

## INVESTMENT



President Calls upon  
NRIS to Invest in India

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## NEWSMAKER



Open Mining  
Policy can make  
India an Economic  
Powerhouse

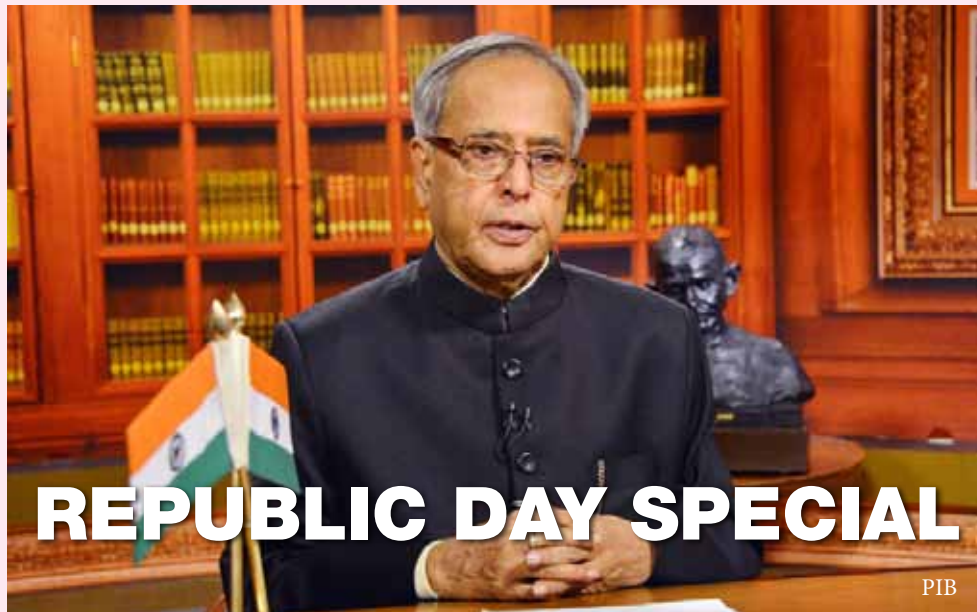
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Savouring Darjeeling

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## REPUBLIC DAY SPECIAL

PIB

### ADDRESS BY THE PRESIDENT OF INDIA, SHRI PRANAB MUKHERJEE ON THE EVE OF 64TH REPUBLIC DAY OF INDIA

**M**y Fellow Citizens:

On the eve of our 64th Republic Day, I extend warm greetings to all of you in India and abroad. I convey my special greetings to members of our armed forces, paramilitary forces and internal security forces.

India has changed more in last six decades than in six previous centuries. This is neither accidental nor providential; history shifts its pace when touched by vision. The great dream of raising a new India from the ashes of colonialism reached a historic denouement in 1947; more important, independence became a turning point for an equally dramatic narrative, nation-building. The foundations were laid through our Constitution, adopted on 26 January 1950, which we celebrate each year as Republic Day. Its driving principle was a compact between state and citizen, a powerful public-private partnership nourished by justice, liberty and equality.

India did not win freedom from the British in order to deny freedom to Indians. The Constitution represented a second liberation,

this time from the stranglehold of traditional inequity in gender, caste, community, along with other fetters that had chained us for too long.

This inspired a Cultural Evolution which put Indian society on the track to modernity: society changed in a gradual evolution, for violent revolution is not the Indian way. Change across the knotted weaves of the social fabric remains a work in progress, impelled by periodic reform in law and the momentum of popular will.

In the last six decades there is much that we can be proud of. Our economic growth rate has more than tripled. The literacy rate has increased by over four times. After having attained self sufficiency, now we are net exporters of food-grain. Significant reduction in the incidence of poverty has been achieved. Among our other major achievements is the drive towards gender equality.

No one suggested this would be easy. The difficulties that accompanied the first quantum leap, the Hindu code bill, enacted

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## REPUBLIC DAY CELEBRATIONS HELD AT THE HIGH COMMISSION OF INDIA, CANBERRA



**O**n 26 January 2013, Republic day celebration was held at the High Commission of India, Canberra.

The proceedings started with the hoisting of the national flag. The High Commissioner, Shri Biren Nanda read out the speech by the President of India. Staff of the high Commission and a large gathering of the Indian community witnessed the event.

## CHAIR OF INDIAN STUDIES ESTABLISHED AT THE MACQUARIE UNIVERSITY



**O**n 11 January 2013, an MoU between Indian Council of Cultural Relations (ICCR) and Macquarie University of Sydney, was signed to establish a chair of Indian studies. High Commissioner of India Shri Biren Nanda signed the MOU on behalf of ICCR. of India. Staff of the high Commission and a large gathering of the Indian community witnessed the event.



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**REPUBLIC DAY SPECIAL**

in 1955 tell their own story. It needed the unflinching commitment of leaders like Jawaharlal Nehru and Babasaheb Ambedkar to push through this remarkable legislation. Jawaharlal Nehru would later describe this as perhaps the most important achievement of his life. The time has now come to ensure gender equality for every Indian woman. We can neither evade nor abandon this national commitment, for the price of neglect will be high. Vested interests do not surrender easily. The civil society and the government must work together to fulfill this national goal.



across villages and towns, are in the vanguard of change. The future belongs to them. They are today troubled by a range of existential doubts. Does the system offer due reward for merit? Have the powerful lost their Dharma in pursuit of greed? Has corruption overtaken morality in public life? Does our legislature reflect emerging India or does it need radical reforms? These doubts have to be set at rest. Elected representatives must win back the confidence of the people. The anxiety and restlessness of youth has to be channelized towards change with speed, dignity and order.

*Fellow Citizens:*  
I speak to you when a grave tragedy has shattered complacency. The brutal rape and murder of a young woman, a woman who was symbol of all that new India strives to be, has left our hearts empty and our minds in turmoil. We lost more than a valuable life; we lost a dream. If today young Indians feel outraged, can we blame our youth?

There is a law of the land. But there is also a higher law. The sanctity of a woman is a directive principle of that larger edifice called Indian civilization. The Vedas say that there is more than one kind of mother: birth mother, a guru's wife, a king's wife, a priest's wife, she who nurses us, and our motherland. Mother is our protection from evil and oppression, our symbol of life and prosperity. When we brutalise a woman, we wound the soul of our civilization.

It is time for the nation to reset its moral compass. Nothing should be allowed to spur cynicism, as cynicism is blind to morality. We must look deep into our conscience and find out where we have faltered. The solutions to problems have to be found through discussion and conciliation of views. People must believe that governance is an instrument for good and for that, we must ensure good governance.

*Fellow Citizens:*  
We are on the cusp of another generational change; the youth of India spread

Figures mean nothing to those who do not benefit from them. We must act immediately, otherwise the current pockets of conflict, often described as "Naxalite" violence, could acquire far more dangerous dimensions.

*Fellow Citizens:*  
In the recent past, we have seen serious atrocities on the Line of Control on our troops. Neighbours may have disagreements; tension can be a subtext of frontiers. But sponsorship of terrorism through non-state actors is a matter of deep concern to the entire nation. We believe in peace on the border and are always ready to offer a hand in the hope of friendship. But this hand should not be taken for granted.

*Fellow Citizens:*  
India's most impregnable asset is self-belief. Each challenge becomes an opportunity to strengthen our resolve to achieve unprecedented economic growth and social stability. Such resolve must be nourished by an avalanche of investment, particularly in better and greater education. Education is the ladder that can help those at the bottom to rise to the pinnacles of professional and social status. Education is the mantra that can transform our economic fortunes and eliminate the gaps that have made our society unequal. So far education has not reached, to the extent desired, to those most in need of this ladder. India can double its growth rate by turning today's disadvantaged into multiple engines of economic development.

On our 64th Republic Day, there may be some reason for concern, but none for despair. If India has changed more in six decades than six previous centuries, then I promise you that it will change more in the next ten years than in the previous sixty. India's enduring vitality is at work.

Even the British sensed that they were leaving a land which was very different from the one they had occupied. At the base of the Jaipur Column in Rashtrapati Bhavan there is an inscription:

"In thought faith...  
In word wisdom...  
In deed courage...  
In life service...  
So may India be great"  
The spirit of India is written in stone.

**INDIAN ECONOMY MAY BEAT EXPECTATIONS IN 2013: GOLDMAN SACHS**

The Hindu

**R**ussian President Vladimir Putin arrived in India on 24th December 2012 for a bilateral summit during which major defence deals were expected to be signed.

India's GDP may exceed all expectations next year as there are signs that policymakers might spring up positive surprises, Goldman Sachs has said.

"India in many ways remains the most complex of the four (BRIC nations), with its demographics giving it the best potential GDP growth rate, but its inability to introduce effective policy change is a persistent source of disappointment" leading international fund house Goldman Sachs Asset Management Chairman Jim O'Neill said.

"This being said, there are lots of policy changes being discussed and the Indian stock market seems to be quite excited about something.

"We think 2013 Indian GDP will probably exceed expectations, as there are indeed signs that policymakers might also positively surprise," O'Neill said in a research note, but did not put any figures to his estimates.

Reserve Bank Governor D. Subbarao last week said he is expecting inflation to trend down starting the fourth quarter (of the fiscal year ending March 31, 2013).

"As we go into our mid-quarter policy on December 18 and the quarterly policy on January 29, we will take into account the growth-inflation trajectory and calibrate our monetary policy accordingly," he had said.

