICOM's total imports during 2002 was more than US\$ 5.5 billion. The community has also put in place a system to harmonize the classification of goods and services as well as the custom tariffs. T&T will remove all restraints on the rights of establishment, provision of services and movement of capital by 2005 under CSME. CARICOM has also signed agreements with other neighboring non-member countries (like the Dominican Republic and Cuba) for a liberalized trade regime for the benefits of its own members.

Combined LAC Market

Trinidad and Tobago is also the headquarters of the Association of Caribbean States (ACS), a grouping of 38 Latin American and Caribbean countries. ACS ranks fourth amongst world economic groupings. It is a combined market of some 220 million people with estimated US\$ 700 billion Gross National Product (GNP). The aim of ACS is to exploit the opportunities and promote co-operation among its members in the areas of economic development, investment, trade, tourism, transportation and the environment. T&T is a strong contender for the seat of the headquarters of FTAA and most of the Caribbean countries are supporting it on the issue.

Indian Diaspora Helps Boost Ties, Trade & Trust

India and Trinidad & Tobago have always maintained friendly relations, the historic origin of their abiding friendship being the arrival of 225 indentured laborers in the island country on May 30, 1845. Today, the existence of practically half the population of Indian origin has contributed greatly to promote these relations.



Indira Gandhi was the first Indian Prime Minister to visit Trinidad & Tobago in 1968 and a return visit was paid by the then T&T Prime Minister George Chambers in 1985 during which bilateral agreement on cooperation in science & technology was signed.

In 1987, External Affairs Minister N.D. Tiwari visited the T & T Capital, Port of Spain, after traveling from Guyana with Basdeo Panday, his counterpart at that time, following a meeting of Non-aligned Foreign Ministers. The two signed a bilateral cultural agreement.

The bilateral consultations at the foreign ministry level have been taking place since 1993. A landmark in the bilateral relations was the 150th anniversary celebrations of Indian Arrival Day in T & T, attended by the then Indian President Shankar Dayal Sharma, accompanied by a high-powered delegation.

Basdeo Panday, who became T & T Prime Minister, paid an official visit to India as the Chief Guest at our Republic Day celebrations from January 24 to February 4, 1997. The delegation led by Panday included Foreign Minister Ralph Maraj, Trade and

Industry Minister Mervyn Assam and other senior officials, including a 53-member trade delegation, a 23-member cultural troupe and a contingent of media personnel. The visit was extremely successful and resulted in the signing of a number of bilateral agreements. These included an agreement on technical cooperation, MOU on consultation between the two foreign ministries, MOU between the Small Business Development Company and the National Small Industries Corporation Ltd. (NSIC); MOU between India and T&T on Small Scale Industries, MOU between India and T&T on low cost housing, agreement for cooperation between the two countries in agriculture. Additionally, three MOUs were signed between the T&T Chamber of Industry and Commerce and CII, FICCI and the Bombay Chamber of Commerce and Industry. An agreement for avoidance of double taxation was negotiated during the visit.

Prime Minister Atal Bihari Vajpayee visited Trinidad and Tobago on 8-9 February, 1999. During the visit two agreements were signed: (i) a Double Taxation Avoidance Convention and a (ii) memorandum of

understanding for cooperation in low cost housing. He also inaugurated the Housing Support Center at orange Grove Estate, housing the Indian Exhibition.

Cut in Duty on Angostura Bitters

The subject of reduction of import duty on Angostura Bitters was discussed by the two sides during the visit of the T&T Prime Minister to India and also during the visit of Vajpayee in 1999. The T&T authorities had argued that the bitters was not an alcoholic beverage. It was not only a flavour for drinks but also for soft drinks. Soon, the Indian government decided to reduce the import duty on Angostura bitters from over 277 per cent to 5.0 per cent. This gesture of the Government of India was widely acclaimed in the local business circles.

Low-Cost Housing

The Government of T&T had shown an interest in technology transfer for low-cost housing and requested India back in June 1996, through the High Commission, to mount an Indian exhibition of technologies pertaining to housing and human settlement in Trinidad & Tobago. They felt that the Indian experience and technologies would be useful in this country. An MOU was signed in January, 1997 as the first step towards developing a cooperation programme.

Light Rail Transit system

Sometime back, Trinidad and Tobago authorities had shown an interest in undertaking a pre-feasibility study for introduction of light rail transit system along the East-West corridor in Port of Spain. They wrote to various diplomatic missions in T&T. As a follow-up action, a delegation from India's RITES visited T&T from August, 21-22, 2002, and had important discussions with the Permanent Secretary in the Ministry of Works and Transport and the former Minister of Transport Jearlene John.

Joint Commission

The matter of setting up a joint commission to oversee the progress made in various fields of cooperation between India and Trinidad & Tobago was discussed during the visit of Minister of State for External Affairs Ajit Panja to Trinidad & Tobago in September, 2000. In October, the Indian Government forwarded a draft agreement to the Trinidadian side. It was signed in

February 2003.

Trade & Ethnic Affinity

India's thrust has been aimed at transforming the cultural and ethnic affinity into one with more economic content. Structural reforms pursued by both governments have provided the possibility for increased exports from India to T&T and a more interactive economic relationship. Following participation by Indian companies at the Caribbean Expo-1994, 1996 & 1998 in Trinidad & Tobago, basmati rice, Indian made domestic appliances, fabrics, ethnic garments, spices, engineering goods etc. have entered the T&T market.

Following the display of Maruti vehicles in Expo-1196, 60 Maruti vehicles were imported. Eicher and Mahindra & Mahindra have appointed Access Ltd. as their agents for T&T. So far, Access Ltd. has imported four Eicher Light Commercial Vehicles and five Mahindra Jeeps. In 1997, The Tobago House of Assembly had imported eight Eicher mini buses directly from India. Tata commercial vehicles have also started entering the T&T market after Tata Exports appointed an exclusive distributor/agent in Diamond Motors. Indian exports are growing steadily at an average of 20-25 per cent and exports of Indian pharmaceuticals have more than doubled during 2002 over the previous year. A \$8 million credit line has been extended by EXIM Bank recently for imports from India.

Most Favoured Nation Status

The trade agreement signed between India and Trinidad & Tobago in January, 1997, favours the "Most Favoured Nation" treatment to each other in respect of import and export licences. The agreement states that:

"Each Contracting Party shall accord to each other the Most Favoured Nation treatment in respect of import and export licences, custom duties and all other charges and taxes applicable to importation, exportation or transit of commodities."

"The contracting parties will grant each other in respect of import and export licenses or permissions where such licenses/permissions are prescribed under their regulations treatment no less than that granted to any other country."



The Islands That Columbus Discovered

Trinidad and Tobago are the most southerly islands of the enchanting Lesser Antilles Chain. It was Christopher Columbus who discovered the two Islands in 1498. Spaniards invaded Trinidad and Tobago and colonized them in 1592 and stayed put for two centuries. In 1797, British forces under Sir Ralph Abercromby captured Trinidad. The island was ceded to the British Crown in 1802.

Tobago was ceded to British in 1814 and was linked with Trinidad as a single administrative unit in 1888. Trinidad and Tobago joined the federation of the West Indies in 1958 and remained a member until its dissolution in 1962. The same year, Trinidad and Tobago achieved full independence from Britain. In 1976, Trinidad and Tobago became a republic within the Commonwealth. Tobago's House of Assembly, with extensive measure of self-government for Tobago, was established in 1980.

Trinidad has a land area of 4,828 sq. km and Tobago, 19 miles to the north east, has an area of 300 sq. km. Trinidad is geologically an extension of the South American continent and is only seven miles off the Venezuelan coast. According to the 2000 census, the total population of the country is 1,290,083. About 30 per cent of the population lives in urban areas.

Economy

T & T's economy is the largest and most industrialised in the Caribbean region. During the period of colonialism, it had a plantation economy. Sugar, cocoa and coffee were the main crops. In the second half of the 20th century, especially after independence, oil and gas have become major contributors towards economic development.

The Influence of Nehru

Dr. Eric Williams, the first Prime Minister of Trinidad and Tobago, was greatly influenced by the socialistic ideas of Jawaharlal Nehru. The key sectors of economy were nationalized during his regime. Oil boom of the 1970s and the early 80s gave a fillip to the economy. During this period public sector expenditure nearly doubled.

Reforms

The fall in the oil prices in the second half of the 80s posed serious economic problems for the country. In 1991, the government introduced IMF-prescribed structural adjustment programme. It involved sustained fiscal discipline, curtailing of public expenditure, privatization of state-owned enterprises, floating of exchange rates, liberalization of imports, opening of the economy to foreign investment, etc. After initial hiccups, these measures have proved immensely beneficial.



The government, under the premiership of Basudeo Panday, had managed the economy of the country very well. Two main features of the economy were non-inflationary growth and continuing improvement in the overall economy despite a fall in crude oil production due to maturation of certain wells. However, this was offset by the discovery and production of oil and gas at new sites, which sustained steady economic growth. The economy is also driven by developments in the non-petroleum sector, including construction. The current Prime Minister, Patrick Manning, through his Vision 2020, hopes to attain the status of a fully developed nation by the year 2020. Work has been initiated in different spheres in this direction.

