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EICC TIPS 2014 to be held in November with Intellectual Property Right as the signature theme

Europe India Chamber of Commerce (EICC) is organizing its flagship Trade and Investment Partnership Summit (TIPS) 2014 which will take place on 20-21 November 2014 in the Hotel Sheraton in Brussels. The TIPS 2014 is being organized in partnership with ***Eurochambres / EBTC. Indian Chamber of Commerce*** and ***The Friends of Europe*** are again collaborating with the business summit. The TIPS adheres to the motto of ***"serving and building EU-India trade and economic cooperation";*** the concept initiated by a group of extraordinary business leaders and entrepreneurs from India and Europe. EICC-EBTC have collaborated in the past and EICC now being the official partner of the EBTC, it hopes that their collaboration will help Indian and European business in addressing issues of interest.

The summit is dedicated to fostering bilateral trade, investment and economic relations between European Union and India around the overall theme ***"EU-India Strategic Partnership: Beyond the Lost Decade: What will it take for European and Indian Businesses to make it Work"***, and will be the largest business event in the context of India and European business of 2014 in Europe which will provide the highest level platform for a concrete and constructive dialogue in the context of improving trade and investment between EU and India, and will offer Indian and European companies to build collaboration and business opportunities. The TIPS 2013 was organized our 2013 TIPS in the European Parliament on 16 October 2013 in which more than 150 business leaders from Europe and India had participated. Intellectual Property Right being the signature theme of the summit, strengthening dialogue and consultation mechanism on the Intellectual Property Rights Protection will receive special attention.

The objective of the TIPS 2014 is to create awareness on international business opportunities and feasibility of cross-border expansion for Indian and European business. The other objectives of the TIPS is to build a platform for communication between large, small and medium-sized enterprises in India and the EU for integrating resources and technical know-how. TIPS also promotes entrepreneurship, enhance mutual understanding and economic integration, and provide comprehensive services for international

operations to the Indian and European enterprises. The TIPS 2014 will discuss strategies for promoting SMEs in EU-India economic cooperation; entrepreneurial spirit of Indian CEOs to help India face the challenges of change; putting Clean-Tech and Green Growth at the heart of development strategies; emerging trends in renewable energy; emerging business opportunities and EU-India cooperation in the higher education in India; discussing the challenges of Urbanization through infrastructure development; EU-India Free Trade Negotiation; harnessing intellectual capital of Indian Diaspora for creating better understanding in business and culture. The Summit will make comprehensive overview on the strategic fundamentals of India-EU bilateral relationship in content and context and will suggest ways to give it a strategic dimension through a full spectrum of industry leaders, policy makers, senior executives in the corporate sector and representatives of the European Commission and trade bodies.

Summit documents are available in Chamber's website: www.eiccglobal.eu

India's IPR laws WTO-compliant, can't be challenged by US, says government official

India has said its patent laws cannot be successfully challenged by the US either bilaterally or in a multilateral forum, as they strictly comply with the intellectual property agreement of the World Trade Organization (WTO).

Any US unilateral trade measure against India on the ground of inappropriate intellectual property protection would be in violation of WTO rules and can be challenged there, an official in the commerce and industry ministry told Hindu Business Line. There could also be retaliatory action by India.

US business chambers and advocacy organisations has asked the Obama administration to designate India as a Priority Foreign Country, which means it will be bracketed with countries that are the most serious violators of intellectual property rights (IPRs).

The US imposes trade sanctions against countries included in the list. The campaign against India is being led by the US pharmaceutical industry that has been lobbying for a more favourable IPR regime in India so that it could get patents for upgrades of drugs whose patents have expired. Revenues of pharmaceutical companies worth over $40 billion will be hit in 2014 because of patent expiry, while in the following year it is likely to cross $50 billion, according to the Business Line report. The ministry is not too worried about the developments, as India amended its patents legislation in 2005 to bring it in line with the WTO's Trade Related Intellectual Property Rights (TRIPs).

The US has revoked many more patents, granted more compulsory licences allowing copies of patented products and taken action in a greater number of cases favouring the public over the patent holder than India, the official added. ''We are not concerned about the noise that the US is making about our IP laws. The laws have been framed to protect our industry, safeguard the health needs of our poor and comply with international rules,'' the official said.

The US pharmaceuticals industry intensified its protests against Indian IP laws after India granted a compulsory licence to Indian company Natco to manufacture an anti-cancer drug produced by patent-holder Bayer on grounds of prohibitive pricing and unavailability. US drug-makers are also particularly upset about rejection of a patent application made by Swiss company Novartis for an upgraded version of its cancer medicine by the Indian Patent Appellate Board. The US Government now wants India to drop a particular section (Section 3d) in the Indian Patent Act that allows rejection of patents on grounds that the product for which patent is sought is not significantly different from an existing product.

Indian Government notifies rules for 2% mandatory CSR spending from profits

Government on 27 February notified much-awaited rules for the new 'corporate social responsibility' regime under which companies with sizable businesses would need to spend minimum 2 per cent of net profit for benefit of society.