While growth has taken a massive beating, inflation is still much above the RBI's comfort level of 5 per cent, despite 13 successive rate hikes between March 2010 and October 2011.

Belying some expectations of recovery, India's economic growth had slipped further in the July-September quarter to 5.3 per cent,



raising fears that the slowdown may pull down the annual growth rate to the decade's low level.

The country's gross domestic product (GDP) was 5.5 per cent in the April-June quarter of 2012-13 fiscal. It was 6.7 per cent in the July-September period of the previous fiscal.

India had been growing around 8-9 per cent before the global financial meltdown of 2008. The growth rate in 2011-12 slipped to 9-year low of 6.5 per cent.

**VICE PRESIDENT INAUGURATES THE PARTNERSHIP SUMMIT IN AGRA**



**T**he Vice President of India, Shri Mohammad Hamid Ansari inaugurated the 19th edition of the CII Partnership Summit in Agra. Chief Guest Shri Mohammad Hamid Ansari, while giving the inaugural address, said that global partnerships will enable global recovery gather ground. "The Government has been dealing with the recent economic challenges," said the Vice President. However, he added, 'challenge before us is to restore as soon as possible the high trajectory along with adequate employment generation, in a sustainable manner. This would be the necessary condition for addressing the primary challenges of poverty alleviation and socio economic development facing us.'

Taking the theme of employment generation forward, the Union Minister for Commerce, Industry & Textiles Shri Anand Sharma, who is the Chairman of the Partnership Summit, said that 200 million young people will enter work force in coming years and National Manufacturing Policy is the one of the key instrumentalities for dealing with this challenge as it will add 100 million jobs by taking the share of manufacturing to 25 per cent in next decade. He

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## VICE PRESIDENT INAUGURATES THE PARTNERSHIP SUMMIT IN AGRA



also highlighted the unprecedented crisis of unemployment, which is being faced by countries world over. "Based on the current trends, there would be an estimated shortage of 40 million skilled workers and 45 million semi-skilled workers globally within this decade. Countries like India will see 200 million additional job seekers in the next 10 years as they shift from the rural economy towards urban industrial activity," said Shri Sharma. He said that there is a serious challenge for policy makers "to provide enough jobs in the manufacturing and services industry to absorb these people and to impart adequate skill sets to make them employable." He also said that the government will continue its emphasis on imparting skills to the youth to reap the demographic dividend of a largely young population.

Speaking during the inaugural session – "Global Partnerships for Enduring Growth", Shri Sharma said that since the onset of the global financial crisis four years ago, the global economy even today continues to struggle with the unabated impact in its aftermath. "Latest projections indicate that this year, the growth will be weak at 3.5%, almost at the same level as last year (3.2%). What is even more worrisome is the slowdown in growth of developing

economies, which grew at 5.1% last year, registering perhaps the slowest growth in the last decade," said Shri Sharma. Shri Sharma also expressed concern over the continued volatility in capital flows and wobbly recovery in the major markets.

He said that to get out of the crisis situation, countries world over have to engage with one another in a proactive manner. "India has remained conscious of this process of economic integration and

even in the peak of the economic crisis, we stepped out and engaged with the rest of the world and in the last three years, we have signed comprehensive economic partnership agreements with ASEAN, Malaysia and Japan and are negotiating similar agreements with Thailand, Canada, New Zealand, Australia and our BITA with European Union is on the verge of conclusion. At the last East Asian Summit in Cambodia, we have joined the Regional Comprehensive Economic Partnership negotiations, which will perhaps emerge as the largest trading bloc in the entire world, including countries of ASEAN, Japan, Korea, China, Australia and New Zealand apart from India," said Shri Sharma.

UP Chief Minister, Shri Akhilesh Yadav called the event 'a Maha Kumbh of industrial leaders' and showcased the opportunities in the state and invited the industrialists to benefit from the new opportunities. He emphasized that growth in order to be enduring has to be inclusive and that is possible by the partnership of all sections of society.

Shri Anand Sharma, is the Chairman of the Partnership Summit which is being organized by CII in collaboration with Commerce and Industry Ministry and Uttar Pradesh government. Trade Ministers from 23 countries, international delegates, corporate leaders, policy makers and experts from India and across the world Ministers are attending the Summit.



## EMERGING ECONOMIES WILL BE THE ENGINE OF GLOBAL GROWTH: ANAND SHARMA



The Union Minister for Commerce, Industry & Textiles Shri Anand Sharma, while delivering his keynote address during a session on "The Large Emerging Economies: New Growth Hubs of World" in The Partnership Summit 2013 in Agra, said that "sustaining a high growth for a country like India is not an optional choice for us but a social imperative as only through sustained economic growth will we be able to lift millions out of poverty net."

Shri Sharma said that despite the economic challenges being faced by nations world over, the emerging market economies have registered significant gains based on liberal economic reforms pursued over the last two decades. He further said that these emerging market economies would now have to address "The fundamental structural issues which face their economies and usher in the next

phase of economic reform. The Government has established a Cabinet Committee on Investments headed by the Prime Minister himself which will not only fast track high value investment projects but also help in cutting down delays for regulatory clearances."

Shri Sharma also acknowledged the "inherent advantages" of the emerging economies by stating that these have given them strength and resilience to withstand the external shocks. Citing the advantages, he said that the emerging market economies have a fast expanding middleclass which is buoyed by the rising income levels. These economies are also becoming hubs of low cost or "frugal innovation". He said, "As companies and governments enhance R&D expenditures, emerging economies become even more competitive as technology providers. He further said that the emerging economies are also set to reap the benefits of the demographic dividend. Shri Sharma added that these emerging economies are also a source of rich human resource, "India is home to one of the largest scientific manpower in the world with over 12 million engineers and doctors and an equal number of post-graduates in science and mathematics and we annually add 2 million graduates, 700,000 post-graduates and 300,000 engineers."

However, he added that these emerging market economies have huge infrastructure deficiencies, which needs serious attention. Shri Sharma said that "this presents an opportunity for even greater private investment flows - both domestic and foreign - which will continue to catalyse growth." He further added that "in India alone, we are going to spend US\$ One trillion on infrastructure building over the next five years, half of which will come from private sector."

Shri Sharma, ending his address, said that the future of the 21st century world would be shaped neither by the developed world alone nor by the emerging economies by themselves, but through creative partnerships between the two.

## AUSTRALIA-INDIA ROUNDTABLE DEEPENS COOPERATION

The Fourth Australia-India Roundtable met in New Delhi on December 4 and 5, underlining the common interests and objectives which bind the two countries together.

"A big, close, mutually beneficial relationship between two countries must be based on a multi-faceted and frank conversation about the big issues of the day. It is particularly important then that two leading think-thanks, India's Observer Research Foundation and Australia's Lowy Institute for International Policy, have convened the Australia-India Roundtable at a time when the bilateral relationship is moving ahead at a rapid rate across a broad front," said Australia's Acting High Commissioner, Dr Lachlan Strahan.

"The Roundtable brought together a wide range of leading figures from the two countries to discuss the big challenges of the 21st century, including energy security, regional and global economic developments, the role of cities and states in creating external linkages, defence ties, maritime security and

strategic assessments of the Indo-Pacific region," said Dr Strahan.

"The Roundtable rightly called for sustained creative thinking and efforts on the part of government, business and society to further strengthen links between the two countries. Other bilateral forums, such as the 1.5 track defence dialogue which met in Perth in July, are extending the depth of the broad discussion between the two countries about key issues."

In addressing the Roundtable, Australia's Minister for Resources and Energy and Minister for Tourism, Martin Ferguson, said: "We don't want to be just a commodities exporter. We're a highly efficient minerals and petroleum services country and we want to be able to export those services and create opportunities to assist countries such as India."

The Roundtable was held in partnership with the Public Diplomacy Division of the Ministry of External Affairs, the Australia India Institute, the Australia India Council and the University of Melbourne.



It convened during Oz Fest, the biggest Australian cultural festival to ever take place in India. Oz Fest seminars on innovation, energy and mining were held in New Delhi, Mumbai and Kolkata, underscoring the strong economic linkages between Australia and India.

Nine Australian federal and state political leaders have visited India since Oz Fest launched by Prime Minister Gillard on 16 October at a major concert in New Delhi. Another three federal ministers are due to come to India before Oz Fest finishes on 6 February 2013 at a major concert in New Delhi.



## PRESIDENT CALLS UPON NRIS TO INVEST IN INDIA

9 Jan 13, PIB



The Indian Diaspora has made the country proud through the significant contributions that they have made to the development of the nations which they have chosen to make their homes. Delivering the valedictory address at the 11th Pravasi Bharatiya Divas, President Shri Pranab Mukherjee said that it is a matter of pride that there are at least 5 Heads of States and over 70 senior political leaders such as Deputy Heads of State, Speakers and Ministers in various countries who can trace their roots to India. Highlighting the Indian Economy, Shri Mukherjee said that India is the third largest economy in the world on the basis of Purchasing Power Parity basis. It too is the second fastest growing economy after China. It has managed to grow at a rate above 8 per cent. Due to the slowdown in the global economy and other factors, the growth rates have declined, from 8.4 per cent in 2010-11 to 6.5 per cent in 2011-12, and further to 5.4 per cent in the first half of 2012-13. He expressed hope the economic growth back to the level of 8 to 9 per cent. He called upon NRIs to invest in India. He said that a revival of the high investment rate in the country is a must for the economy to regain its 8 per cent plus growth levels. Indian Diaspora could help in the process by investing in Indian companies and establishing new ventures.