External Relations & Free Trade Pacts

Panday, during his Prime Ministership, paid several visits to the USA mainly to attract investors from there, the latest being the visit by him, along with a high-powered trade delegation, to Houston, Chicago and Washington DC. The USA accounts for over 40 per cent of T & T's trade and is the largest foreign investor.

T & T played an important role in the formation of the Association of Caribbean States (ACS). The first Heads of State and Government meeting was held in Port of Spain in November 1995. In view of the lead role taken by it in the formation of ACS, the headquarters of the new organization was set up at Port of Spain.

T & T is also in the forefront for promotion of free trade among the ACS states. It is also keen to join NAFTA. If that is not possible then it is pressing for NAFTA parity for the Caribbean countries. It is also taking active interest in US-sponsored Caribbean Basin Initiative (CBI) and formation of FTAA. Port of Spain has emerged as the frontrunner for the location of the Secretariat for FTAA.

T & T has friendly relations with the member states of the Caricom. It is the major supplier of manufactured goods to the Caribbean countries and is having favourable balance of trade. The CARICOM region is aiming to integrate the regional economy through the Caribbean Single Economy Market by 2005.

Snapping Colonial Ties the Caribbean region, including Trinidad & Tobago, is planning to establish its own appellate Court, the Caribbean Court of Justice. This is also to be located in Port of Spain. This would sever the last colonial linkage, the appeal mechanism – the Privy

Council in London. The Government of T&T expects that the court should start functioning shortly although some of the member nations have some internal contradictions to resolve.

Bilateral co-operation between T&T and Venezuela in different fields, including Science & Technology, put on the rails and also a new fishing agreement was signed during Foreign Minister Ralph Maraj's visit to Venezuela in December, 1997. The relations were further improved by the visit of Dr. Miguel Angel Burelli, Minister of External Relations of Venezuela, to Port of Spain when they signed an agreement to promote tourism, agreed to negotiate a free trade agreement and expressed an interest in signing an extradition treaty. President Chavez visited Trinidad in August, 2003, which restored bonhomie between the neighbours.

Relations with India

One can say that the relationship of Trinidad and Tobago with India started on 30th May, 1845 when the first ship "Fatel Razack" carrying 225 indentured laborers from India reached Trinidad. Since then, our countries have always maintained friendly and cordial relations. The existence of practically half the population of Indian origin contributed warmth to these relations.

The late Prime Minister, Smt. Indira Gandhi, visited Trinidad and Tobago in 1968 and a return visit by the then Trinidad and Tobago Minister George Chambers took place in 1985 during which a bilateral agreement on Co-operation in Science and Technology was signed. In 1987 the two countries signed a bilateral cultural agreement.

Dr. Shanker Dayal Sharma, President of India, visited Trinidad and Tobago from May 29 to June 1, 1995 in connection with the 150th anniversary of Indian arrival in this country.

Prime Minister Basdeo Panday paid an official visit to India as Chief Guest at our Republic Day celebrations from 24th January to 4th February, 1997. The delegation led by him included Foreign Minister Ralph Maraj, Trade and Industry Minister Mervyn Assam and other senior officials including a 53-member trade delegation, a 23-member cultural troupe and a contingent of media personnel.

The visit was extremely successful not only in terms of putting bilateral relations at a very high level but also resulted in signing of a number of bilateral agreements, namely, a trade agreement between India and T&T, agreement on technical co-operation, MOU on consultation between the two foreign ministries, MOU between Small Business Development Company and NSIC; MOU between India and T&T on Small Scale Industries, MOU between India and T&T on low cost housing, agreement for co-operation between the two countries in agriculture.

Additionally, three MOUs were signed between the T&T Chamber of Industry and Commerce and CII, FICCI and the Bombay Chamber of Commerce and Industry. An agreement for avoidance of double taxation has been negotiated and initialled and possibilities of signing an

agreement on investment promotion and protection are being explored.

Prime Minister Panday's visit has given a new thrust to the economic and commercial relations between our two countries.

Indian Prime Minister Shri Atal Bihari Vajpayee visited Trinidad and Tobago on 8-9 February 1999. During the visit, two agreements were signed: (i) a double taxation avoidance convention and (ii) memorandum of understanding for cooperation in low cost housing. The foundation stone at the site of the Mahatma Gandhi Institute for Cultural Cooperation was laid jointly by Prime Minister Atal Bihari Vajpayee and Prime Minister Basdeo Panday.

Indian Oil Corporation signed technical co-operation agreements with Petrotrin and National Petroleum during the visit of a nine-member high-level Indian Oil Corporation delegation to Port of Spain in November, 1997.

Dhampur Sugar Mills provided equipment and services for renovating and updating sugarcane crushers at Usine St. Madelline Sugar Mill.

London-based India-born, entrepreneur Laxmi Mittal took over a sick steel mill and turned it into the largest non-petroleum sector exporting unit. The top management of the mill is in the hands of Indian nationals.

Exports from India have also increased significantly after Panday's visit. Non-traditional items like commercial vehicles, cars, buses and pharmaceutical goods found their way into the market. The Tobago House Assembly imported eight Eicher mini-buses in 1998. India's exports to Trinidad & Tobago have registered a significant increase during 2002-03. The total export from India to Trinidad & Tobago in 2003 stood at \$ 23.23 million. With the emergence of India as a country for sourcing various items, bilateral trade relations are expected to move forward in coming years. Overall, trade has been steadily growing at an annual rate of 20-25 per cent and growth in areas like pharmaceuticals has been quite encouraging. Pharma exports from India during the year 2002-03 more than doubled compared with those in the previous year. In order to provide attractive financial support for export from India to Trinidad & Tobago, a credit line of \$ 8.0 million has been established by the EXIM Bank of India through the Republic Bank of Trinidad and Tobago.

Mahatma Gandhi Institute

The Mahatma Gandhi Institute for Cultural Co-operation was inaugurated by Panday on January 11, 1998. The institute is accommodated in a temporary premise provided by the Government of Trinidad. Going by the number of students in classes of different disciplines, it may be safely said that the Cultural Center has taken off the ground very well and would undoubtedly continue contributing towards fulfilling the objective of further strengthening cultural relations between the two countries in the years to come.

The Great

The date was May 30, 1845. The bunch of bedraggled, indentured laborers that disembarked the ship “Fatel Razack” did not know they would be building a nation, infusing their own culture into a distant civilization. The laborers were Indians and their adopted country, Trinidad & Tobago. The Indian connection thus began has strengthened over a century and a half with the People of Indian Origin, PIOs as they are referred to, rising to top positions.

Today Trinidad & Tobago has one of the largest concentrations of the People of Indian Origin. Also called East Indians they have maintained close emotional bonds with India and Indian culture. All the major festivals of India Holi, Diwali, Eid, etc. are celebrated with great enthusiasm. The National Council of Indian Culture, the largest Indian cultural organization, named its headquarters as Diwali Nagar. Indian Arrival Day in May is celebrated every year to commemorate the arrival of Indians in the country. On these occasions, various cultural programs and religious services are organized by different communities. Hindi films and film-music are very popular amongst them. There are six ethnic FM radio channels, which play Hindi music 24 hours a day.

Homecoming for T&T Premier

When he visited India in January 1997, T & T Prime Minister Basdeo Pandey had visited Laxmanpura in the Azamgarh district, which was identified by a Trinidadian scholar, Shamsu Deen, as the place of origin of his maternal grandfather. After the visit, Pandey had expressed a desire to make a donation of Rs.10 lakhs for a worthwhile project in his native village. A residential girls' school was identified by the Government of Uttar Pradesh as useful for the area and reflecting the wishes of the people. The project was acceptable to Pandey. The detailed plans and

budget of the proposed school were discussed by the then High Commissioner with the T&T Prime Minister in April, 1999. The T&T PM suggested to send the amount of Rs. 10 lakhs for this project through their High Commission in New Delhi.

Mahatma Gandhi Institute

The memory of Mahatma Gandhi is another linking factor between India T&T.

Prime Minister Atal Bihari Vajpayee, during his visit to T & T in February, 1999, jointly laid the Foundation Stone, along with Prime Minister Basdeo Pandey for building the Mahatma Gandhi Institute for Cultural Cooperation. In his speech on the occasion, our Prime Minister has given a commitment that the building will be ready by the turn of the century.

The opening of the Institute was a significant occasion in the history of the people of T & T and India. The saga began in 1968 when Prime Minister Indira Gandhi visited T & T, and she and the then Prime Minister of Trinidad & Tobago entered into a cultural agreement which included the establishment of a Cultural Center.

The Mahatma Gandhi Institute, sponsored by the Indian Council for Cultural Relations, has a full-time director and three teachers of music, dance and the *tabla*.

HISTORY



Promotion of Hindi

Trinidad and Tobago has a sizeable population of people of Indian origin i.e., more than 45 percent, in the country. They take a deep interest in learning Hindi the Indian culture and follow most of the customs and rituals of India. The Government of India has been laying special emphasis on promotion and propagation of Hindi abroad.



2003, Rajasthani Folk dance group in October 2003 and Gujarati folk dance group in November 2003 for participation in the Prime Minister's Best Village program.