The CSR activities will have to be within India, and the new rules will also apply to foreign companies registered here. However, funds given to political parties and the money spent for the benefit of the company's own employees (and their families) will not count as CSR. Listing out the permitted CSR activities, the government said that they need to be undertaken as per approval of the company's board in accordance with its CSR Policy and the decision of its CSR Committee.

The CSR rules will take effect from April 1, as part of the new Companies Act. They will apply to the companies with at least Rs 5 crore net profit, or Rs 1,000 crore turnover or Rs 500 crore net worth. Such companies will need to spend 2 per cent of their three-year average annual net profit on CSR activities in each financial year, beginning the next fiscal, 2014-15.

For the purpose of deciding the CSR spending eligibility of a company, profit from overseas branches and dividend received from other companies in India will be excluded from the net profit criteria. Besides, contributions made "directly or indirectly" to any political party have been excluded from CSR ambit. The CSR policy of a company should also specify that "surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of a company".

A company can also carry out CSR works through a registered trust or society or a separate company. As per the rules, a company may also collaborate withother companies for CSR activities, provided they have to separately report about spending on such projects programmes. "The CSR activities shall be undertaken by the company, as per its stated CSR policy, as projects or programmes or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business", as per the notification by the Corporate Affairs Ministry.

In an official release, Corporate Affairs Minister Sachin Pilot said the rules have been finalised after extensive consultations with all stakeholders. "The rules provide for the manner in which CSR Committee shall formulate and monitor the CSR Policy, manner of undertaking CSR activities, role of the board of directors therein and format of disclosure of such activities in the board's report," Pilot said.

A wide range of activities including livelihood enhancement projects and steps for the benefit of armed forces veterans have been brought under the CSR ambit. When it comes to having manpower for CSR works, the government has said that companies can spend only up to 5 per cent of total CSR expenditure for them in a single financial year. This would be applicable for own personnel as well as those of their implementing agencies.

Indian Commerce ministry proposes 30% local sourcing for foreign suppliers

The commerce ministry has proposed a 30-per cent mandatory local sourcing obligation on all foreign entities supplying goods valued at over Rs300 crore to the central government or public sector enterprises.

The local sourcing clause should apply to all non-commercial deals with all foreign suppliers across sectors including civil aerospace, power (including nuclear), fertilisers, space, railways and other transportation, shipping, mining, steel, special metals, medical equipment, medicine, telecom and electronics.

The obligation, propose in the draft 'national offset policy', will be applicable only for non-commercial procurement by the government, which is estimated at $100 billion annually.

The draft policy, which specifies the parameters for imposing offset or domestic sourcing obligations on foreign suppliers, also proposes a National Offsets Authority headed by the Cabinet Secretary to monitor the mechanism.

The proposed policy allows cross-sectoral linkages, as the foreign supplier is allowed to fulfil domestic sourcing obligation by sourcing from a different sector. This may benefit a number of sectors, including social sectors such as education, software and infrastructure development.

There is also a negative list for offsets, which include import and export of services and export of agricultural products, mineral and ores.

The proposal is to be vetted by a committee of secretaries headed by the cabinet secretary before it is sent to the cabinet for approval. However, most ministries and departments have supported the proposed policy. Under the existing offset policy, the local sourcing can be used to attract investments, acquisition of technology, raw material and assets, and improving the balance of payments.

India reviewing its 83 bilateral investment pacts: Sharma

The government of India on 22 February said it is reviewing all its bilateral investment promotion and protection pacts amid global firms raising concerns about India's investment policies.

So far India has implemented 83 bilateral investment promotion and protection agreements (BIPPAs) with various countries.

"We have 83 BIPPAs which are currently under review because there are lessons learnt when these have been invoked by some (foreign) investors...Then there is question of domestic jurisdiction in many cases. It was debatable and that is why it has led to a number of international arbitrations," Commerce and Industry Minister Anand Sharma has said.

Referring to the invocation of these pacts by major foreign telecom firms like Telenor, Sistema and Etisalat, he said these companies came in after thorough scrutiny by government agencies like RBI and FIPB.

With the cancellation of telecom licences by the Supreme Court in 2012, Norway-based Telenor, Etisalat of UAE and Sistema of Russia went for international arbitration citing bilateral investment pact with India.

"We have bilateral treaties with these countries and these investments came in through our FDI policy, through the RBI,through proper scrutiny of FIPB approval and CCEA approval," he said.

The Supreme Court had on February 2, 2012 quashed allotment of 122 2G licences given during the tenure of the then Telecom Minister A Raja in 2008 on the ground that they were issued in a arbitrary and unconstitutional manner.

"Once the investment comes in, they enjoy full protection under the law which cannot be taken away and that has to be borne in mind because in recent past we have seen some developments which did cause anxiety." he added. He also pointed out that efforts are being made to determine what the legal framework of the agreement should be in the investment protection agreements.

"How to protect your investment and to assure your partner country that the investment that they make in our country have adequate legal protection," he said at an India International Law Foundation function.

"The specific issue which are being discussed is what should be the legal framework of the agreement in the investment protection agreements and treaties, whether it should be only the same protection as we give to domestic businesses for investment or it has to be beyond," he added.