Shri. Mukherjee said that the Indian capital market for Qualified Foreign Investors (QFIs) was opened for investment. Initially, QFIs were permitted to invest in Indian Mutual Funds and on 1st January 2012, in a far-reaching decision,

doors for equities were opened them to directly invest in India. The Corporate Bond market was also opened to QFIs. India has also set up a friendly regime to enable Indians abroad to remit money to the country. NRIs can deposit money in the country under the Non Resident External Rupee account scheme, Non Resident Ordinary Rupee account scheme and Foreign Currency Non Resident account Banks scheme. These schemes have been welcomed by the Diaspora that they had deposited close to US\$ 67 billion at the end of October 2012. The net private transfers from abroad during the first half of 2012-13 was close to US\$ 33 billion. These figures bear testimony to the fact that Indians abroad find it both emotionally and financially fulfilling to invest in India especially in view of the sound economic fundamentals of the country. He added that Non Resident Keralites have been important agents in the State's promotion of sustainable development and socio-economic transformation. According to a study published by the Centre for Development Studies, Thiruvananthapuram, in 2011, approximately Rs. 49,695 crore was remitted by emigrants from Kerala.

Addressing on the occasion, the Minister of Overseas Indian Affairs Shri Vayalar Ravi said that Pravasi Bharatiya Divas has over the years, grown not only in size but also in its contents. Meeting under the overall theme of "Engaging Diaspora-the Indian Growth Story" this year a wide-ranging and interesting discussions were held in various sessions such as the Seminar on NRIs in the Gulf; on Skill Development; on Heritage and Diaspora; on

engaging the young Overseas Indians; on India's Growing Soft Power; and, on Science, Innovation and Technology. On the occasion of the centenary year of the Ghadar movement, a stamp was released by the Prime Minister.

Highlighting the initiatives taken by the Ministry of Overseas Indian Affairs, Shri Ravi said that the Ministry host Regional PBDs in different parts of the world to reach out to Indian Diaspora. The last Regional PBD was organized in Mauritius successfully. The India Development Foundation of Overseas Indians (IDF-OI), a not-for-profit trust provides the Overseas Indian community a credible institutional avenue to engage in philanthropy and social entrepreneurship in India. The Representation of People Act and the Rules were amended to give right to vote to NRIs. Under Mahatma Gandhi Pravasi Suraksha Yojana, the Indian migrant worker gets triple benefits of life insurance, of a pension and, of a lump-sum for rehabilitation when he or she returns to India. The Ministry has made attestation by our Missions compulsory to ensure protection for women migrants and unskilled workers abroad. It was also enforced age restriction of 30 years in respect of all women emigrants emigrating on ECR passports to ECR countries irrespective of the nature/category of employment.

He further added that the Ministry has set up 24x7 help lines for emigrant workers for both their queries and their complaints. One such Indian Workers Resource Centre (IWRC) in Dubai. The Indian Community Welfare Fund (ICWF) established has been a great success. The Fund meets contingency expenditure in respect of Indian workers in distress, including shelters, legal expenses, and boarding. India has further expanded the scope of this fund recently. The Ministry has signed 16 Social Security Agreements. These agreements help mobility of detached workers to these countries since there is no need to pay social security twice. They can obtain pensions wherever they are located. The Bilateral Memoranda of Understanding on Labour with UAE, Qatar, Kuwait, Oman, Malaysia and Bahrain were also has been signed. These MOUs allow us to effectively interact with host countries to quickly solve the problems of Indian workers there.

The President, Shri Pranab Mukherjee

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conferred the Pravasi Bharatiya Samman Awards to 13 eminent overseas Indians from different walks of life and two overseas Indian Societies, which include, Mr. Rajkeshwur Purryag from Mauritius, Australia India Society of Victoria from Australia, Prof. Dr. Gursharan Singh Chhatwal from Germany, Mr. Ashok Shambhomal Vaswani from Guinea, Indian Doctors Forum from Kuwait, Tan Sri Ravindran Menon from Malaysia, Dr. Rasik Vihari Joshi from Mexico, Dr. Satendra Kumar Singh from New Zealand, Mr. Gilbert Canabady Moutien from Reunion Island, Mr. Mohammed Rabeeh Karuvanthodi from Saudi Arabia, Mr. Ismail Ebrahim Ebrahim from South Africa, Mr. Bava Pandalingal from UAE, Ms. Patricia Maria



Rozario from UK, Dr. Narendra Ramakrishna Kumar and Mr. Subash Razdan from USA.

Around 2000 delegates took part in the 11th PBD-2013. President of Mauritius, Shri Rajkeshwur Purryag, Governor of Kerala, Shri H.R Bhardwaj, Minister of Food,

Consumer Affairs and Public Distribution, Prof. K. V Thomas, Minister of State for External Affairs, Shri. E. Ahmed, Chief Minister of Kerala, Shri Oommen Chandy, and Shri Rajiv Mehrishi, Secretary, MOIA were also present on the occasion.

## 14TH SESSION OF INDIA - AUSTRALIA JOINT MINISTERIAL COMMISSION CONVENES IN DELHI



The 14th Session of the India - Australia Joint Ministerial Commission convened in New Delhi on 29 January, 2013. The Commission was co-chaired by Shri Anand Sharma, Minister of Commerce, Industry and Textiles, India and the Dr. Craig Emerson MP, Australian Minister for Trade and Competitiveness and Minister Assisting the Prime Minister on Asian Century Policy.

The Ministers welcomed the positive momentum in the India-Australia relationship, based on shared values, converging interests and growth in economic links. The successful state visit to India by Australian Prime Minister Julia Gillard in October 2012 underlined both countries' deep commitment to advance the Strategic Partnership agreed in November, 2009. The Minister for External Affairs, Shri Salman Khurshid, and the Minister for Foreign Affairs, Senator Bob Carr, held the

8th Foreign Ministers' Framework Dialogue on the 21st of January, 2013, to review the bilateral relations and build on the momentum achieved by Prime Minister Gillard's visit. The two countries also met at Ministerial level to advance Agriculture, Energy, Education and Science & Technology links.

Mr. Sharma and Dr. Emerson emphasised the importance of closer trade and investment relations as a critical component of the strategic partnership. The Ministers underlined the importance of a solid institutional framework to facilitate future growth in bilateral trade and investment. In this context, they highlighted the priority they placed on the conclusion of a mutually beneficial Comprehensive Economic Cooperation Agreement (CECA). Ministers welcomed progress through four rounds of negotiations to date, including the exchange of goods offers. They looked forward to a

future exchange offers on services. Ministers reiterated that a comprehensive, high quality equitable agreement would broaden the base of merchandise trade, remove non-tariff barriers that impede trade in services, and facilitate and encourage investment.

The Ministers welcomed the growth in the bilateral investment relationship and agreed on the importance of strong bilateral investment flows particularly in priority areas such as mining, advanced manufacturing, infrastructure, clean technology and tourism.

The Ministers recognized the critical role played by industry in driving trade and investment between the two countries. They expressed their strong support for the initiatives of the India Australia CEO Forum, co-chaired by Mr. Lindsay Fox AC and Mr. Naveen Jindal. Mr. Sharma and Dr. Emerson welcomed the outcomes from the second forum meeting on 16 October, 2012 held in New Delhi including agreement to promote skills training, increased mutual cooperation on infrastructure development, promotion of services trade, and the creation of 'investment champions' to identify opportunities and navigate government processes. The Ministers welcomed the third meeting of the Forum to be held in Australia in March 2013.

The Ministers discussed Australia and India's mutual interests in the effectiveness of global and regional economic institutions.

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Dr. Emerson took the opportunity to brief Mr Sharma on the 2012 White Paper on Australia in the Asian Century. Dr. Emerson highlighted the importance Australia placed on working with regional partners such as India. Mr. Sharma welcomed the prominent role accorded to India in the White Paper and highlighted India's increased economic engagement with Asia through its network of regional agreements and growing trade and investment.

The Ministers welcomed the launch of the Regional Comprehensive Economic Partnership (RCEP) negotiations towards a modern, comprehensive, high quality, and mutually beneficial regional economic partnership agreement. They discussed their mutual commitment to strengthening the East Asia Summit (EAS) as a forum that incorporated all the major economies in the India-Pacific region.

The Ministers discussed the importance of consolidating the G20 as the pre-eminent global economic forum and its role as a driver for global economic stability and prosperity in the context of the continued fragility of the global economic environment. G20 leaders recognised at Los Cabos the importance of an open, predictable, rules-based, transparent multilateral trading system and the centrality of the WTO to it. Dr. Emerson outlined Australia's priorities as host of the G20 in 2014, including fostering private sector-led growth and investment in infrastructure and the energy sector. Mr. Sharma noted India's need for \$1 trillion in infrastructure investment by 2017 and the possible opportunities for Australian investment and infrastructure expertise.

The Ministers underlined their commitment to reinforce the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), both during India's remaining period as chair and Australia's two year term as chair from November 2013. They commended the work being done in IOR-ARC on trade facilitation, customs cooperation and

business-to-business cooperation, as useful practical steps towards greater regional trade and economic cooperation.