7. International Hindi Seminar from 16-18 April, 2004. Concert by Pt. Jasraj and his group in May, 2004.

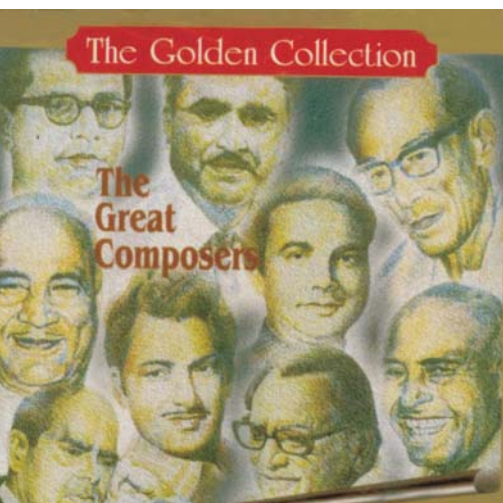
Cultural Activities

The Indian High Commission has also been organizing a series of promotion at activities. For instance, in 2003 and 2004, these activities included the following.

1. Festival of India in September, 2003 comprising Indian consumer goods fair, two fashion shows featuring and an Indian Food Festival
2. An International Workshop on Ayurveda/herbal medicine at the University of West Indies in July, 2003.
3. A seminar on information technology showcasing accomplishments of India in April 2003.
4. A series of activities on the eve of the Indian Arrival Day during May and June 2004, including an international seminar on Indian diaspora issues.
5. Monthly lecture series on Indian philosophy and culture, launched in November, 2003.
6. Performances by cultural troupes troupes from India, namely a Bhojpuri music group in July

Scholarships to T & T Students

India has been offering 10 training slots to the Trinidadian candidates every year under the Indian Technical and Economic Cooperation Program. By now, over 100 Trinidadians have visited India under ITEC Program. The traditionally warm and friendly relations between India and Trinidad & Tobago have been maintained. Students from Trinidad & Tobago willing to learn the Hindi language, music and dance have been offered scholarship to study in India. In 2001, for the first time under the ITEC (Indian Technical and Economic Cooperation) Program, one batch of two officials from the Armed Forces of Trinidad & Tobago has been sent to India for specialized training in India.



Carnivals in the Rainbow Country

Trinidad probably isn't what one expects from a Caribbean island. Sure, there are sun, sand, and sea, plus friendly locals, music, parties, and ample opportunities for relaxation. But Trinidad is also cosmopolitan, fast-paced, industrialised, eager to prove that people there can hold their own among the much larger nations of the developed world. This energy and drive are also here for visitors to discover, alongside an unexpectedly multi-ethnic culture and an astonishingly rich natural environment.

People from Trinidad like to think of themselves as belonging to the original rainbow nation, as their ancestors came from Africa, India, Europe, China, and the Middle East, speaking dozens of languages, professing dozens of faiths. After a couple of eventful centuries of mixing and colliding, the people have evolved a unique common culture, vibrant, colourful, tolerant of the eccentric yet managing to hold on to important elements of ancestral traditions. This makes for a nation where ethnicity is a fluid concept, where people share with each other the music and food and festivals of their continents, where visitors are often amazed by the diversity on display on the average city block.

No wonder that Trinidad's most famous cultural phenomenon, Carnival, is also a rainbow of traditions and innovations, colour and noise, always over-the-top, always just a little controversial. The full-scale abandon of the street masquerade is a marvellous display of the freeness of the country's spirit; each year, the construction of thousands of costumes, the composition of hundreds of calypsos, the perfection of awe-inspiring steelband performances remind the people of their creative potential.

Carnival Tuesday evening, when the celebration is at its height, shows off the true Trini soul; as do the thousands of people of all races and creeds helping to light the flickering lamps for the Hindu festival of Divali; as do the crowds singing and chanting at the Queen's Park Oval when a cricket match comes to a climax. One has to spend some time with in Trinidad to understand this phenomenon.



BEACHES & BAYS

Trinidad doesn't have the postcard-perfect, white-sand, turquoise-water beaches that most visitors expect from the Caribbean. Trinidad's coast provokes the senses with crashing surf, dramatic scenery, and vivid jungle green.

With an assortment of beaches of varying degrees of accessibility on the north, east, and south coasts, and on the north west peninsula, it's easy to fit a relaxing beach break into any visitor's schedule. A lazy, long Mayaro weekend, perhaps, or a Toco jungle adventure? Pushed for time? Try an afternoon dip at Macqueripe, or catch the sunset at Maracas. Wherever you end up choosing, the experience is always refreshing, for both body and mind.

NORTH COAST

Maracas:

Trinidad's most famous beach is a mere 30-minute drive from Port of Spain, along a winding mountain road with breathtaking scenery. Ample



amenities include a beach club, parking lot, lifeguards, refreshment stands, and numerous vendors selling shark-and-bake, the delicacy almost as well known as the beach itself. Be on the lookout for red flags signalling dangerous currents. The beach be

crowded on weekends and holidays.

Tyrico Bay: Just east of Maracas, Tyrico has equally good bathing but doesn't attract the crowds Maracas does. There's a parking lot, however, and lifeguard patrols.

Las Cuevas: Just 15 minutes east of Maracas is the long, sandy, ever-popular Las Cuevas beach. Excellent and usually calm bathing is the order of the day. Good facilities, including showers, lifeguards, parking, and bar are abundant.

Blanchisseuse: In recent years, once-secluded Blanchisseuse has become a popular weekend getaway, with holiday homes and guesthouses springing up in increasing numbers. A series of small bays and beaches nestle at the foot of lush rainforest, with a little fishing villages strung out along the coastal road. Marianne Bay, where the road ends, is the largest and most popular beach, with a freshwater lagoon at its eastern end. Follow the Marianne River upstream to the gorgeous Three Pools. It is a good jumping-off point for hiking expeditions.

Paria Beach and Waterfall: A popular hiking route, the trail to this deserted beach and waterfall begins where the North Coast Road ends, at the suspension bridge across the Marianne River. The trek can take two to three hours each way.

NORTH-EAST COAST



Matura: This protected beach is a major leatherback turtle nesting site.

Salybia: A favourite resting point for those driving up to Toco,

it's also a good final destination if you're looking for a picnicking spot and a refreshing dip in the sea. It has a recently been enhanced with beach facilities, including changing rooms and showers.

Balandra: A narrow stretch of land shelters Balandra Bay, making it good for swimming. A spot for good body-surfing as well, at the rougher end of the bay.

Grande Rivière: The river meets the sea here, so you can combine sea bathing and river swimming. During nesting months (March to August), leatherback turtles come ashore to lay their eggs. The village is one of Trinidad's most visitor-friendly communities, with a number of hotels, guest houses and cottages for rent. Local tour guides are available for rainforest hikes.

Surfing: The north-east coast has several good surf breaks, including Toco, Sans Souci, Matelot and Grande Rivière.

EAST COAST

Manzanilla: Miles of tall coconut palms distinguish this long stretch of beach, about a 1.5-hour drive from Port of Spain. Facilities near the beginning of the stretch include a car park, snack bar, picnic tables and changing rooms. There's a wide estuary where the Nariva River meets the sea.

Mayaro: The longest beach in Trinidad, with many accommodation options in the area. The expansive beach has good bathing and is great for long very romantic walk on moonlit nights! but be on the lookout for dangerous currents.



SOUTH-WEST COAST

Vessigny: Excellent for a spot of seaside relaxation after a visit to the Pitch Lake, it is about a mile away with beach facilities.

Cedros: Near the tip of the south-western peninsula, and hence one of the furthest points on the island from Port of Spain, Cedros has Trinidad's widest beach at low tide. It is among the best vantage points for sighting the Venezuelan mainland.



CHAGUARAMAS (NORTH-WEST PENINSULA)

Williams Bay: A wide, calm bay, popular for kayaking, it's picturesque seafront offers views of Trinidad's Five Islands and is a favourite of recreational walkers and line fishermen. Facilities include bicycle and kayak rental. No lifeguards are available.

Chagville: 20 minutes from downtown Port of Spain it has changing and parking facilities and refreshment stands, but no lifeguards.

Macqueripe: This usually calm, intimate bay is good for swimming and snorkelling. One of the closest beaches to town, Macqueripe is great for a quick after-work dip, with minimal facilities.

Scotland Bay: Only accessible by boat, this bay is ideal for swimming.

Chacachacare Island: A 20-minute boat ride from the mainland, this 900-acre island has eight beaches and a salt-water pond.

Land of Surprises & Contrasts

Trinidad is an island of contrasts; every time you think you've seen it all, the country surprises you yet again. Within a relatively small space you'll find an unexpected variety of landscapes, rugged mountains, broad plains, swamps and savannahs, industrial sites right next to nature reserves, hectic city centres and remote valleys that seem like they've never been visited before.



The colourful colonial history, multiethnic heritage, and rapid development in the 20th century have given T & T a varied and diverse look. After a few days in Port of Spain one might think that the people of T & T are thoroughly westernized and urbanized people. Yet, less than an hour's drive out of town one will find small communities that look like they've been transported straight from the Gangetic plain, complete with temples and prayer-flags; in the precipitous valleys to the north you'll find villages "in the cocoa" that seem like they belong to another time. Trinidad is all of these, waiting for the tourist to discover

Port of Spain

Queen's Park Savannah:

"The lungs of the city", "the world's largest roundabout", the Savannah is Port of Spain's major green space, the



venue for sportsmen, joggers, strollers, and anyone looking for a break from the urban grind. It's also an excellent place to sample tasty Indian delicacies, snow cones, and coconut water straight out of the shell, all on offer from vendors along its three-mile perimeter. The park comes alive during

the Carnival season, when the Grand Stand is the stage for "the greatest show on earth". Around Easter, when breezes are at their strongest, the tourists will find dozens of kites dipping and swerving high overhead.