IREDA receives EUR 200 million loan for renewable energy and energy efficiency

The European Investment Bank is providing a long-term loan of EUR 200 million to the Indian Renewable Energy Development Agency (IREDA) to help finance projects in the renewable energy and energy efficiency sector in the country. EIB Vice-President Magdalena Álvarez Arza and Shri Debashish Majumdar, Chairman and Managing Director of IREDA, signed the loan agreement in Delhi recently. EIB Vice-President Magdalena Álvarez stressed that “the Framework Loan will make long-term loans available

to support renewable energy and energy efficiency projects in India, a priority for the Bank's lending activity" and highlighted "the excellent cooperation with IREDA in this operation."

Ambassador of the European Union to India, Dr João Cravinho, stated: "This agreement significantly strengthens an important dimension of our relationship with India, and it opens up new perspectives for cooperation between the EU and India in a sector that is of great interest for both. The private sector is the global engine of growth and the primary source of new investments and the EU is committed to encouraging such investments in India."

The Framework Loan will significantly contribute to the EU-India Strategic Partnership in the area of climate change, fostering the development of renewable energy and the efficient use of energy. It will also contribute to covering energy demand and thus to economic growth and development in India.

The proposed Framework Loan will be a multi-investment scheme that will bring economic benefits to the region through the production of energy from renewable sources and will contribute to the reduction of greenhouse gas emissions and other airborne pollutants. The project schemes will be identified and presented by IREDA. The EIB will perform due diligence to ensure that all projects are economically and financially viable, technically adequate and in compliance with the Bank's social and environmental standards and Guide to Procurement.

The EIB loan would provide long-term financing, which will enable IREDA to extend longer-term loans. This will bolster the financial structure of the renewable energy and energy efficiency projects, as the development of this kind of investment requires substantial financing with long maturities appropriate to the economic life of the project. The long-term loan will be reimbursed in several instalments over the next 20 years. The EIB finance will cover up to 50% of the total project cost.

This loan is being provided under the EUR 4.5 billion Energy Sustainability and Security of Supply Facility. This is the EIB's seventh operation in India where it started operations in 1993. It is also the Bank's first lending operation with IREDA, the government agency funding only RE and EE projects.

Tata is India's 'most valuable' brand, Apple tops global list

The Tata Group was on 18th February declared India's most valuable brand, with a value of $21.1 billion, while US-based technology giant Apple has retained its top position globally with about $105 billion, in the annual list of the world's 500 top brands compiled by Brand Finance.

In the Global 500 list, Apple is followed by Samsung ($79 billion). The others in the top ten are Google, followed by Microsoft, Verizon, GE, AT&T, Amazon, Walmart and IBM in that order.

Tata, while retaining its top India ranking, has improved its global ranking from 39th in 2013 to 34th now. However, the number of Indian companies in the list has declined to five from six. Other than Tata, the global rankings of all other four Indian companies have dropped. These include State Bank of India, (347th), Bharti Airtel (381st), Reliance Industries Ltd (413) and Indian Oil Corp (474). Tata's brand value has increased from $18.2 billion to $21.1 billion, and it has consistently improved its ranking since being placed 100th in the year 2007.

The Indian company that has dropped from the list this year is ITC, which was ranked 445th last year. According to Brand Finance, SBI's brand value has dropped from nearly $6 billion to $4 billion, while that of Airtel has marginally risen from $3.74 billion to $3.8 billion. Reliance Industries' brand value has dropped from $3.7 billion to $3.5 billion and that of IOC from $3.4 billion to $3.1 billion. But, while Apple is the most valued brand, Italian car maker Ferrari has been dubbed the "world's most powerful brand". Brand Finance chief executive David Haigh said Ferrari's logo of a prancing horse is ''instantly recognisable the world over''.

He added, "The legendary Italian carmaker scores highly on a wide variety of measures on Brand Finance's Brand Strength Index, from desirability, loyalty and consumer sentiment to visual identity, online

presence and employee satisfaction. "Ferrari is one of only eleven brands (along with Google, Hermes, Coca-Cola, Disney, Rolex and Ferrari's F1 racing rival Red Bull) to be awarded an AAA+ brand rating and has the highest overall score," it added.

However, "being a niche, luxury brand with an officially capped production, it is perhaps unsurprising that it is some way off being the world's most valuable. Its $4 billion brand value puts it 350th in brand value terms," Brand Finance said**.**

Government of India allows FIIs, NRIs to invest in insurance sector

Foreign institutional investors (FII) and non-resident Indians (NRIs) can now invest in the insurance sector, within the overall 26 per cent cap on foreign direct investment (FDI).

Currently up to 26 per cent FDI is permitted in the sector. In a press note, the department of industrial policy and promotion (DIPP) said apart from insurance companies, the relaxation would apply to insurance brokers, third-party administrators (TPAs), surveyors and loss assessors. All of this investment can be made under the automatic route. The Insurance Act, 1938 does not stipulate any FDI limits for insurance intermediaries or TPAs, but sector regulator Irda has restricted it to 26 per cent.