They also reaffirmed their commitment to finding ways to break through the current impasse in the Doha Round of World Trade Organization negotiations. They expressed disappointment that it had not been possible to conclude the Doha Development Agenda to date, but agreed on the importance of moving the process forward and also agreed on the need to resist rising protectionist pressures.

The Ministers welcomed the inaugural Ministerial-level dialogue on energy security in December 2012 as a significant step in developing a strategic relationship on energy



and resources as well as the decision of the Australian Government on uranium exports to India, and the announcement to commence negotiations on a bilateral civil nuclear energy cooperation agreement in March 2013.

The Ministers acknowledged the critical importance of education and skills development in helping to achieve both countries' targets for innovation, productivity and economic growth and welcomed efforts underway to strengthen the bilateral knowledge partnership. In particular, they commended growing collaboration under the auspices of the Australia-India Education Council between India's nascent Sector Skills Councils and Australia's Industry Skills Councils on standards and approaches to vocational training.

They recognised that education presents one of the most valuable opportunities for both the countries to lay the foundation for

an enduring partnership with enormous opportunities to deepen collaboration between institutions across the education and training sectors, business and industry. The Ministers noted the contribution of the Australia-India Strategic Research Fund.

The Ministers highlighted research work underway to lift agricultural productivity and make crops more disease-resistant and for greater focus and collaboration in food security as well as enhanced agricultural trade and investment. Mr. Sharma encouraged greater Australian investment in the Indian agriculture sector, including for cold chains and storage and logistics management of agriculture and horticultural produce.

They noted the significant growth in the bilateral agricultural cooperation, including the establishment and first meeting of the Joint Working Group on Agriculture held in New Delhi in September and the proposed first meeting of the Joint Working Group on Wool and Woollen products in February 2013. They announced plans for Australia and India to host a regional Sanitary and Phytosanitary (SPS) workshop in 2013. They also commended the work by both countries in improving market access for meat and horticultural products.

They also agreed on the important role of people-to-people links and Dr. Emerson noted that India represented last year the largest source of skilled migration to Australia and the second largest source of international students. Bilateral tourism was also growing at a rapid rate, with around 150,000 visitors travelling in each direction over the last 12 months. The Ministers warmly welcomed the success of Oz Fest, Australia's largest ever cultural festival in India including educational and business events in 18 locations all over India. They felt that direct flights between India and Australia would provide a further boost to bilateral engagement. The Ministers agreed that the next Joint Ministerial Commission will be held in Australia in 2014.



## HIGH COMMISSIONER MEETS INDIAN COMPANIES IN SYDNEY



During the visit of the High Commissioner to Sydney from 14th to 16th November, a meeting was organised on 16th November for the High Commissioner to interact with local heads of Public Sector Undertakings present in Sydney. The meeting was attended by representatives of the State Bank of India, Bank of Baroda, Punjab National Bank, Union Bank of India and New India Assurance Co. Ltd. Consul General and Dy. Consul General also attended the meeting.

## FIRST INDIAN BUSINESS SCHOOL SCHOOL OPENS IN AUSTRALIA



The Sydney Campus of the S.P. Jain School of Global Management was inaugurated on 1st December 2012. S.P. Jain School has invested \$ 54 million in its Sydney campus (at Sydney Olympic Park) to run its Undergraduate and Post-graduate courses. This is the first Indian business school to be set up in Australia with its own full-fledged campus. The college also has campuses in Dubai and Singapore. The Sydney campus would initially have students transferring from Singapore for a semester to be done locally. The event was attended by NSW Premier Barry O'Farrell, High Commissioner, Shri Biren Nanda, Consul General and Deputy Consul General.

## AIBC'S AUSTRALIA INDIA ADDRESS 2012



The Australia India Business Council NSW organised its annual Australia India Address on 1st December 2012. The Hon. Tony Abbott, MHR, Leader of the Opposition, Australian Federal Parliament, delivered the address. The High Commissioner also addressed the gathering. This is a key event for Australia India trade and investment, attracting business leaders and key stakeholders. Consul General, Sydney attended the event.

## DIWALI BY CELEBRATE INDIA



The much-awaited Annual Diwali festival at Fed square was celebrated over 6 days in the city of Melbourne with a great flare. The pre events of 5 day-long Diwali film festival attracted large number of Victorians to the fed square. The ICCR-sponsored Siddi-Goma dance troupe not only displayed the depth of India's multiculturalism but also thrilled all who were present.

## DIWALI CELEBRATIONS AT THE FEDERAL PARLIAMENT HOUSE

On 27 November 2012, Hindu council of Australia organised a diwali function at the Hall of the Federal parliament in Canberra. The function was attended by the Prime Minister Ms Julia Gillard. The High Commissioner of India, Shri Biren Nanda participated in the function and addressed the gathering. The High Commission has been supporting this unique event since the very beginning which showcases the Indian culture.





## OPEN MINING POLICY CAN MAKE INDIA ECONOMIC POWERHOUSE

17 Dec, 2012



**W**ith one of the world's largest reserves of natural resources, the transformational potential of India's resources sector is immense. The sector's potential to add \$1 trillion to the Indian economy can contribute towards much-

needed investments in education, health and nutrition.

India's economic rise since 1991 has resulted in a sharp rise in resource needs, from petroleum products to power and infrastructure. This, in turn, has led to a burgeoning import bill that stands at \$485 billion.

Oil and petroleum products is the single-largest contributor with \$150 billion. This is close to 10% of the country's GDP. Gold, silver, coal and fertiliser are the other main items that are adding to this bill. If this continues, vulnerability of the Indian economy to external shocks will become higher so corrective action is needed immediately.

India can produce all the key imported resources indigenously at 15-20% of the import cost. Thus, saving \$300 billion on yearly basis and, within 3-4 years, add \$1 trillion to the economy. India's current underutilisation of resources tells almost an unbelievable story.

Despite similar geology to North America, Latin America, Australia and South Africa, we produce only 20% of our natural resource requirements. Mineral exploration in Canada, takes up \$2 billion per annum in greenfield exploration. India spends less than \$50 million.

Despite having access to key resources like bauxite, India has been unable to tap into the large aluminium market, widely known as a green metal, and lost out to countries like China that have to fully import the raw material. Even with 3.5 billion tonnes of bauxite, which is the third largest reserve of bauxite in the world, India only manages an annual production of 1.5 million tonnes of aluminium. In contrast,

China that has no reserves of bauxite, produces about 20 million tonnes of aluminium annually.

The story is the same for iron ore. Given our reserve level, we are in a position to produce quantities matching Brazil's and Australia's, which produce about 600 million tonnes per annum. So far, we have been producing a modest quantity of 125 million tonnes on yearly basis.

India's power and infrastructure needs continue to be unmet and under served due to lack of an open and simple exploration policy that will allow exploration of resources in a sustainable manner. Fear that such a move will lead to rampant environmental degradation is unfounded with scientific mining and latest technology in mining.

A self-declaration policy will allow the companies to take responsibility for their actions, while enabling the government to impose heavy penalties in case of violations. It is in the industry's interest to increase mineral reserves through exploration to provide value to the stakeholders in a sustainable manner.

A nearly seven-fold increase in zinc output by Hindustan Zinc Ltd after disinvestment is a case in point thanks to scientific production and systematic exploration. India's need of the hour is greenfield exploration such as the discovery of oil in Rajasthan by Cairn India, the country's largest onshore discovery in 20 years. Today, Cairn India produces 25% of the country's total crude oil production.

India only has a handful of oil and gas companies. It is imperative to have 15-20 players that will bring in the technology and explore sources that will lead to the development of the exploration and production value chain and also act as an employment multiplier. Similarly, in the case of coal and other minerals, more players are needed. The chequer, both at the Centre and the state level, also stands to gain immensely from a simple exploration policy. Auctioning of blocks and moving to a revenue-sharing model from the current profit-sharing model will rake in more royalty and taxes. Rajasthan transitioned from a revenue deficit state into a revenue-surplus one in 2010-11 on the strength of Cairn's Barmer oilfields that started commercial output in late 2009.

## INDIA, AUSTRALIA TO LAUNCH N-TALKS IN MARCH

21 Jan, 2013

India began talks for civil nuclear energy cooperation with uranium-rich Australia in March this year.

"We shall be commencing negotiations on a Civil Nuclear Energy Cooperation Agreement in March 2013," External Affairs Minister Salman Khurshid said after talks with visiting Australian Foreign Minister Bob Carr. The first round of negotiations conducted by the Foreign Ministries of both countries will be held in Delhi.

The agreement would enable the export of uranium from Australia to India, Mr. Carr said. "A sense of urgency and purpose will be there. We will move swiftly," Khurshid said pointing out that India already had similar agreements with a number of countries which could be used as a model. During the parleys, it was decided that Defence Minister A.K. Antony would visit Australia sometime in March for further discussions on cooperation in defence and security sectors.

This would be the first ever visit by an Indian Defence Minister to Australia. Australia had agreed to start negotiations on a civil nuclear deal with India during the October visit of Prime Minister Julia Gillard



to New Delhi. In December 2011, Ms. Gillard's Labour Party had overturned its long-standing ban on exporting uranium to India.

## INDIAN COLLECTOR SNAPS UP BRADMAN'S CRICKETING ITEMS

16 Dec 2012, Melbourne

**A**n Indian collector snapped up precious items, including a baggy green cap and three bats, once owned by legendary cricketer Don Bradman at bargain prices at an auction held in Australia.