The Magnificent Seven:

Along the Savannah's western side, facing onto the park, these ornate early-20th-century structures recall T & T's European heritage. From north to south, they are: Queen's Royal College (boys' secondary school), Hayes Court (Anglican bishop's residence), Mille Fleurs (former private residence, now the Law Association headquarters), Roomor (eccentric, ornate private residence), the Roman Catholic Archbishop's House, Whitehall (now the prime minister's office), and Killarney, better known as Stollmeyer's Castle (currently being converted into government offices).

Emperor Valley Zoo:

The place to see many species of local wildlife including deer, ocelots, quenk (wild pigs), caimans, snakes, and dozens of birds without venturing into the forest.

Botanic Gardens:

Adjacent to the zoo, the nearly 200-year-old gardens contain a collection of local and exotic plants. Perfect for a casual stroll, if you can't keep up with the power-walkers around the Savannah to the south, and worth a bird-watching trip. Can be crowded on Sundays and holidays, when picnickers come out in their hundreds. .

President's House:



Built in 1873 as the British governor's residence, this is now the home of the president of Trinidad and Tobago. Closed to the public, but one can get a good view of the building from the small extension of the Botanic Gardens to the south.

Memorial Park:

Just south of the Savannah, this park with a cenotaph at its centre serves as a memorial to Trinidad's fallen soldiers of World Wars I and II.



National Museum and Art Gallery:

With no entrance fee to enjoy the work of artists like Michel Jean Cazabon, Carlyle Chang, Sybil Atteck, Leroy Clarke, and Peter Minshall, the museum is open Tuesdays to Saturdays and closed on public holidays. Housed in a colonial

building with the title "Royal Victoria Institute" over the door, the museum also displays Amerindian artifacts and relics of life in Trinidad and Tobago from early colonialism to post-independence. Other exhibits focus on geology, flora and fauna, the steel pan, and Carnival.

Downtown & Woodford Square:

At Port of Spain's very heart, Woodford Square, named for a reformist British governor, is surrounded by the Red House (seat of parliament) to the west, the Hall of Justice (seat of the Supreme Court) and City Hall to the north, the Anglican Trinity Cathedral to the south, and the gleaming new National Library complex to the south-east. Woodford Square has played a major role in the political history of the country over the decades countless political rallies have been staged here; T&T's first prime minister, Eric Williams, transformed it into "the University of Woodford Square" for a series of celebrated public lectures; and at the south-eastern gate is Port of Spain's "speaker's corner", where prince and pauper have an equal footing, and all that matters is how

well you can argue your point.

Brian Lara Promenade:

Named for Trinidad and Tobago's cricket star Brian Lara, this broad red-white-and-black-paved space runs down the centre of Independence Square. A relaxed, upbeat liming hub, where you can relax, meet friends, and catch the occasional live band.

Twin Towers:

At the western end of Independence Square, the two towers of the Eric Williams Financial Complex, the tallest buildings in the city, and indeed in the southern Caribbean house the Ministry of Finance and the Central Bank.



Cathedral of the Immaculate Conception:

Trinidad and Tobago's Roman Catholic cathedral, known for its stained glass windows depicting the country's multi-ethnic population, anchors the eastern end of Independence Square.

City Gate:

This bus and maxi-taxi terminal on South Quay and Broadway was once the city's railway station.

Cruise Ship Complex:

Cruise ship passengers are welcomed by a mini-mall housing souvenir shops and travel agencies. It's also home to the famous Breakfast Shed, where inexpensive, hearty breakfast and lunch menus are available daily.



Cuban Vaccine Against Hib

Glycoconjugate vaccines provide effective prophylaxis against bacterial infections. To date, however, no commercial vaccine has been available in which the key carbohydrate antigens are produced synthetically. Here is a report from Cuba on the large-scale synthesis, pharmaceutical development, and clinical evaluation of a conjugate vaccine composed of a synthetic capsular polysaccharide antigen of *Haemophilus influenzae* type b (Hib). The vaccine was evaluated in clinical trials in Cuba and showed long-term protective antibody titers that compared favorably to licensed products prepared with the Hib polysaccharide extracted from bacteria. This demonstrates that access to synthetic complex carbohydrate-based vaccines is feasible and provides a basis for further development of similar approaches for other human pathogens.

Haemophilus influenzae type b (Hib) is an important human pathogen and was prevalent in developed countries until the introduction of successful conjugate vaccines during the 1990s. However, in developing countries more than 600,000 infant deaths occur annually as a result of Hib-induced pneumonia or meningitis.

Extensive use of the polysaccharides as vaccines has

proven efficient in generating immunity in animals. The research set out to develop a synthetic methodology amenable to large-scale good manufacturing practice (GMP) production of antigens by reassembling Hib polysaccharide fragments. The previous process was redesigned to include a synthetic pathway with a reduced number of reaction and chromatography purification steps. Also identified is a potentially superior method for oligomerization of the ribosylribitol-phosphate repeating unit, in which the saccharide fragment encompassing the key conformational epitope can be obtained in a single step.

To this end, suitably protected ribitol derivative 1 and ribose acetate 2 have been selected because they best fit the criteria for large scale production as synthetic intermediates and could be more readily purified than others derived from D-glucose. The use of crystalline peracetylated α -D-ribofuranose, 2, was found to readily glycosidate ribitol derivative 1 to provide 3a. The successful large-scale synthesis of ribosylribitol derivatives 4 and 5 from 3a thus represented one of the key features of the strategy.

Although construction of oligomers with controlled numbers of repeating units by solution and solid-phase techniques was possible in small quantities, their large-scale syntheses proved more difficult. To overcome this, the researchers undertook a one-step polycondensation reaction with use of H-phosphonate chemistry (19). Thus, the phosphate-containing end residue 4 and H-phosphonate derivative 5 were oligomerized in high yield and purity with the use of pivaloyl chloride as a polycondensation reagent. Although this reaction is complex, it could be managed to generate the desired oligomers, avoiding several competing side reactions, such as O-acylation.

Synthetic oligomers of 6a with an average of eight repeating units were reproducibly obtained in high yield after purification by size exclusion chromatography. Deprotection and azide reduction of 6a to the amine 6b, which, after treatment with 3-maleimidopropionic acid N-hydroxysuccinimide ester, gave 7. The overall process accomplished under GMP proceeded with a high yield and was amenable to a 100-g scale per batch.

A vaccine prototype was subsequently produced by conjugating synthetic antigen 7 with thiolated human

offered a useful way to protect adults and older children, and further improvement in generating long-lasting immunity, especially in infants, has been achieved by covalently coupling the polysaccharide to carrier proteins. In fact, the high level of success attained by Hib glycoconjugate vaccine has been quickly followed by similar approaches to meningococcal group C and *Streptococcus pneumoniae*. Many candidate vaccines against other pathogens using the same principles are currently at different stages of research.

The fragment of the Hib capsular polysaccharide used in some of the licensed vaccines can be as short as five ribosylribitolphosphate repeating units. The ability of synthetic carbohydrate chemistry to mimic such fragments has been demonstrated in several laboratories with the use of stepwise multistep preparation; the resulting synthetic antigens have served as components of candidate vaccines that have



serum albumin (HSA). The polyribosylribitol phosphate (sPRP)-HSA conjugate was used for coating enzyme-linked immunosorbent, assay (ELISA) plates to screen for anti-Hib activity of sera obtained from rabbits immunized with commercially available vaccines [Vaxem-Hib (Xxxxxxxx, Xxxxx, XX) and Hiberix (Xxxxxxxx, Xxxxx, XX)] and human antibodies against Hib obtained from immunized children (Vaxem-Hib). All sera showed equivalent recognition of sPRP-HSA and natural PRP-HSA conjugates, demonstrating that the synthetic oligosaccharide possessed the relevant antigenic epitopes for antibody binding recognition.

As a potentially more relevant protein carrier for synthetic oligosaccharides, a tetanus toxoid (TT) conjugate 9 was evaluated in animals. The glycoconjugate was obtained through the thiolation of TT lysine α -amino groups as for HSA, and this sPRP-TT conjugate was immunogenic in rabbits with a wide range of sPRP/protein ratios, inducing a strong and specific antibody response.

At this point, the researchers identified four key issues that allowed us to accomplish further development of sPRP-TT as a vaccine candidate: (i) a synthetic pathway to disaccharide derivative 5 with only one chromatographic purification step, making it amenable to large-scale GMP production, (ii) a single-step, high-yielding polycondensation reaction between 4 and 5 for the elongation of the oligosaccharide chain, (iii) a method for careful removal of protective groups, yielding highly pure sPRP 7, and lastly (iv) a conjugation process to TT carrier that incorporated sPRP in good yields.