The Arvind Mayaram committee on definition of FII and FDI, in its draft report, had also suggested composite caps whereby FDI, FII and NRI investments would form part of the total cap on foreign investments.

A senior executive from a private life insurance company said that having FIIs and NRIs within the 26 per cent FDI cap would enable companies that do not have a foreign partner to attract investments through the route. However, he added at the time of an initial public offer (IPO) by an insurance company, some stake may have to be diluted by foreign partners.

The department said the foreign investment would be subject to the condition that companies bringing in FDI would obtain the necessary licence from the Insurance Regulatory and Development Authority (Irda) for undertaking insurance activities. With respect to bank-promoted insurance companies, the department has said that private sector banking FDI norms would be applicable.

Banking sector FDI norms allow 74 per cent FDI, including investment by FIIs, in private sector banks. Here, the automatic route is followed up to 49 per cent and the government route beyond 49 per cent and up to 74 per cent.

The Insurance Act, 1938 says that an Indian insurance company is one in which the aggregate holdings of equity shares by a foreign company, either by itself or through subsidiary companies or nominees, do not exceed 26 per cent paid-up equity capital of such Indian insurance company.

In January, the Irda had set up a 10-member committee to look into 100 per cent FDI in insurance intermediaries and TPAs following requests from various stakeholders. The committee will submit its report in three months.

The Insurance Bill that seeks to increase FDI from 26 per cent to 49 per cent awaits Parliament approval. The Bill introduced in 2008 faced huge opposition in Parliament. There were various routes proposed, including models like 23 per cent through the FII route and 26 per cent through FDI.

IT sector exports to grow 13-15% in FY15: Nasscom

Improving economic conditions in the US and Europe is expected to push revenues of the Indian software and BPO export industry between 13 to 15%, adding $15 to $17 billion of incremental revenue in the next fiscal year (2014-15), industry body Nasscom said recently.

The industry's export revenues are estimates to touch $86 billion in the current fiscal and hover between $97-99 billion in the next fiscal. The overall industry's revenues this fiscal are estimated to be $118 billion dollars.

Nasscom president R Chandrashekar said that the IT-BPO spend globally at 4.5% is outpacing GDP growth at 3.7%. "And while global sourcing is growing twice as fast as IT-BPO and the Indian IT industry's growth is even faster." However, the domestic market is a "disappointment," with revenues stagnant at $32 billion for last fiscal and current one. Moreover, with the upcoming elections and slowing of decision making, no major uptick is expected in the business in the next fiscal as well.

Krishnakumar Natarajan, chairman of Nasscom said that the focus of the industry is clearly on digitisation (with focus on social media, analytics, mobility and cloud) and innovation with almost 1,000 to 1,200 start-ups emerging in the country, playing across the spectrum from e-commerce to education. "If we can successfully execute the risk on entrepreneurship, India could become the global hub for digital transformation."

The press conference precedes the annual three-day Nasscom Leadership Summit. The body also highlighted the upcoming challenges for the sector, which includes the uncertainty in the wake of approaching General elections this year, currency fluctuation, global regulatory hurdles such as the US immigration Bill. We have managed to move the needle a bit through dialogue with US policy makers, but the next six to eight months are "critical," said Natarajan who is also the chief of mid-tier firm MindTree.

This is one of the most bullish growth target given by Nasscom in the last couple of years. For the current fiscal, the industry body had started off by saying growth will be in region of 12-14%. The industry has managed a growth rate of 13%. In the last fiscal, the industry clocked a growth of 10.2%. This was much less that the original growth prediction by the body of 11-14%.

The strong growth rate predcited by Nasscom is also in line with the positive commentary from the Indian IT bellwethers during the announcement of the third quarter results. Nasdaq listed Cognizant has already predicted a growth rate of 16% for calendar year 2014 while large caps TCS, HCL Tech and Infosys are all bullish about the demand outlook.

On being asked if the outlook for the next year is too conservative considering the large-scale optimism in the market about overseas demand revival, Nasscom said that the estimate is the reflection of how they see the industry right now based on conversations with clients – a majority of which expect to spend higher on technology compared to this fiscal.

R.Chandrasekaran, vice-chairman of Nasscom and executive vice-chairman of Cognizant added that a growth rate between 13-15% is in no way conservative given the size of the industry which is over $100 billion now. "With this pace, the industry is well on track to meet its projection of clocking $300 billion of revenues by 2020."

Hinduja group to invest $1b in India

Diversified Hinduja Group has announced that it would invest a billion dollars (about Rs 6,200 crore) across sectors like real estate and media. "We are looking for various opportunities. Recession is the time when you can break opportunities to invest," Hinduja Group India Chairman A P Hinduja disclosed this recently.

"We are looking at various different sectors for investment which we are offered by various investment bankers. Very soon you would see that we may target few more investments," he said. When asked as to how much could be the amount of investments, he said: "Over all investment will be about a billion dollar."

He did not share a timeframe for these investments. On sectors where the group plans to make these investments, he said it could cover real estate, health sector, media, power and others. The group already

has presence in sectors such as banking & finance, transport, energy (oil & power) as well as technology, media and telecom.