These items headed for India after an auction failed to capture local interest, including from the Bradman Museum.

The items, among which were Bradman's 1946 baggy green cap and the bat he used to score 234 in a world record fifth wicket 405-run partnership with Sid Barnes - who also scored 234 - were sold to the Indian buyer who was not identified.

"It's very disappointing that the top items, including three match-used bats and a Test cap, received absolutely zero interest from our local Bradman Museum, to the point where they couldn't even be bothered coming over to view bats that had never been documented or to see items of historic importance," Tom Thompson of Ravenswick Auctions, said.

The 1946 bat was expected to attract up to 120,000 dollars but was referred to the buyer at 65,000 dollars.

The baggy green cap was expected to fetch up to 180,000 dollars but sold for 100,000 dollars, Sydney Morning Herald reported.

Other items included a bat used by Bradman on a tour of Canada and the US - known as the 'Honeymoon Tour' as it followed soon after his marriage to Jessie Menzies - that was expected to attract about 15,000 dollars but sold for 8000 dollars.

And a bat Bradman used for New South Wales and South Australia went for 10,000



dollars, about half what was expected.

"The disappointment is that there weren't enough people here and the so-called institution, the Bradman Museum, failed to even sight the things let alone engage with them," Thompson said.

Bradman Foundation executive director Rina Hore said that representatives of the museum (now known as the International Cricket Hall of Fame) had viewed the items from the collection of collector Chris Moyle in June.

However, independent valuation had priced the key pieces beyond the museum's reach.

"I'm not quite sure why [Thompson] is disappointed. I'm not quite sure why he expected that we'd turn up," Hore said.

"Would we like a benefactor to have bought them and given them to the museum? Of course we would. But we just felt that when they were offered to us we weren't in a position to secure them."

"It is unfortunate that items like these go out of the country. But there are fabulous collectors and benefactors here who

have purchased items and lent them to the museum to make sure we keep a good part of this history in the country."

Donald George Bradman, often referred to as "The Don", was an Australian cricketer, widely acknowledged as the greatest Test batsman of all time.

Bradman's career Test batting average of 99.94 is often cited as statistically the greatest achievement by any sportsman in any major sport.

He died in 2001 at the age of 92.



## DR. SUBHAKANTA BEHERA, CONSUL GENERAL OF INDIA IN MELBOURNE PASSED AWAY

**T**he Consul General of India in Melbourne, Dr Subhakanta Behera, died of cardiac arrest on Friday 9 November 2012. A member of the elite branch of Indian Foreign Service, Dr. Behera assumed the charge of the Consul General of India, Melbourne in May 2011. Dr Behera is survived by his wife Rajashree Behera, his son Ananya and daughter Amruta. The Indian Consulate had organised a Service to pay homage to the departed soul on 11 November 2012 and a large number of people from media, Diplomatic Corps, political circle, academia and Indian community attended and paid their last respect to him.



## EFFORTS TO WIDEN TAX BASE, INCREASE REVENUE TO CONTINUE: CHIDAMBARAM

23 Jan, 2013

**E**fforts to widen the tax base and increase revenues will continue, Finance Minister P Chidambaram said; wooing over 300 city-based investors on the second leg of his East Asia tour, he said India is poised to grow at over 8 per cent from fiscal 2015-16 onwards.

"...efforts to keep on increasing the tax base will continue ... so that the tax revenue to the proportion of the GDP will also remain robust," he was quoted as saying, by Sanjiv Bhasin, General Manager and CEO of DBS Bank, India.

The government, the Minister said, was taking steps to bring down the fiscal deficit to 3 per cent of the Gross Domestic Product (GDP) in the next three to four years. Mr. Chidambaram told investors in Hong Kong that he was committed to keeping fiscal deficit to 5.3 per cent of the GDP in the current fiscal and reduce it further to 4.8 per cent in 2013-14. As regards growth, the Minister was reported to have told investors that "India has fumbled, but so has most other economies worldwide."

The growth, Mr. Chidambaram had earlier said, was not likely to be below 5.7 per cent in 2012-13 and would improve to about 6-7 per cent in the next fiscal. The Minister, according to investors attending the meeting, has said that the Indian government was making efforts to put economy back on track. In his over two-hour long interaction with investors, Mr. Chidambaram spoke on host of issues including fiscal deficit, current account deficit, expenditure management and slowing of the economy.

Mr. Chidambaram assured the investors that savings from subsidies would help bring down fiscal deficit, said Bhasin.

Among other things, the Minister said that efforts were on to ensure



that the savings rate, which was as high as 35-36 per cent of the GDP, is raised to the same level.

Mr. Chidambaram also highlighted India's success in many fields including the Aadhar platform, and the country becoming the world's largest rice exporter as well as substantial exporter of wheat.

He said plans were in place to spread the green revolution to other states that have not been impacted by the farm sector programmes of the government.

## UN REPORT PROJECTS 6.1 PER CENT GROWTH FOR INDIA

18 Jan, 2013



capital investment... Investment demand is expected to respond to a more accommodative monetary policy stance and slightly improved business confidence."

The WESP noted that India's economy, representing almost three quarters of the South Asian region's GDP (gross domestic product), slowed markedly in the past years with annual growth declining from more than 9 per cent in 2010 to 5.5 per cent in 2012, the slowest pace in 10 years.

"The slowdown reflected weaker consumption and investment demand as a result of persistent inflation, high nominal interest rates, large fiscal deficits and political gridlock," the report said and held that these factors "will likely continue to impact economic growth in the next two years even as a moderate recovery is expected."

Releasing the report here, United Nations ESCAP (Economic and Social Commission for Asia and the Pacific) Chief Economist Nagesh Kumar, however, viewed that India had a huge growth potential in the long term. "India and China are playing a major role in the growth of world economy," he said.

As for the South Asian region as a whole, the report pointed out that economic growth during 2012 also fell to its lowest pace in a decade. "After growing by 5.8 per cent in 2011, South Asia's gross domestic product expanded by only 4.4 per cent in 2012.

"Going forward, economic growth in the region is projected to accelerate to 5 per cent in 2013 and 5.7 per cent in 2014, led by a gradual recovery in India," it said.

**A**midst a string of varying growth numbers being projected by multilateral institutions, a report by the United Nations has estimated the Indian economy to grow by 6.1 per cent in 2013, marking a recovery from the decade-old slowest pace of 5.5 per cent in 2012.

The UN, in its report titled 'World economic situation and prospects 2013' (WESP), said: "GDP growth in India will accelerate to 6.1 per cent in 2013 and 6.5 per cent in 2014 as a result of stronger growth of exports and

## EMERGING ECONOMIES WILL BE THE ENGINE OF GLOBAL GROWTH: ANAND SHARMA

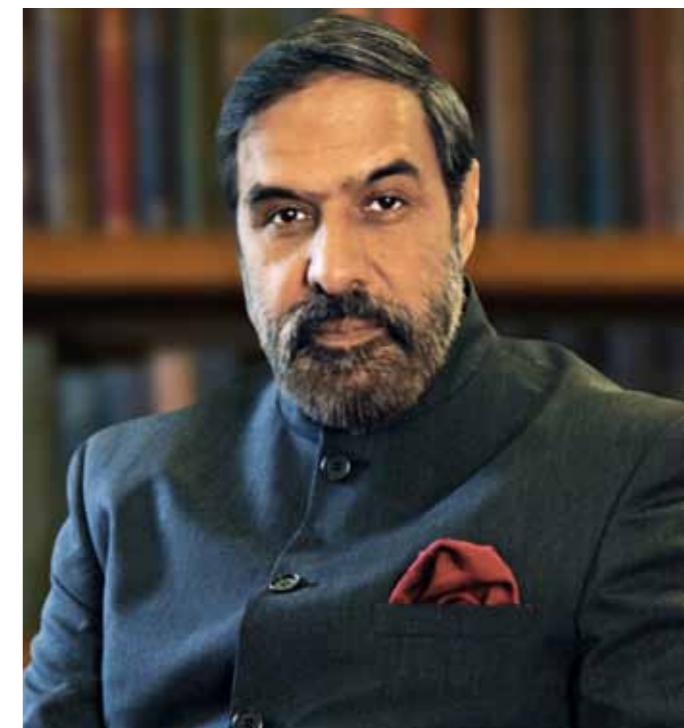
28 Jan, 2013

**T**he Union Minister for Commerce, Industry & Textiles Shri Anand Sharma, while delivering his keynote address during a session on "The Large Emerging Economies: New Growth Hubs of World" in The Partnership Summit 2013 in Agra, said that "sustaining a high growth for a country like India is not an optional choice for us but a social imperative as only through sustained economic growth will we be able to lift millions out of poverty net."

Shri Sharma was of the opinion that despite the economic challenges being faced by nations world over, the emerging market economies have registered significant gains based on liberal economic reforms pursued over the last two decades. He further said that these emerging market economies would now have to address "the fundamental structural issues which face their economies and usher in the next phase of economic reform." "The Government has established a Cabinet Committee on Investments headed by the Prime Minister himself which will not only fast track high value investment projects but also help in cutting down delays for regulatory clearances," added Shri Sharma.