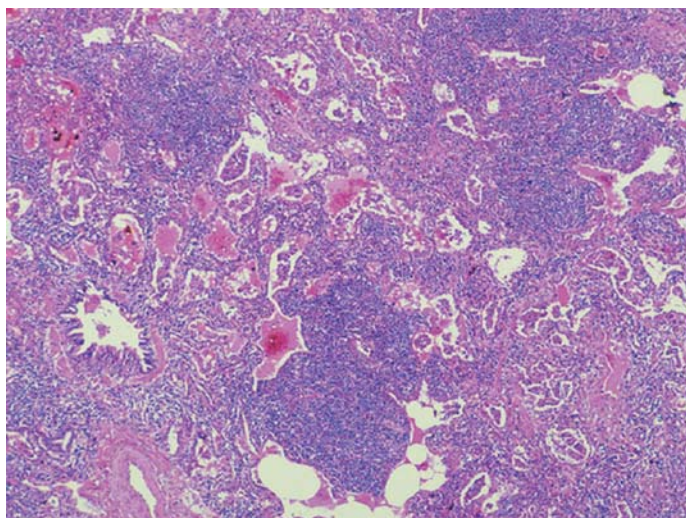
The sPRP-TT conjugate vaccine with 10 μ g of sPRP and a sPRP-to-TT ratio of 1/2.6 by weight was next used as part of a phase 1 clinical trial in 40 adult volunteers after rigorous toxicological assessment in animals. A second phase 1 trial in adults with the vaccine plus aluminum phosphate was also performed. Both formulations of sPRP-TT were shown to be safe in adults. The average immunoglobulin G (IgG) titers obtained from our synthetic antigens displayed a behavior similar to that of the control vaccine (Vaxem-Hib); the results obtained from this initial evaluation (table S1) prompted the initiation of a full clinical evaluation. All trials were performed as recommended and according to good clinical practice. Generally, they were randomized and double-blind and used a control vaccine and at least two different batches of the test vaccine.

The phase 1 clinical trial consisted of a single vaccine dose in 133 4- to 5-year-old children previously unvaccinated against Hib. This was followed by a phase 2 trial using 1041 children. A significant post-vaccination increase in the anti-Hib IgG titers was observed in both trials, and a significant increase in the bactericidal activities of the sera was reached after the administration of a single vaccine dose in three groups of children. The similarities of these with previous studies again indicated that the sPRP-TT

vaccine was both as safe and as immunogenic as the commercial control vaccine.

The above results set the stage for more detailed clinical assessment of the vaccine in a targeted infant population. Thus, a phase 1 trial was initiated with 139 2-month-old infants who received three vaccine, doses scheduled at 2, 4, and 6 months, as recommended for other conjugate anti-Hib vaccines. The test vaccine induced a strong and bactericidal Hib antibody response in infants that fell to values ranging from 5 to 7 μ g/mL at 18 months of age but remained at least five times that required for long-term protection. A booster dose with sPRP-TT applied to all groups increased the Hib antibody titers by 10-fold. Thus, the capacity of sPRP-TT to prime an effective immune response against Hib was demonstrated.

In a second phase 2 trial, a total of 1141 infants distributed in three groups received three doses of either sPRP-TT conjugate, sPRP-TT mixed with aluminum phosphate, or the control vaccine (Vaxem-Hib). Of the test infants, 99.7% reached antibody titers



above 1 μ g/mL, which is considered appropriate for long-lived protection against Hib. The mean IgG anti-PRP titer was 27.4 μ g/mL for all infants vaccinated with the sPRP-TT, which is consistent with previously reported clinical trials (between 7.67 and 35 μ g/mL) for anti-Hib vaccines without adjuvant.

The present study demonstrates that a synthetic capsular polysaccharide antigen can be produced on a large scale under GMP conditions and used to manufacture an effective vaccine for human use. The resulting conjugate vaccine incorporating a synthetic bacterial carbohydrate antigen was demonstrated to be as safe and immunogenic in humans as already-licensed vaccines incorporating the native polysaccharide. Access to synthetic complex carbohydrate-based vaccines is therefore feasible and provides an alternative strategy in the fight against Hib infections. It also sets the stage for further development of similar approaches against other human pathogens.

Mexico & India

Mercados Competitivos



Ana Gabriela

¿Qué imágenes son evocadas cuando escuchamos el nombre de México? Quizá la imagen de paisajes exóticos, grandes ciudades y porsupuesto el *Tequila*. México es mucho más que eso.

Famoso por su folklor, creatividad, colorido, tradiciones y exquisita comida México es considerado como la novena economía mas grande del mundo y séptima en transacciones comerciales. Representando una economía estable dentro de América Latina convitiéndose así en mercado potencial para los inversionistas.

Con el ingreso per cápita más alto de América Latina, México se encuentra ranqueado como un país de mediano ingreso a nivel mundial, enfrentando aún diferencias sociales entre ricos y pobres, norte y sur, ciudades urbanas y rurale mucho es debido a la crisis financiera sufrida en 1994 1995. Sinembargo se ha recuperado de una manera sólida y rápida, traduciéndose en progreso, diversificación de economía y una alta calidad en infraestructura social.

En la actualidad encontramos que cuenta con una economía más abierta, así como con un sistema político integrado en el contexto internacional como resultado del desempeño alcanzado; creando una economía estable aún frente al bajo desempeño del entorno internacional. Deacuerdo a lo establecido por las sociedades calificadoras internacionales como Standar & Poors, México tiene proyectado una calificación **BBB-** en moneda extranjera y **A-** en moneda nacional. La sociedad calificadora Moody's Investors Services, le otorgó una calificación de **Baa2** en moneda extranjera.

El desempeño alcanzado el pasado 2003 se ha manifestado por debajo de las expectativas contando con el

consumo interno como variable principal para mantener dicha economía.

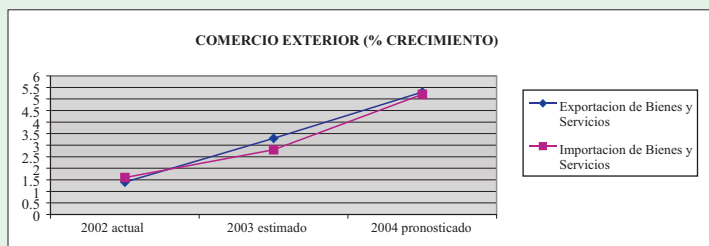
Por otra parte, el panorama en materia económica pronosticado para el año 2004 es favorable, con un Producto Interno Bruto estimado (PIB) de 3.25%, inflación de 3.00%, así como un incremento en la Inversión Extranjera Directa que en conjunto representa una buena condición de mercado.

El comercio exterior sigue jugando un papel importante; en los últimos años los ingresos por concepto de exportaciones han variado drásticamente por ejemplo encontramos que: a principio de los años ochentas el petróleo representaba el 80% de los ingresos teniedo que para el año 2002 la maquila ha pasado a ocupar el 89% de dichos ingresos siendo petróleo, productos agrícolas, y minería quienes conforman el porcentaje restante. A pesar de la fuerte competencia que representa hoy en día mercados emergentes como Asia y America Central, las empresas extranjeras continuan viendo a México como centro de operaciones encontrando que

Comercio Internacional (% crecimiento)	2002 actual	2003 estimado	2004 pronosticado
Exportaciones de Bienes y Servicios	1.4	3.3	5.3
Importaciones de Bienes y Servicios	1.6	2.8	5.2
Comercio Internacional (%of PIB)			
Exportaciones de Bienes y Servicios	27.2	29.9	30.1
Importaciones de Bienes y Servicios	29.2	32.2	32.5
Indicadores (US\$ billones)			
Balanza de la Cuenta Corriente	-13.9	-16.6	-19.4
% PIB	2.2	2.8	3.1
Bienes Exportados fob	160.8	167	172
Bienes Importados fob	168.7	176.7	183.6
Balanza de pagos	-7.9	-9.7	-11.6

Fuente: Economist Intelligence Unit, Mexico Country Forecast.

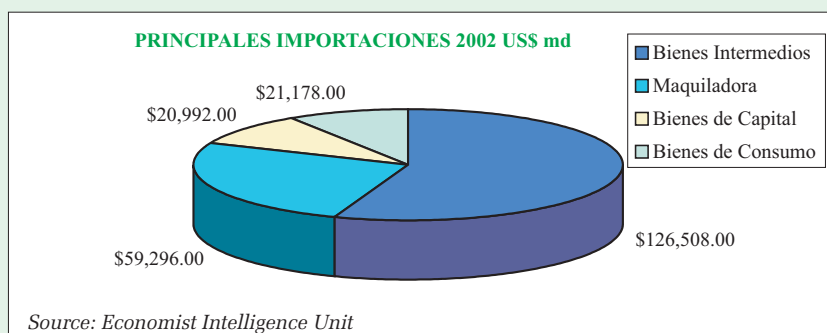
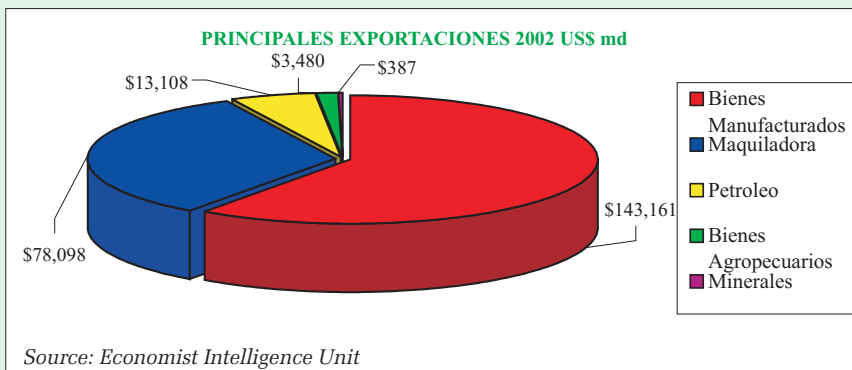
De acuerdo a "The Economist Intelligence Unit", los principales sectores de exportación



se ubicaron de la siguiente manera: Manufactura en primer lugar con un ingreso de US\$143,161 millones, seguido de la industria maquiladora (especializada en equipo electrónico, automóviles, telecomunicaciones, y maquinaria en general) con US\$78,098 millones, petróleo (incluyendo todos sus derivados) con US\$13,108 millones, productos agrícolas por

US\$3,480 millones y minería por US\$387 millones.