Bullish on the long-term potential of India, Hinduja Group Global Chairman G P Hinduja said the group is sticking with its plans for the country. “We are a long term player. We do not see this downfall a permanent one. So whatever has been targetted we have been sticking to that,” he said. On the group’s progress in the power sector, he said it is confident of meeting the target of 10,000 MW power as its power plant at Vishakhapatnam is set for commissioning by the end of April or early May.

“We went through lots of hardships but finally it is completed and now there are three brown (field) projects which are in the pipeline, which we would be completing. Our target of 10,000 MW remains intact without scaling down,” he said. G P Hinduja further said: “Because of the recession we have been able to find ready-made projects which we call brown (field) projects and three of them would be completed very soon. This will fasten our target of completing 10,000 MW.”

After Walmart, Amazon lobbies for Indian FDI

After supermarket giant Walmart, it is online retail major Amazon which has begun lobbying with the US lawmakers to seek their support for facilitating its “foreign direct investment in India”.

According to lobby disclosure reports filed with the US Senate, Amazon.Com and its group entities including Amazon Corporate LLC have been lobbying on various issues since at least year 2000. However, it was only in the last quarter, ended December 31, 2013, when its lobbying issues included “foreign direct investment in India”, shows the latest disclosure report dated January 22, 2014.

During this quarter, Amazon spent a total amount of $960,000 (over Rs six crore) on numerous lobbying issues, which included “issues related to free trade agreements”, “Transaltantic Trade and Investment Partnership”, as also matters relating to various Acts and proposals in the US. Among others, Amazon lobbied with the US Trade Representative, the Department of Commerce, the Department of State and the US House of Representatives on these issues.

During entire 2013, Amazon spent a total amount of USD 3.45 million on lobbying, while such expenses have been mostly rising since the year 2000 when it began lobbying, shows the disclosure reports filed with the Senate. The total lobbying expenses during these 13 years exceed $21.5 million (about Rs 136 crore), but any Indian issue has figured among the “specific lobbying issues” in these reports for the first time ever.

Amazon’s lobbying in the US comes at a time when Indian government has floated a discussion paper on allowing FDI into e-commerce retail business in the country. A final decision would be taken after taking into account responses to this discussion paper. Earlier in November 2013, Amazon had said it is ‘engaging’ with the Indian Government for relaxing of FDI norms in the e-commerce space, saying such a move would help it begin “retailing products”.

Are Indian MSMEs losing their edge in world markets?

With their share of India's exports having declined from 46.2 per cent in 2009-10 to 43 per cent in 2012-13, India's micro, small and medium enterprises (MSMEs) appear to be losing their edge in world markets."While the dip in exports is chiefly attributed to the continuing contraction of global markets, Indian industry is aware that inadequate market development, limited R&D and innovation, and physical infrastructure bottlenecks have also contributed to the slowdown," said Raman Saluja, chairman of the Confederation of Indian Industry's northern region committee on MSMEs.

"It is high time MSMEs stepped up their innovation drive to gain a larger share of global markets and became more responsive to emerging global market trends. Export markets also help MSMEs reduce their dependence on the relatively price-sensitive domestic market," he added.

Saluja said that less than 0.5 per cent of Indian MSMEs export, while 25 per cent of European SMEs export within the EU and half of these (13 per cent) export worldwide. "The figures for Asian economies like Taiwan, South Korea, Singapore, and Malaysia are even higher, with SMEs driving their export boom," said Saluja.

Over the years Indian MSME manufacturers of items like readymade garments, leather goods, processed foods, engineering items, and sports goods have captured a sizeable share of global markets, but a lot more needs to be done, he noted.

The main markets for the 20 most-exported product groups, accounting for more than 90 per cent of MSME exports between 2009 and 2012, include the US, EU, UAE, Turkey, Singapore, Hong Kong, Israel and Saudi Arabia. Industry believes that Indian MSMEs need to diversify their export destinations and gain a larger share of emerging markets as well.

They also need to match the increasing standards of global supply chains, to gain market share. Ashwani Gupta, an exporter of scientific instruments from Ambala, said that to expand the number of exporters, the government could identify MSMEs that are export-worthy and provide them with market intelligence and training in the relevant areas. This, he added, would upgrade the skill-sets of small entrepreneurs.

Industry circles have also urged the government to provide assistance for establishing export development companies (EDCs) floated collectively by at least 10 MSMEs (of the same or similar product groups, or based in clusters) to market their produce.

DOWNWARD TREND

Year	Total exports	MSME exports	Share in %
2009-10	178,751	82,494	46.20
2010-11	251,136	111,403	44.40
2011-12	305,964	131,483	43.00
2012-13	300,274	128,978	43.00

(Export value in $mn) Sources: DGCI&S and Ministry of MSME

A senior official in the Union ministry of MSME said that to boost exports, the ministry is implementing the National Manufacturing Competitiveness Programme (NMCP). The NMCP has specific components aimed at enhancing the competitiveness of MSMEs to enable them to withstand global competition and thrive through better technologies and skills.