Shri Sharma also acknowledged the "inherent advantages" of the emerging economies by stating that these have given them strength and resilience to withstand the external shocks. Citing the advantages, Shri Sharma said that the emerging market economies have a fast expanding middleclass which is buoyed by the rising income levels. Along with this, these economies are also becoming hubs of low cost or "frugal innovation". "As companies and governments enhance R&D expenditures, we will see emerging economies becoming even more competitive as technology providers," said Shri Sharma. He further said that the emerging economies are also set to reap the benefits of the demographic dividend. Shri Sharma added that these emerging economies are also a source of rich human resource. "India is home to one of the largest scientific manpower in the world with over 12 million engineers and doctors and an equal number of post-graduates in science and mathematics and we annually add 2 million graduates, 700,000 post-graduates and 300,000 engineers," said Shri Sharma.

Shri Sharma however added that these emerging market economies



have huge infrastructure deficiencies, which needs serious attention to be paid into. Shri Sharma said that "this presents an opportunity for even greater private investment flows - both domestic and foreign - which will continue to catalyse growth." He further added that "in India alone, we are going to spend US\$ One trillion on infrastructure building over the next five years, half of which will come from private sector."

Shri Sharma, ending his address, said that the future of the 21st century world would be shaped neither by the developed world alone nor by the emerging economies by themselves, but through creative partnerships between the two.

## CORE INVESTMENT COMPANIES NEED RBI NOD TO INVEST OVERSEAS

6 Dec, 2012



**T**he Reserve Bank of India said all core investment companies (CICs) wanting to invest overseas in the financial sector will have to take its prior approval.

CICs desirous of making overseas investment in the financial sector will need to have a Certificate of Registration (CoR) from RBI and comply with all the regulations applicable to registered CICs, the central bank said in a statement.

CICs invest primarily in group companies, in different sectors of the economy. Being holding companies they invest in both financial and non-financial activities.

RBI said it has issued the new guidelines since it is necessary in public interest and for the purpose of enabling it to regulate the credit system to the advantage of the country.

These directions will be applicable to all CICs (whether registered with RBI or exempted from registration) that intend to invest overseas in the financial sector.

The RBI said that the total overseas investment by CICs in the financial sector should not exceed 200 per cent of their owned funds. As CICs are non-operating entities, they will not, in the normal course, be allowed to open branches overseas, RBI said.





## INVESTMENT OPPORTUNITIES FOR NRIS IN INDIA

PIB Feature

**T**he Government has taken various steps to promote investments by Indians living abroad, in India. The Government plays a pivotal role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investors including the Non-Resident Indians (NRIs) about the investment policies and procedures and opportunities.

For Indian investments, it should be known that a NRI is a person residing outside India, but who is a citizen of India or is a Person of Indian Origin. A Person of Indian Origin is one who or whose ancestors was an Indian national and who is presently holding any other country's citizenship/nationality.

The Government has a liberal and transparent policy for Foreign Direct Investment, including investments from NRIs, wherein most of the sectors are open to FDI under the automatic route. NRIs can make investment in India under various schedules of Foreign Exchange Management (Issue or Transfer of Security by a Person Resident outside India) Regulations, 2000 as amended from time to time. Investment under FDI Scheme contained in Schedule 1 of these Regulations, permits 100 per cent NRI investments, under the automatic route, in the sector of townships, housing, built-up infrastructure and construction-development projects (which include, but are not restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure), without the conditionalities attached to FDI in such projects. It also grants a special dispensation for NRI investments in the sectors of Scheduled Air Transport Services/Domestic Scheduled Passenger Airlines, Non-Scheduled Air Transport Services, Ground Handling Services, wherein 100 per cent NRI investment is allowed under the automatic route.

Along with these, NRIs can also invest in share/convertible debentures of an Indian company under FDI scheme subject to terms and conditions specified in Schedule 1 to Notification No. FEMA 20. An NRI can purchase and sell shares/convertible debentures of an Indian company on both repatriation and non-repatriation basis under Portfolio Investment Scheme (PIS), through registered broker or recognised Stock Exchanges in India. The individual limit for NRI under PIS is five per cent of the paid up capital/paid up value of each series of convertible debentures of an Indian company and aggregate limit for all NRIs taken together is one per cent of the paid up capital/paid up value of the company. This limit can be increased by the Indian company to 24 per cent by passing a Board resolution and special Annual General Meeting resolution. Apart from this, an NRI, barring certain sectors, according to Schedule 4 to Notification No. FEMA 20, may without any limit purchase on non-repatriation basis shares/convertible debentures of an Indian company whether by public issue or private placement or right issue.

In terms of Schedule 5 to Notification No. FEMA 20, an NRI

may, without limit, purchase on repatriation basis, Government dated securities (other than bearer securities) or treasury bills or units of domestic mutual funds; bonds issued by a PSU in India; non-convertible debentures of a company incorporated in India; bonds/units issued by Infrastructure Debt Funds, Perpetual debt instruments and debt capital instruments issued by banks in India and shares in Public Sector Enterprises being dis-invested by the Government. According to the terms of the same Schedule, a NRI or an Overseas Corporate Body may, without limit, purchase on non-repatriation basis, dated Government securities (other than bearer securities), treasury bills, units of domestic mutual funds, units of Money Market Mutual Funds in India, or National Plan/Savings Certificates. However, NRIs have not been given the permission to invest in small savings or Public Provident Fund (PPF).

The Government, in order to promote NRIs to bring in money into India, extended some more facilities to them. Banks are free to determine the interest rates on both savings deposits and term deposits of maturity of one year and above under the Non-Resident External (NRE) deposits and savings deposits under Non-Resident Ordinary (NRO) account. An NRE account is one which can be opened only by the non-resident himself and not through the holder of the power of attorney. Only NRIs can become joint account holders in the case of NRE account. On the other hand, NRO accounts may be held jointly with residents and /or with NRIs. Along with this, the banks may also sanction Rupee loans in India or foreign currency loans outside India to

either the account holder or third party to the extent of the balance in the NRE/ Foreign Currency Non Resident (Bank) account, subject to the margin requirements. To help NRIs to maintain FCNR deposits in other currency as well, since October 2011, FCNR (B) accounts have been permitted to be opened in any freely convertible currency. Moreover, NRIs are, since September 2011, also eligible to open NRE/FCNR account with resident.

The Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy and Promotion and Federation of Indian Chambers of Commerce and Industry, as a not-for-profit, single window facilitator, for prospective overseas investors, to act as a structured mechanism for attracting investment. On the other hand, the Ministry of Overseas Indian Affairs has established Overseas Indian Facilitation Centre to facilitate potential NRIs and overseas corporate bodies of overseas Indians which want to invest in India. OIFC has organised several investment and interactive meets/roadshows in different countries. It has also organised 'Market Place' during the annual Pravasi Bharatiya Divas event in India. The annual and regional PBDs have also provided a platform for facilitation of investment by overseas Indians.

THE GOVERNMENT HAS TAKEN VARIOUS STEPS TO PROMOTE INVESTMENTS BY INDIANS LIVING ABROAD, IN INDIA.

## AS A YOUNG NATION, WE ARE AN ASPIRATIONAL SOCIETY, WHICH HAS THE CAPACITY TO GROW AND ABILITY TO ENGAGE: MR ANAND SHARMA

**I**n an exclusive and a candid conversation with India Brand Equity Foundation (IBEF), Mr Anand Sharma, Minister for Commerce, Industry and Textile, Government of India, shared his views on the future outlook on the Indian economy – importance of the recent set of economic decisions, including FDI in multi-brand retail, the export policy, and the Brand India campaign at the upcoming Annual Meeting of the World Economic Forum (WEF) scheduled for January 23-27, 2013 at Davos, Switzerland.

**IBEF:** You have played a vital role in further opening up of the Indian economy through the recent set of government announcements made in September last year. Can you share your views on the implications and importance of these measures?

**Mr Sharma:** These were significant decisions that we have made and also an affirmation of the Government's abiding commitment to economic reforms and liberalisation of the Indian economy. Our engagement with the world has become more intense and India is today playing its role both in the building of economic partnerships regionally and globally. It is also a message to our partners, particularly the foreign investors that they have to look at the opportunities that exist in India. Given the fact that we are an emerging economy, a fast growing one and one of the biggest markets of the world, therefore, when you look at the decision of single brand retail and multi-brand retail, this is something which will bring in global experiences and create integrated value chains, particularly in multi-brand retail. Considering again the fact that we are the second largest producer of food grains in the world, second largest of fruits and vegetables, our post-harvest losses have been very high and therefore, we hope to address them by creating the infrastructure, agro-processing industries, the entire cold-chain and 2 modern technologies in warehousing to generate employment and also help the farmers and the consumers both.

**IBEF:** Could you especially share your views in the context of FDI in multi-brand retail - the potential that the policy holds for the sector in the Indian market?

**Mr Sharma:** India didn't allow foreign direct investment (FDI) in this sector until this policy decision in multi-brand retail, which is now permitted and notified. Since we are a union of states and a large country, the decision was primarily left to the states. The states, who are keen to move forward and Government of India has already notified 10 of these states, some of these are very big states and more are in the pipeline. The investors will surely bring in the technology and the experience and they will work with an Indian partner. This policy has a distinct Indian signature because we are keen that it promotes domestic manufacturing and job creation. Though we had kept a ceiling of multi-brand to open up the front in the cities



with population of one million and above which are 53-54 in the country. But again, there was a view taken that there are states which are small states but which have strength in horticulture and major producer of fruits and vegetables whether it is Uttarakhand, Assam, Jammu and Kashmir and so on. These states do not have any city with a population of one million and above. Therefore, special dispensation for all the states to have their own determination and identification of the city where they want to open up. We are also keen that there is genuine infrastructure building in the rural areas that is why backend infrastructure investment is mandatory. The minimum threshold that we have is US\$ 100 million for any FDI proposal to be considered and half of this investment is for back-end infrastructure. I think that once it gets implemented, though it will take time, it will allow investors to come and work in the location of their choice in various states.