En materia de importaciones, controles y tarifas son aplicados a ciertos productos tales como la agricultura básica, petróleo y sus derivados, y materia prima para los productos farmacéuticos. Las principales importaciones para el año 2002 fueron: bienes intermedios por US\$126,508 millones, maquila US\$59,256 millones, bienes de capital US\$20,992 y finalmente bienes de consumo por US\$21,178 millones.

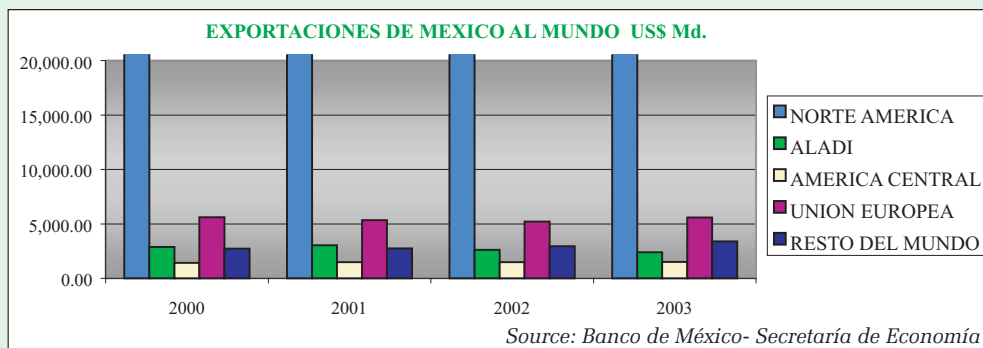


México es uno de los países que cuenta con el mayor número de tratados internacionales firmados alrededor del mundo, 11 tratados con 42 países (incluyendo los 10 países recientemente adicionados a la Unión Europea) representando así un mercado de más de 870 millones de personas proporcionando una oportunidad única para los inversionistas.

La red de negociaciones de tratados de libre comercio incluye a países como Estados Unidos y Canadá (NAFTA), la Unión Europea, TLC con la Asociación Europea, Brasil, Chile, Israel, y China entre otros. Actualmente negociaciones están siendo sostenidas con Japón, India y la región de MERCOSUR.

El contar con este vasto nicho de mercado le da a México una posición estratégica sobre sus competidores, dando un impulso a la economía del país, generación de empleo, diversificación de mercado y para establecer un nivel de confianza con la inversión extranjera en México.

***ALADI:
Asociación
Latinoamericana
de Integración -
Latin American
Integration
Association



Relaciones con India

El nivel de transacciones comerciales entre las dos naciones ha permanecido modesto. Encontramos que el comercio entre ambas naciones queda de la siguiente manera:

Balanza Comercial (US\$ millones)	Abril / Feb 2003 - 2004
Exportaciones Mexicanas a India	68
Exportaciones de India a México	230

Source : India Trade

Como podemos observar en la figura anterior las exportaciones se inclina a favor de India hacia México. Sin embargo el nivel de transacción es bajo tanto para los estándares de la India como los de México.

Esto puede ser causado por la falta de información que existe entre ambos mercados, apesar de la ya relación existente entre ambas naciones. En años recientes dicha relación ha ido en aumento gracias a los esfuerzos realizados por organismos gubernamentales los cuáles han buscado fomentar los acuerdos bilaterales. Por ejemplo encontramos que, el Banco de Exportaciones e Importaciones de la India (Exim Bank) ha extendido una línea de crédito por US\$10 millones hacia el Banco de Comercio Exterior Mexicano (Bancomext) para promover las exportaciones de India hacia México.

Actualmente se están llevando a cabo negociaciones con India, cuyo objetivo es la celebración de dos acuerdos: (i) En el primer acuerdo mismo que está por concluirse en donde se busca evitar la doble tributación, dándole una mejor posición al inversionista en ambos mercados. (ii) El segundo es un acuerdo a corto plazo el cual va enfocado a la promoción y protección de las inversiones extranjeras ya sea de México en la India o viceversa.

Una vez celebrados estos acuerdos, el ambiente económico-comercial se volverá propicio para generar nuevas oportunidades. Siendo evidente que la plataforma para un crecimiento en el futuro esta siendo forjada, incrementando así el nivel de transacciones comerciales.

Áreas Potenciales de Cooperación

Apesar de ser naciones distantes, existen áreas en las cuales México e India son compatibles.

Principalmente encontramos el sector agropecuario, en donde sabemos que India es uno de los grandes productores en el cultivo de arroz, trigo, frutas y vegetales. Por otra parte, México cuenta con un mercado desarrollado en cuanto a comida procesada, principalmente en lácteos y granos. Es por esto que México e India tienen la posibilidad de trabajar en conjunto el sector agropecuario y de comida procesada.

-Software- es una palabra que apunta al futuro India, se ha convertido en un participante importante dentro del sector de Tecnología Informática. Sin embargo, el mercado TI aún no ha sido diversificado.

Existen mercados como el mercado hispanoparlante el cual no ha sido explotado, teniendo que en la actualidad no se cuenta con softwares diseñados especialmente para esta región. En este orden de ideas, encontramos que México juega un papel importante ya que es la economía mas fuerte en America Latina siendo así una plataforma para la región Latinoamericana y del Caribe. Adicionalmente, y gracias a los tratados comerciales celebrados, cuenta con las facilidades para introducir mercado a otros continentes de habla hispana.

México es conocido por sus maquiladoras, además de contar con trato preferencial en la ley de recaudación de impuestos (el gobierno busca una recaudación más equitativa). *Joint Ventures* puede ser una opción entre empresas textiles de la India y maquiladoras mexicanas. Buscando al mismo tiempo competitividad y una rápida diversificación de mercado a un bajo costo.

Estos sólo son algunos ejemplos de lo que se puede hacer para engrandecer el comercio exterior. Al mismo tiempo tanto el mercado hindú como el mercado mexicano tienen la posibilidad de convertirse en mercados complementarios más que competidores; pudiendo así competir con altos estándares al igual que convertirse en negocios emprendedores abriendo las puertas hacia nuevos mercados. Es sólo cuestión de aprovechar las oportunidades y tomar ventaja de las condiciones de mercado para generar negocios a un mediano plazo.

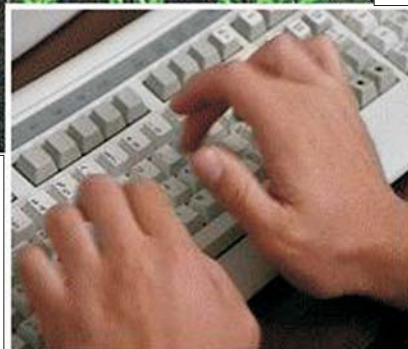
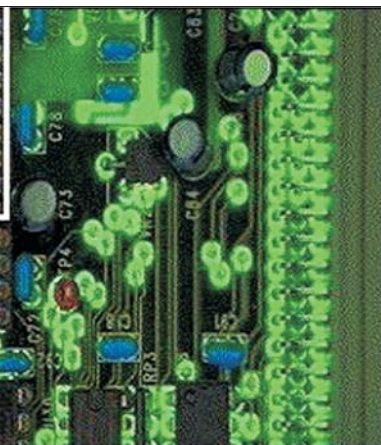
By Lic. Ana Gabriela García Murillo Research & Planning Department LAC Country Analysis **Export Import Bank of India**

Fuente Banxico, Economy Intelligence Unit, Eximius export advantage, Federal Ministry of Commerce India, Global Sachs-Global Economy



India, paraíso del outsourcing

por Carlos Corredor



estimular su crecimiento y aumentar tiempo y recursos disponibles para destinarlos a las competencias del negocio principal.

¿Por qué India?

Desde la década de los 90's, un buen número de compañías sobradamente renombradas ha venido subcontratando servicios y desarrollos informáticos en India. Por ejemplo, durante el periodo 1998-99, más de 200 empresas englobadas en el índice Fortune 1000 externalizaron sus necesidades de software a la India. Si empresas como Citibank, Morgan Stanley, AT&T, General Electric, Motorola, General Motors, Fujitsu, Boeing, Coca-Cola,

IBM, Oracle o British Airways son líderes en sus respectivos sectores, parte de este éxito se debe al eficiente servicio que han recibido de sus subcontratas indias. Esto ha creado una industria con un crecimiento medio del 53% durante el último lustro, convirtiendo a India en el principal productor de software y servicios tecnológicos del mundo.