In December 2013 the ministry and the National Innovation Council (NInC) jointly set up the India Inclusive Innovation Fund (IIIF), which will invest in innovative ventures that are scalable, sustainable and profitable, but address social needs of less privileged citizens in areas such as health care, food, nutrition, agriculture, education and skill development, energy, financial inclusion, water, sanitation and employment generation.

The Union Cabinet has approved the fund, which will have an initial corpus of Rs 500 crore, of which Rs 100 crore is being contributed by the ministry of MSME. The balance will come from banks, insurance companies and overseas financial and development institutions. Since lack of capital is a key reason why MSMEs fail to take off, at least 50 per cent of its investments initially will be in MSMEs.

Recently, an inter-ministerial committee (headed by Madhav Lal, secretary, ministry MSME) on boosting MSME exports also submitted its report. Its recommendations are to be implemented by all ministries and departments concerned in a time-bound manner. These measures are expected to give a fillip to exports by MSMEs, the official added.

Visa-on-arrival facility for all but 8 countries from September

India will extend the visa-on-arrival facility to all countries except eight with effect from September. The countries not covered under this single-entry e-visa facility, meant for purposes other than paid employment and education with a one-month time limit, are Pakistan, Sudan, Afghanistan, Iran, Iraq, Nigeria, Sri Lanka and Somalia.

The facility is currently available to 11 countries, including New Zealand, Singapore, Luxembourg, Japan and Finland. With this decision by the government, India expects to become the world's number-one tourist destination, according to a government official. The country's total foreign tourist arrivals in 2013 stood at 6.84 million. Forex earnings from tourism grew 2.2 per cent year-on-year to $18.1 billion.

"Both the procedure and the scope of visa on arrival for tourists have been widened to boost tourism," said Rajeev Shukla, minister of state in the Planning Commission. He said the facility could later be extended to business visa seekers. To begin, around 26 airports in the country will have the infrastructure to provide the facility. Tourists will just have to a fill a simple form and pay the prescribed fee, after which they will be issued electronic travel authorisation within three days.

On arrival in India, a simple biometric identification will be done at the airport. To extend stay beyond 30 days, the tourist will have to get another visa from the embassy.

"This has removed a major bottleneck for the country, but this alone would not help. We need to ramp up our marketing activities internationally to attract tourists," said Subhash Goyal, president, Indian Association of Tour Operators.

Madhavan Menon, managing director, Thomas Cook India, pointed at the implementation hurdles. "The reality is that we don't have the infrastructure to support such plans. They also need to see if we have the wherewithal to host such a large number of tourists," he said. Around 1,090 more employees will be required to man the immigration counters at airports while there are 1,900 vacant posts in the department of immigration, according to Shukla.

Besides manpower, the home ministry has asked for additional infrastructure and a secure payment gateway for processing of these applications. Currently, a trial run for providing e-visas is underway for 140 countries. There were some objections to the expansion of the facility raised by the ministry of home affairs over security issues and by the ministry of external affairs over reciprocity, which were resolved, Shukla said.

India can be $100 bn software product industry by 2025: iSPIRT

India has potential to build USD 100 billion software product industry by 2025, think-tank- Indian Software Products Industry Roundtable (iSPIRT) has said.

"iSPIRT estimates that India has the potential to build USD 100 billion software product industry by 2025, contributing significantly to the nation's current account," officials of the think tank said.

"While the existing framework of sector's revenue contribution does not concur to this estimate, all that is required to make this happen is some resolute and purposeful action by two major stakeholders: industry and government," they added.

iSPIRT released its first 'Product Industry Monitor Report' that mainly focused on industry demographics, founder profile, talent management and financing aspects of India's product industry.

Highlighting the key findings of the report, Fellow at iSPIRT Foundation Srivardhini K Jha said, "Over 50 per cent of software product companies are completely self funded or bootstrapped."

She said another key finding is that lot of senior talent from MNCs is starting software talent companies - close to 40 per cent of founders come from MNCs. Stating that according to the report Indian software product startups are experiencing 'talent starvation' at the entry level, she said, "report also mentions that 78 per cent of Indian software product startups defy the universal logic of having founders with diverse skills, and instead have homogenous founding partners." Jha also noted that three most common product sectors that companies work in are Enterprise, SaaS and Consumer.

US told to avoid anti-India trade measures

As the US International Trade Commission began its hearings on India's trade, investment and industrial policies, a leading bilateral business group has urged Washington to avoid "unnecessary steps" that would imperil US-India economic relations. The US India Business Council, in its submission, has simultaneously called upon New Delhi to take steps to give the US better access to India's economy by improving infrastructure and creating "a regulatory environment that rewards and protects intellectual property".

"These and other issues can and must be resolved through ongoing cooperation and dialogue," said Ron Somers, president of the USIBC, a body that has more than 350 top US and Indian companies as its members. Noted economist Arvind Subramanian of the Peterson Institute for International Economics in Washington also pointed out that the trade frictions obscure how rapid and robust integration has been occurring between the two countries in recent years – not just in goods, but in services and foreign direct investment as well. "This integration has not come at the expense of US employment," he said, in response to a major American concern.