**IBEF:** India is already recognised as one of the major force leading the growth for the global economy and is expected to jump even further in the list in the coming years. What are the advantages India has as compared to the other major economies of this world?



**Mr Sharma:** Each country has its strengths and its own challenges. We have embarked on the path of economic liberalisation about two decades ago and much has changed. Today, we have presence of global majors in different fields ranging from automobile, information technology, agro-processing and chemicals. At the same time, Indian corporates have not grown in confidence and size but they have a global presence. There are many multinationals that have emerged from India who have made investments, technology collaborations across continents whether it is in Europe, America or Latin America. This is a partnership which India has been able to demonstrate it is capable of building both within the country, between the industry and the government, but also with other countries of vibrant economic regions. India's strength inherently is its human resources. We are 1.2 billion people, civilisational country but a young nation with a median age of 23-24. As manufacturing grows in India and as productivity improves, the contribution that Indian citizens will be making will be to the global economy, besides our own development. We have a very strong institutional base. We are strengthening the design institutions, building up four more National Institute of Design compared to the fact that we had only one earlier. We are also establishing more National Institute of Science and the institute for mathematics and information technology. India already produces perhaps one of the largest number of doctors and engineers in the world and a pool of trained people is constantly growing and expanding. That is a focus and thrust for us. So when you look at what India has – its economy, its institutions and its people – that always is the biggest strength of the country. As a young nation, we are an aspirational society, which has the capacity to grow and ability to engage. We are today one of the favoured destinations for foreign direct investment. If you look at all the recent surveys, from World Bank to



TODAY, WE HAVE PRESENCE OF GLOBAL MAJORS IN DIFFERENT FIELDS RANGING FROM AUTOMOBILE, INFORMATION TECHNOLOGY, AGRO-PROCESSING AND CHEMICALS. AT THE SAME TIME, INDIAN CORPORATES HAVE NOT GROWN IN CONFIDENCE AND SIZE BUT THEY HAVE A GLOBAL PRESENCE.

IMF to the JBIC of Japan, India is put between second and fourth position, so at an average, we are among the first three destinations and the future projections are that India will be the second favoured destination for foreign investment. I think that speaks volumes of the confidence that other countries and industry leaders have in India, its economy and its future. I feel that a country that is so well positioned in the second decade of the 21st century will grow from strength to strength.

**IBEF:** The Indian economy has seen a growth of over eight per cent over the last couple of years and in recent years dipped to little over five per cent. What is your future outlook on the Indian economy for the next few years?

**Mr Sharma:** When you look at the global economy, it is under pressure, ever since the 2008 crisis descended upon the global economy. And this time it was very severe because the economic crisis was preceded by the financial crisis that made it more severe and difficult to overcome. Fortunately, there were coordinated interventions by the G20 countries, the stimulus packages which were given by developed economies, emerging economies, which reversed the trend. Emerging economies were the engines of global economic recovery in 2009-10 with names like India, China, Brazil and South Africa. But the global economy did not recover.

It has been a weak and wobbly recovery, jobless recovery and job losses have been very high, particularly in the industrialised world of Europe and America. This has also impacted the flow of capital and the investment climate has also been dismal and not a robust one. This has to improve. We have to work together with other countries. When such developments take place like the Eurozone crisis, which last year further aggravated the situation in Europe, it has an impact elsewhere also, When you are living in a world which is globalised, interconnected and interdependent. The developments in one part of the world do have an impact positive or negative, depending on the nature of the development in other regions of the world. The global crisis has adversely affected all nations, big and small, severely testing the leadership of countries, overwhelming economies. We have to overcome this. So our growth which was consistent for almost five years at close to nine per cent and crossed nine and a half per cent. We were aiming at double digit growth but we were pulled down to below seven per cent. We climbed back to eight per cent plus in 2011 but we have been pushed back again. Last two years i.e 2011 and 2012 both have been difficult years. We hope that the recovery would take place and the fall as such should bottom out and we should see more investments coming both domestic and foreign investments. The fundamentals of the Indian economy are strong and when you look at National Savings Rate, it is 32-33 per cent and can further go up. The National Investment Rate has to go up. Presently, it is at 30-31 per cent. We hope that it is taken up to 35-36 per cent which will lead to growth in GDP by many a percentage point. This is

an endeavour, which the government and the industry will have to work together for.

**IBEF:** In the recent years, given the global economic slowdown, we have seen a diversification in terms of Indian exports. What are the various incentives and schemes that the government is looking at in order to provide strength to Indian exports?

**Mr Sharma:** You have to look at the developments that are taking place across the world. The global economic crisis did not only affect the flow of capital but it also led to a contraction of the global trade and a very sharp one. We also were pushed into the red territory and we stayed there for a long time. For the foreign trade policy of 2009, which is for a period of five years so that there is stability and predictability about the policy which helps the industry and the exporters, we looked at those regions of the world where our presence was weak. We could not have waited for recovery to take place and complete recovery would take time in the traditional destination of our exports and we went in consciously for market diversification. That year, we added 39 new markets (26 under one policy, i.e. the focus markets policy and the market linked focused products) and then added China and Japan later. In total, we reached out to 41 new markets and tried to give support through various policy measures and interventions. That does not mean that we have disengaged from the traditional destinations. We remain present there. The largest issue which is before us as a country is that we are dependent on imports for many commodities particularly petroleum products, fertilisers and while it may not be a huge burden but to some extent, edible oil and the gold exports, for consumption or for value addition in the jewellery sector. Petroleum products alone contributed for US\$ 162 billion. The global prices are beyond

our control and we cannot control the demand. The energy needs of the growing economy have to be met. And there have been developments which have led to global ballooning of the petroleum prices. This has put a huge pressure on our trade account and we in any case, have a deficit of the trade account but we have to keep it in manageable limits. The only way to do it is that we push exports, attract FDI and remain competitive globally. So if you have and rightfully so, an aspiration to be a major player in the global economic order as there is a rebalancing of the global economy, India has to take the initiatives which are required to meet those objectives and that is what we are trying to do.

**IBEF:** Brand India will be in full form again at Annual Meeting of the World Economic Forum, Davos later this month. We understand that the Brand India campaign is based on An aspirational nation of potential and promise, Land of limitless opportunities, India beckons the world. Your thoughts on the same?

**Mr Sharma:** India is a land of opportunities and potential and a country which has promise. It has its people; people who are committed take India to lofty heights. For our economy, it is not only the question of being a major market of the world but we are bound to grow to be one of the first three economies of the world. In PPP terms we are already there. If you look at the changes that have taken place, sweeping as they are, in the past two decades, this decade I can see momentum as there have been setbacks and challenges that I have spoken about but

INDIA IS A LAND OF OPPORTUNITIES AND POTENTIAL AND A COUNTRY WHICH HAS PROMISE. IT HAS ITS PEOPLE; PEOPLE WHO ARE COMMITTED TAKE INDIA TO LOFTY HEIGHTS.



that does not deter us to ensure that there is a rebound and we move back to the high growth trajectory. In my mind, it is important for the investors and partners. We have created an investor friendly regime through various policy measures. The comfort and ease of doing business in India has been improved considerably in particular with the rollout of the National Manufacturing Policy, one of the biggest policy initiatives India has taken, which aims to take the share of manufacturing in our GDP from a low of 16 per cent to at least 25-26 per cent in one decade and create 100 million skilled jobs. One of the instrumentalities is the establishment of integrated self-governing industrial manufacturing and investment zones which are called the National Investment and Manufacturing Zones. These will be integrated industrial townships that are not brownfield but Greenfield. 12 have been notified and to my mind, it will not only be transformative for India but is also an investment in the future of the country. All the places where these zones have been notified we have put in place a very effective single window clearance mechanism and when I use the word self-governing, it is because each one of these will be their own authority for approvals and these would be managed with the help of an SPV. These are being developed by the Government of India in partnership with the states where the issue of land is also addressed as it is the equity of the states. One has to look at what India offers. For the next few decades, India will continue to grow. We will continue to invest in building infrastructure in the country and offers a US\$ 1 trillion opportunity over the next five years. But when you look at other areas, there again hundreds of billions of investments will be made - that is why India beckons the world.



Drink up the flavours of the Queen of the Himalayas, right here, or out there...

# SAVOURING DARJEELING

**O**ur story of Darjeeling begins thousands of miles away from its lush valleys and snow-capped hills—in an eight-foot by eight-foot store, sandwiched between a curio shop and a jeweller, in New Delhi. The unlikeliest of places, you would think. Not really.

For, an evening here is no less invigorating than a visit to the Himalayan paradise, I can promise, as I sip cup after heartwarming cup of delicate Darjeeling tea, brewed to mathematical perfection and fawning attention. My host, Vikram Mittal, is the soft-spoken owner of this very well-known tea shop in the capital's posh residential district. He personifies his prime leaves from Darjeel-ing.