Las empresas indias poseen la capacidad de proveer soluciones y servicios informáticos con incomparables ventajas en precio y calidad, utilizando las últimas tecnologías, manejando proyectos de gran envergadura y, sobre todo, cumpliendo los plazos establecidos. ¿Cuál es el secreto que explica este éxito? Hay quien dice que la explicación está en la capacidad de cálculo inherente a los indios (inventores del número cero y del ajedrez); otros reducen las ventajas al ahorro de costes que supone subcontratar a una empresa india, aunque esta explicación es demasiado escueta. La combinación del apoyo institucional, abundancia de mano de obra cualificada, eficiencia en los procesos y, naturalmente, costes competitivos, es

Si usted decide pasar sus próximas vacaciones en el Reino Unido, tal vez tenga necesidad de informarse de los horarios de tren para circular por el país. Sepa que si para ello llama al servicio de atención telefónica de British Railways, su llamada probablemente será atendida por algún operador desde India. BT y Ventura acaban de firmar un contrato por valor de 100 millones de libras, mediante el cual una buena parte de los 50 millones de llamadas anuales que recibe el servicio, que hasta la fecha se atendían en ciudades como Newcastle, Plymouth o Derby, pasarán a ser respondidas desde Bombay o Bangalore, en India.

Es bien sabido que la red ferroviaria británica no se distingue por su puntualidad o eficiencia. Cabría pensar que ahora, una vez parcialmente "liberados" de la tarea de atender telefónicamente a los clientes, la empresa pudiera destinar más recursos a mejorar sus prestaciones. Precisamente, la externalización de servicios permite a las empresas centrarse en aquellas actividades en las que pueden aportar valor añadido y ofrecer ventajas sobre sus competidores. El outsourcing no debe contemplarse exclusivamente desde el punto de vista del ahorro de costes (lo cual no es una ventaja desdeñable: en el caso de la británica National Rail Enquiries, permitirá ahorrar 25 millones de libras al año), sino como un recurso que permite a las empresas mantener o ampliar sus niveles de competitividad y velocidad en los mercados,

la clave para atraer empresas a India.

Impulso gubernamental

Durante los últimos cincuenta años, India ha mantenido un régimen democrático estable, sin grandes agitaciones económicas o sociales. Los sucesivos gobiernos han mantenido un ritmo de crecimiento constante de la economía, con un incremento del PIB en los últimos diez años de entre el 5 y el 7% anual. El último dato sitúa el crecimiento trimestral en el 10,4% del PIB, superando a China en el podio de las economías mundiales más vigorosas. El control de las tasas de inflación también ha permitido mantener costes y salarios estables.

El esfuerzo gubernamental también se deja ver en la creación de infraestructuras e instituciones o la simplificación legislativa. Hasta finales de la década de los 90, países como Holanda, Australia o Irlanda eran destinos preferidos para la externalización de servicios. Desde entonces, las instituciones públicas indias han trabajado intensamente para superar los enraizados cuellos de botella burocráticos y de precariedad de infraestructuras existentes en el país. Más allá de la iniciativa privada, el esfuerzo gubernamental ha sido clave para desarrollar las condiciones que han convertido a India en el destino más atractivo para la externalización de servicios.

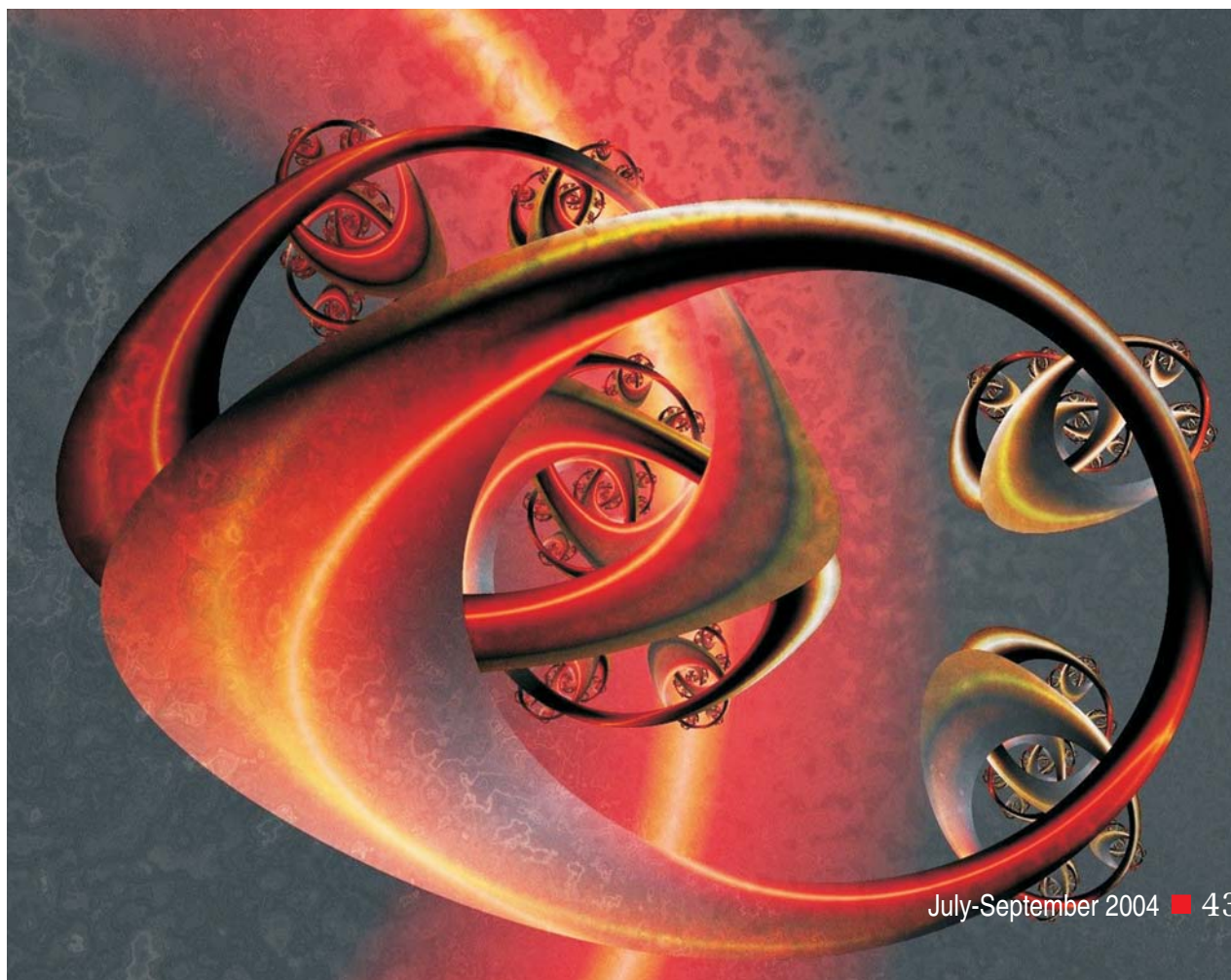
Bilingüismo

Sin duda, una de las principales ventajas de India para atraer la atención de las grandes empresas de todo el globo es la abundancia de trabajadores con dominio del inglés. El mercado IT indio es el segundo mayor mercado angloparlante del mundo, después de Estados Unidos. Más de 350 universidades públicas y 2.300 escuelas privadas imparten cursos relacionados con la tecnología. Cada año, se licencian más de dos millones de graduados y 300.000 post-graduados, una buena parte después de haber completado su ciclo educativo en inglés. Pocos son los que buscan su futuro en el extranjero. La mayoría permanece en el país, donde los sueldos locales los convierten en una mano de obra de irresistible atractivo para las empresas foráneas.

Experiencia

Las empresas indias también sacan partido de su experiencia, ya que desde hace veinte años (aunque de manera mucho más intensa en los últimos cuatro o cinco) han sido un destino habitual para los encargos tecnológicos de ultramar. Los empleados no sólo están familiarizados con los procesos de trabajo de las empresas extranjeras, sino que conocen las expectativas de calidad y servicio que demandan sus clientes internacionales.

Las compañías que practican el outsourcing deben decidir la naturaleza y extensión de su relación con el proveedor de servicios: si se transfiere o no tecnología,



si se realizan o no inversiones, hasta qué punto se implicarán en la organización del proveedor (por ejemplo,

instruyendo a los empleados). En general, cuanto más profunda es la relación entre el contratante y el proveedor, más a largo plazo se mantiene ésta. Si una empresa decide subcontratar únicamente un servicio de atención al cliente a través del correo electrónico, la relación será mucho más frugal que si se decide externalizar un elemento tan delicado como la completa gestión de las relaciones con el cliente.

Los call centres han sido la avanzadilla de los servicios tecnológicos prestados en India, sirviendo como puerta de entrada a otros servicios relacionados con el CRM y la retención de clientes, aprovechando el partido sacado a la información que se maneja en ellos gracias al trabajo de datamining. En India, empresas como Wipro, Tata o Infosys han sabido evolucionar desde la simple codificación de código hasta la gestión integral de áreas clave del negocio o el análisis y la consultoría.