American industry's complaints of India's weak intellectual property protection regime and its domestic content requirements for foreign investors in certain sectors are at the core of the trade commission hearings, launched last year at the bidding of the US Congress. The commission's hearings come close on the heels of the US Trade Representative's decision to move the World Trade Organisation against India's local content requirements in the solar energy sector – a course that has irked New Delhi.

After this week's hearings in Washington on the impact of the Indian policies on the US economy, the trade commission's members plan to make two visits to New Delhi over the next couple of months to hold consultations with Indian officials. The commission is due to submit its report by November. In a written submission ahead of his formal testimony, Somers called upon the two countries to overcome challenges and strengthen their partnership. "This will pave the way for the world's two largest free-market democracies to shape the destiny of the 21st Century – for the better," he said.

To the numerous detractors on the American side, Somers has sought to make the case that India's "size, economic prominence, geopolitical influence and shared values with America make it an indispensable ally", so all policy discussions about India should operate from that understanding. Despite the complaints of American policymakers, lawmakers and companies, it has been pointed out that since President George W. Bush's India visit in 2006, the US-India two-way trade has grown from just $25 billion to more than $100 billion now.

The growth of India's civil aviation industry has been a major boon for US manufacturers. "Entire fleets of India's new private aviation industry rely wholly on US exports and content, creating literally hundreds of thousands of jobs here in the United States," Somers said, noting that this is just one of many success stories related to the engagement with India, another being its thriving telecom sector.

Subramanian, in his testimony, took the stand that India's overall integration was proceeding rapidly. "The concern that India has systematically turned protectionist in the last few years is belied by the inventory of actual policy changes," he said, but at the same time felt that "the Indian regulatory regime has become more uncertain and arbitrary in a manner affecting both foreign and domestic investors".

Commission unveils first EU Anti-Corruption Report

Corruption erodes trust in public institutions and in democracy, it undermines our internal market, it hampers foreign investment, it costs tax payers millions, and in many cases it helps organised crime groups do their dirty work.

Corruption is estimated to costs EU Member States no less than 120 billion Euros each year.

That is why the Commission adopted today the first EU Anti-Corruption Report. The Report gives a frank assessment of how each Member State tackles corruption, how existing laws and policies work in practice, and it suggests how each Member State can step up the work against corruption.

The Report shows that the level of corruption varies from one Member State to another. But it also shows that corruption affects all EU Member States. One thing is very clear: there is no "corruption-free" zone in Europe.

European citizens are fully aware, and concerned, about this. The results of two Eurobarometer surveys, also published today, show that a vast majority (76%) of Europeans think that corruption is widespread in their own country. More than half of Europeans (56%) think the level of corruption in their country has increased over the past three years.

One in twelve Europeans has experienced or witnessed corruption in the last twelve months, and four out of ten European companies consider corruption to be an obstacle for doing business within the EU.

This is all the more worrying in times of economic and financial crisis. In order to pull Europe from the brink of the crisis, we need to attack corruption effectively by pulling efforts from all sides. The Report will hopefully provide everyone - politicians, the public, media and practitioners – with a useful tool for taking national corruption policy forward.

A number of Member States have already put stronger focus on in recent years. New legislation has been adopted, new institutions have been set up and national anti-corruption strategies adopted in many member States. The Reports takes stock of these developments, the progress which has been made, and points to a number of good practices that others can learn from.

At the same time, the Reports shows that the results are not yet sufficient. We are simply not doing enough. That is true for all Member States. Existing laws and policies are not enforced enough, and a firm political commitment to root out corruption still seems to be missing.

The Report therefore calls for improvements in a number of different areas. In some Member States, vulnerability to corruption in public procurement processes is the main problem. In others, political party financing is not transparent enough. Widespread corruption at the level of local authorities is another example, or that many healthcare patients have to pay under the table to receive proper medical care.

For each of these areas, the Report suggests solutions, based on a careful assessment of each Member State. They include:

- better accountability and integrity standards;
- control mechanisms in public authorities;
- dealing with conflicts of interests by officials;
- how to address corruption at local level and in state-owned companies
- the effectiveness of courts and police, and protection mechanisms for whistleblowers;
- limiting risks of bribery in foreign countries, and making lobbying more transparent;
- And - developing innovative e-tools to enhance transparency.

The Report also takes a close look at corruption in public procurement. One fifth of the EU's GDP is spent every year in public procurement of goods and services, and this is essential to our economies. But it is also an area which is vulnerable to corruption: studies suggest that up to a quarter of the value of public contracts in EU Member States may be lost to corrupt practices.

According to the Eurobarometer survey we publish today, one third of companies that participated in public tenders say corruption prevented them winning a contract.

The Report therefore suggests Member States to make stronger efforts in this area, by strengthening controls and getting more dissuasive sanctions in place, as well as enhancing transparency.

This Report is a first step. It is the first time we have a complete overview of the situation in all Member States, and a set of suggestions for how to move forward.

We will now engage in a dialogue with Member States, the European Parliament, National Parliaments and others - and work with Member States to follow up on our suggestions.