He is erudite and proud in one cultured mix of polish and humility. And, he watches his brew over a triple-tube hour-glass array, timing it to the last grain of sand. I am meeting Vikram because a friend has said I must, if I have anything to do with Darjeel-ing. And I do—I am, after all, writing a travel story on Darjeeling. It seems there isn't a tea lover within 50 miles of his shop who doesn't stop by. There are the Japanese, the Koreans, British, Germans and the French and locals of all hues. They smell the leaves, make the right noises, sample the brew and take away armloads of tea. Darjeeling brings them together, even though they are miles away from it. Such is the pull of Darjeeling.

But Darjeeling is not just its tea. It is one of the most beautiful places on earth. At nearly 7,000 feet above the sea, it is perched on the Himalayan foot-hills, at the northern tip of the West Bengal state, but you can easily call it the soul of Bengal. Part of the Lesser Himalayas, a prominent range where mountains can be as high as 10,000 feet, Darjeel-ing developed as a hill station and sanitarium during the British Raj. A British surgeon, Dr Arthur Campbell, is said to have introduced the tea plant to Darjeeling, in the 1840s. It took to the hills like a fish takes to water.

Stand on a hill top on a clear October morning, and you can see Mount Everest and the world's third tall-est peak, Mt Kanchenjunga,

together.

On a good day, the 8,500 foot Tiger Hill, nearby, turns into a royal grandstand, as you watch the ris-ing sun turn Mt Everest into a solid block of gold. Mt Kanchenjunga is the bonus view.

It will leave you gaping. But somehow, the glacial draft doesn't chill you to the bone—the place has a warmth all its own. It is the easy swagger of the local bright-eyed and ruddy-cheeked Gorkhas and Sherpas that puts you at ease, within minutes of setting foot.

The place is pristine, the weather fine, the mood right and the air, oh, the air is a story in itself. Depending on where it is coming from, the air is smelling of clove-spiked tea, freshly fallen snow or smoky mist rolling downhill.

But, tea has been infused so completely into the soul of Darjeeling that you can smell it even before you see it. Eighty-seven tea estates together produce nearly 10 million tonnes of the priceless leaf. Hill upon rolling green hill is covered in a mauve blanket of the plantations that generate nearly US\$8 mil-lion each year.

On its website, [www.darjeelingtea.com](http://www.darjeelingtea.com), the Darjeeling Tea Association says tea makes more money for Darjeeling than its tourism.

It takes a little more than two hours to fly from New Delhi to the nearest airport, Bagdogra. Darjeeling is a scenic 90 km drive from the



airport that's primarily an air force base, but doubles as a civilian facility.

Usually, the town remains rain-drenched. If you are lucky enough and the sky clears up, there are breath-taking views of the towering Himalayan peaks. A per-sonal favourite, however, is watching the evening mist blanket out twinkling lights that dot the hillsides. It takes the mist seconds to put out the brightness, forc-ing everyone to bid an early goodnight.

But no story of Darjeeling is complete without the mention of its famed toy train. Well, not exactly toy train. Pulled by a real, full-sized, vintage steam engine, it's a fully-functional narrow gauge train of

the Darjeeling Himalayan Railway, running daily from Darjeeling to a place called Jalpaiguri, nearly 90 kilometres away.

If the magnificence of the Himalayas and its stunning valleys don't take your breath away, then the treacherous hairpin bends and the sheer drops most certainly will.

And if you are up to exploring, don't miss some of the most revered Buddhist monasteries you will ever find. The oldest such buddhist centre, called the Ghoom Monastery, was built in 1875.

A day starts and finishes early here. A note to the traveller who needs night life—you won't get one. Darjeeling offers a handful of eateries and water-ing holes that down shutters early. But, the food and chang (local brew) are served with a smile. Local cuisine is as tasty as it is cheap at the tiny Bhutanese and Tibetan restaurants—try their unique pancakes and bread. If you fancy something more posh, head to Glenary's or Keventers'. Joey's Pub is an excellent choice for a night cap. Residents throng there in the evening. Its affable owner (yes, he is called Joey) is a retired musician. After his band dismantled, he headed home to start his landmark pub.

When in Rome, do as the Romans do. When in Darjeeling, do have a cuppa. Local dumplings (called momos here), noodles, thupka (noodle soup), eggs and bacon for breakfast, or roti with curry lunches— you can gorge to your heart's content. When you have eaten enough, sit back and enjoy the brew. Depending on the season, you can sip a sparkling light yellow spring flush to the brooding coppery autumn flush. Three summers ago, a few friends and I went visiting to Darjeeling. One afternoon, a sudden shower sent us scampering into Nathmulls, a boutique tea shop. There, a smiling assistant not only offered us fresh towels, but also free samples of the estate's produce, in dainty china.

Sometimes, I wish Darjeeling was closer by, not so many thousands of miles away. But at least, there is Vikram Mittal, and his little world of tea, right here in the heart of bustling Delhi.

If I can't have Darjeeling, I can drink Darjeeling



## FOUR KEY HIGHLIGHTS

### 1. BENGAL NATURAL HISTORY MUSEUM



Founded in 1903, it houses more than 4,000 specimens of flora and fauna

### 2. BATASIALOOP



The nearly circular loop in the railway track is both a heart-stopper and tourist attraction

### 3. LLOYDS BOTANICAL GARDEN



Built over 40 acres, the garden was a gift to Darjeeling from William Lloyd in 1878

### 4. HIMALAYAN ZOOLOGICAL PARK



Home to India's only collection of Siberian tigers, Himalayan black bears, barking deer and the solitary snow leopard



**ISPO WORLD CONGRESS 2013**



ISPO World Congress is certainly a very crucial international gathering as this platform will duly provide information on evidence based mainly on clinical research, as well as new technologies available in prosthetic and orthotic care. This is going to be the largest and most informative international gathering where the gathering of orthopaedic surgeons, physical and occupational therapists, orthotists, prosthetists, physiatrists, rehab engineers, clinical psychologists etc. will mainly to fetch perfect synergy for greater operational outcomes.

Attendees of ISPO World Congress will get the opportunity to participate in thought provoking interactive sessions, workshops as well as plenary talks which will further reduce all contentions from the minds of the conferees.

**Highlights are as follows:**

- Prosthetics and Orthotics
- Orthopaedic Footwear Technology
- Technical Rehabilitation
- Workshop Fittings, Furnishings and Equipment
- Raw / Ancillary Materials and Consumables

**Date:** 04-07 FEB-13

**Venue:** Hyderabad International Convention Centre (HICC), Hyderabad, India

**Website:** <http://www.ispo2013.org/>

**NATIONAL CONFERENCE OF INDIAN ASSOCIATION OF CARDIOVASCULAR THORACIC ANAESTHESIOLOGISTS**



National Conference of Indian Association of Cardiovascular Thoracic Anaesthesiologists is going to hold its sixteenth edition in Kochi, Kerala for a period of four consecutive days. The main theme of this conference is Cardiac Intensive Care Towards Perfection. This conference is going to be useful to all practicing cardiac anesthesiologists as well as the post doctoral trainees. This conference is going to provide a big platform for the interested candidates as well as the eminent speakers who are going to gather a one place and share their important views and opinions with each other.

National Conference of Indian Association of Cardiovascular Thoracic Anaesthesiologists is going to help the visitors in various ways.

**Date:** 14-17-FEB-13

**Venue:** Le Meridien Kochi, India

**Website:** <http://www.arvo.org>

**LOYALTY SUMMIT**

Date: 06 - 07 February, 2013

Venue: Mumbai, India

[www.loyaltysummit.net/](http://www.loyaltysummit.net/)

**WORLD CONGRESS OF LAPAROSCOPIC SURGEONS**

Date: 08 - 09 February, 2013

Venue: Gurgaon, India

[www.wals.in/](http://www.wals.in/)

**INTERNATIONAL CONFERENCE ON DISTRIBUTED COMPUTING AND INTERNET TECHNOLOGIES**

Date: 05 - 08 February, 2013

Venue: Bhubaneshwar, India

[www.icdcit.ac.in/](http://www.icdcit.ac.in/)

**INTERNATIONAL CONFERENCE ON ADVANCES IN MATERIALS PROCESSING AND CHARACTERISATION**

Date: 06 - 08 February, 2013

Venue: Chennai, India

<http://www.biztradeshows.com/conferences/ampc/>

**INTERNATIONAL CONFERENCE ON BIO-RESOURCE AND STRESS MANAGEMENT**

Date: 06 - 09 February, 2013

Venue: Kolkata, India

<http://bsmconf.in/>

**INTERNATIONAL CONFERENCE ON CONTEMPORARY DEBATES IN PUBLIC POLICY AND MANAGEMENT**

Date: 07 - 09 February, 2013

Venue: Kolkata, India

[www.iimcal.ac.in](http://www.iimcal.ac.in)

**INTERNATIONAL CONFERENCE OF INDIAN ASSOCIATION OF PALLIATIVE CARE**

Date: 08 - 10 February, 2013

Venue: Bengaluru, India

[www.palliativecare.in/](http://www.palliativecare.in/)

**INTERNATIONAL CONFERENCE ON INFORMATION, COMPUTING AND TELECOMMUNICATIONS**

Date: 10 February, 2013

Venue: New Delhi, India

<http://itc.theides.org>