Pero las relaciones con India no siempre son fáciles. A finales del año pasado, tanto Dell como Lehman Brothers cancelaron sus call centres en India y los devolvieron a Estados Unidos alegando molestias a sus clientes, como largos tiempos de espera, omunicaciones defectuosas o dificultad para entender el acento local.

Aunque ambas empresas continúan contratando servicios en India, este hecho motivó una llamada de atención por parte de la asociación sectorial NASSCOM, que advirtió a las empresas acerca de la necesidad de dedicar más esfuerzo al adiestramiento de los empleados y mejorar la calidad de la atención.

Ahorro de costes

El salario medio de un profesional indio cualificado es entre un 60 y un 70% inferior al de un colega occidental. En Estados Unidos, el sueldo anual de un ingeniero de software se sitúa en torno a los 75.000 dólares. En India, son 12.500 dólares. El

suelo medio de un licenciado en India se sitúa en torno a las 8.000 rupias al mes, alrededor de 145 euros. Un sueldo de 10.000 rupias (180 euros) se puede considerar alto.

La compañía aérea Delta Air Lines, con sede en Atlanta, creó 1.000 puestos de trabajo en call centres el año pasado en India. Los ahorros de costes derivados de esta medida fueron de 25 millones de dólares, lo que permitió a la compañía crear 1.200 puestos de trabajo de agentes comerciales en su propio país.

Wipro Spectramind es la mayor empresa india dedicada a los servicios de voz. En sus call centres de Delhi, Bombay, Pune y Chennai emplea a 10.000 trabajadores, y contrata a otros 1.500 cada mes. Algunos de sus clientes son Nokia, Microsoft, Sun, Winterthur, HP o Best Buy. En Wipro, el coste de una campaña de marketing telefónico desde India con destino a los Estados Unidos se estima entre 9 y 11 dólares por empleado y hora, mientras que el coste de un operador que atiende llamadas desde el exterior se sitúa entre 7 y 9 dólares por hora.

¿Y en el futuro?

India sigue siendo el destino de la externalización de servicios, aunque países como China, Malasia, Singapur, Filipinas o Brasil tratan de disputarle este privilegio. Según la consultora Datamonitor, el mercado IT indio, actualmente muy fragmentado,

estará dominado en un plazo de cinco años por grandes conglomerados de empresas locales, empresas indias especializadas en determinados nichos de mercado y grandes multinacionales occidentales que utilizarán a India como base de operaciones para sus servicios de outsourcing. De hecho, no son pocas las multinacionales que han comenzado ya a migrar a India sus procesos productivos (en detrimento de las empresas locales). Las alternativas para sobrevivir en este escenario son pocas y claras: crecer, especializarse o ser absorbido por un gran grupo.

(Cortesía : Embajada de la India. La Habana, Cuba)



Gran acontecimiento de la muestra de las reliquias de San Francisco Javier en Goa

Han iniciado los preparativos para el gran acontecimiento que tendrá lugar en la Archidiócesis de Goa el próximo mes de noviembre: la tan esperada muestra de las reliquias de San Francisco Javier, en la Basílica del Buen Jesús, en la parte antigua de Goa. El acontecimiento, que se prevé hará llegar a Goa más de tres millones de peregrinos, y será también, por lo tanto, una gran oportunidad de promoción turística, empezará el 21 de noviembre del 2004, para concluir el 2 de enero del 2005.

Se trata del mayor acontecimiento público de nuestra ciudad en más de 10 años: estamos ansiosos e intentando organizar todo lo mejor posible", ha dicho a la Agencia Fides el p. Olavo Velho Pereira, director del Centro para las Comunicaciones Sociales de Goa. Mons. Filippo Neri Ferrao, Arzobispo de Goa y Daman desde hace poco, ha escrito y difundido una carta pastoral en la que invita a todos los fieles a "participar activamente en los diversos programas y en todas las iniciativas, que serán organizadas a distintos niveles, de modo que toda la comunidad eclesial de la archidiócesis esté preparada para recibir los beneficiosos dones que el Señor prodigará para la ocasión." La Archidiócesis, además de atender diversas publicaciones sobre la historia de la Iglesia local, sobre la misión y la vida de San Francisco Javier, también ha difundido una oración especial que será distribuida y rezada en todas las familias por el buen resultado del acontecimiento.

Una Comisión, encargada de atender la organización,

se ha reunido ya varias veces para definir los diversos aspectos, desde los espirituales-litúrgicos, a los catequéticos, logísticos y administrativos. La Iglesia local quiere subrayar el valor espiritual del acontecimiento que no "será solo una mera práctica devocional sino una devoción que trae consigo formación, conciencia social y acción. Y es, sobre todo, una ocasión para promover la armonía interreligiosa", ha dicho a Fides el p. George Aguirre, responsable de la Comisión diocesana formada para el acontecimiento.

Según el p. Sabio Barreto, Rector de la Basílica del Buen Jesús, en la última exposición, organizada en 1994, vinieron más de 1,5 millones de fieles. Hoy, gracias a la publicidad y a los medios de comunicación, y también considerando la mejora de los transportes, los peregrinos serán al menos el doble: lo hacen prever las reservas que ya hemos recibido."

Goa, en la costa occidental de la India, es la ciudad donde en 1542 llegó Francisco Javier (1506-1552), empezando su aventura evangelizadora en extremo Oriente. La primera exposición de las reliquias del santo jesuita tuvo lugar en 1782. Durante un tiempo el cuerpo se exponía cada año con ocasión de la fiesta de San Francisco Javier, el 3 de diciembre. Desde 1864 la exposición se hizo menos frecuente por motivos de seguridad y después se fijó cada diez años, creando un sentido de gran espera en toda la comunidad cristiana. La última (nº 15 de la serie decenal) tuvo lugar del 21 de noviembre de 1994 al 7 de enero de 1995.

BUSINESS OPPORTUNITY IN PERU

Project Name: SALE OF EMPRESA DE INTERCONEXION ELECTRICA ISA PERU

Project Description

This transaction consists of the transfer to the private sector of the State's 17.07% share in Empresa Interconexión Eléctrica Isa Perú S.A.

Isa Perú is the private company awarded the concession of Transmission Lines Oroya-Carhuamayo-Paragsha-Vizcarra (Antamina Derivation) and Aguaytia-Pucallpa. Its majority shareholder is TRANSELCA, one of the most important companies in Colombia specialized in high voltage energy, with 54,86% participation. Other shareholders are ISA (28,07%) and the Peruvian State through FONAFE (17,07%).

Private Investment Promotion Process

The sale of shares will be made under Public Bidding, respecting the preference right of the company's shareholders to buy shares

Macroinvest is the financial adviser to manage the valuation, and sale of the State's share in Isa Peru, Transmanto and Redesur.

Investment Amount

Approximately US\$ 3 million.

Project Contact

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Indo-Cuban Joint Venture to fight Cancer

The Indian biotech major Biocon Biopharmaceuticals has signed a joint venture agreement with CIMAB of Cuba to fight one of the worst menaces to human health – cancer.

Under the agreement, signed in the Cuban Capital city of Havana recently, Bangalore-based Biocon has extended its product

portfolio to include two additional 'monoclonal antibodies' and three cancer vaccines.

Present on the occasion of the signing of the pact between Kiran

Mazumdar Shaw of Biocon and Patricia Sierra of CIMAB were the Indian Ambassador to Cuba, Dr. Bhaskar

Balakrishnan, and the Secretary of the Council of the State of Cuba, Dr Jose M Miyar.

The strategic pact signed by the two commercial entities is seen as the best example of cooperation between two developing nations.

The current product range of the company includes h-R3 - a humanized anti-EGFR (Epidermal Growth Factor Receptor) targeting monoclonal antibody for a variety of cancers, including head and neck tumors,

brain tumor and non-small cell lung cancer, among others.

A Phase IIB 4-arm clinical trial for h-R3 will soon commence to evaluate the efficacy in squamous cell carcinoma of solid head and neck tumors. Following the outcome of this trial, other cancers will also be treated with h-R3 and evaluated through a series of clinical trials, the companies announced.

The new products include h-T1, a humanized anti-CD6 targeting immuno-suppressive monoclonal antibody for T-cell lymphoma, rheumatoid arthritis and psoriasis and several cancer vaccines. Immunotherapy is the most recent form of treatment used in oncology and autoimmune diseases wherein the use of antibodies and vaccines plays a key role in managing such diseases.

Biocon Biopharmaceutical's product portfolio is a comprehensive treatment regime aimed at complete remission and possibly cure.

Phase II clinical trials conducted in Cuba and Canada have demonstrated complete remission in about 60 per cent of patients treated with 'h-R3'.

Phase II trials using EGF vaccine, along with chemotherapy and radiotherapy in non-small cell lung cancer, has demonstrated a doubling of survival time thus indicating a highly significant therapeutic improvement, the company claimed.

The commercialization of these products will herald Biocon's foray into novel and proprietary products. Biocon Biopharmaceuticals is setting up a state-of-the-art biologicals facility for mammalian cell culture for the production of monoclonal antibodies, which will be Asia's largest. The plant is expected to be commissioned in 2005 to coincide with the completion of clinical evaluation of h-R3.

This move is reflective of a much bigger drive. A drive within the commercial world to render to mankind the eternal benefits of biotechnology that could be of tremendous political significance and help forging better ties among developing nations.