In two years' time, the next EU Anti-Corruption Report will take stock of how far we have moved forward together.

Needless to say, it will take more than one report to root out corruption. But as Europe is finding its way out of the economic crisis, we cannot afford to drag our feet.

We hope that this will start a political process and will spur the political will and the necessary commitment at all levels to address corruption more effectively across Europe. The price of not acting is simply too high.

Equal Pay Day: Gender Pay Gap stagnates at 16.4% across Europe

Women in Europe still work 59 days ‘for free’ – this is what the latest figures released on 28 February by the European Commission show. The gender pay gap – the average difference between women and men’s hourly earnings across the entire economy – has barely moved in recent years and still stands at around 16% (it stands at 16.4% as the year before). The latest figures mean European Equal Pay Day is marked on 28 February, for the second year in a row. The EU-wide event marks the date in the new calendar year from which women really begin to be paid for their work as compared to men. In effect it means that today women work 59 days "for free" until they match the amount earned by men. This is the fourth time the Equal Pay Day takes place at European level: following its launch by the Commission on 5 March 2011), the second day took place on 2 March 2012 and the third on 28 February 2013.

"European Equal Pay Day reminds us of the unequal pay conditions women still face in the labour market. The pay gap has only narrowed marginally in recent years. To make things worse, the very slight decreasing trend for the past years is largely a result of the economic crisis, which has seen men's earnings decrease, rather than women's earnings increase," said Vice-President Viviane Reding, the EU's Justice Commissioner. "Equal pay for equal work is a founding principle of the EU, but sadly is still not yet a reality for women in Europe. Following years of inaction, it is time for a change. The European Commission is currently working on an initiative to trigger change, so that in the near future we will no longer need an Equal Pay day."

The gender pay gap is shown as a percentage of men’s earnings and represents the difference between the average gross hourly earnings of male and female employees across the EU economy. The latest figures show an average 16.4% gender pay gap in 2012 across the European Union. They show stagnation after a slight downward trend in recent years, with the figure around 17% or higher in previous years. A continuous decreasing trend can be found in Denmark, the Czech Republic, Austria, the Netherlands and Cyprus, where other countries (Poland, Lithuania) have reversed their decreasing trend in 2012. In some countries like Hungary, Portugal, Estonia, Bulgaria, Ireland and Spain, the gender pay gap has increased in recent years.

The declining trend in the pay gap can be explained by several factors, such as a rising share of higher educated female workers or the greater impact of the economic downturn on some male-dominated sectors, such as construction or engineering. The change is therefore not solely due to improvements in pay and working conditions for women.

A report by the European Commission from December 2013 on the implementation of EU rules on equal treatment for women and men in employment found that equal pay is hindered by a number of factors.

These include a lack of transparency in pay systems, a lack of legal clarity in the definition of work of equal value, and procedural obstacles. Such obstacles are for example the lack of information of workers necessary to bring a successful equal pay claim or including information about the pay levels for categories of employees. Increased wage transparency could improve the situation of individual victims of pay discrimination who would be able to compare themselves more easily to workers of the other sex.

The Commission is currently looking at options for action at European level to improve pay transparency and thereby tackle the gender pay gap, helping to promote and facilitate effective application of the principle of equal pay in practice.

Gender equality is one of the founding principles of the European Union. The principle of equal pay has been enshrined in the Treaties since 1957 and is also incorporated in Directive 2006/54/EC on equal treatment between women and men in employment and occupation.

On 9 December 2013, the Commission adopted a report assessing the application of the provisions on equal pay in practice in EU countries. It found that the main challenge for all Member States in future will be the correct application and enforcement of the rules established by Directive 2006/54/EC.

Besides monitoring the correct implementation of EU legislation, the Commission has continued to take action on all fronts to tackle the pay gap, including the Equality Pays Off Initiative during 2012 and 2013, which supported employers in tackling the gender pay gap with the organisation of workshops and trainings; annual Country Specific Recommendations issued in the framework of the European Semester drawing the attention of Member States to the need to address the pay gap; European Equal Pay Days; exchange of best practices; and financing of Member State initiatives through the Structural Funds and actions by civil society.

Examples of good practices promoting equal pay at the national level include:

- The Belgian Parliament passed a law in 2012 obliging companies to carry out a comparative analysis of their wage structure every two years. Belgium was also the first EU country to organise an Equal Pay Day (in 2005).

- The French government has strengthened existing sanctions against firms with 50 employees and above that do not respect their obligations regarding gender equality. For the first time, as a result of a 2012 decree, two firms were found in April 2013 not to have complied with the legislation on equal pay.

- The Austrian Equal Treatment Act obliges companies to draw up equal pay reports. The rules, which were phased in gradually, are now compulsory for companies with over 250, 500 and 1000 employees. Companies with more than 150 employees will have to produce a report from 2014.

- The Portuguese Resolution on 8 March 2013 includes measures to guarantee and promote equality of opportunity and results between women and men in the labour market, including the elimination of wage gaps. The measures include reporting on gender gaps in wages by industry.