EICC

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EICC to partner IMC for the "India Calling 2009" in Brussels

Come September, Brussels will witness one of the biggest Trade and Business Summits ever held in Europe. The theme of the Summit called "India EU Business Partnership Summit" within the framework of "India Calling 2009" will be held from 30th September to 2 October 2009, and will be attended by more than 250 business leaders and young entrepreneurs from India and Europe. The Conference is being organized by the Indian Merchants' Chamber in partnership with the Europe India Chamber of Commerce and will be held in the European Parliament. The Objectives of the Conference is to build an all round strategic business partnership between India and EU, project India and EU as attractive investment destinations and highlight unlimited business opportunities between the two partners with particular emphasis on Belgium. In addition, the Summit being organized in the midst of global economic slowdown will also aim to provide a platform for the SMEs from India and Belgium in particular and other EU countries in general to meet and interact with each other to identity new areas of business cooperation including technical collaborations and joint ventures in various sunrise sectors. Like earlier Conferences, this Conference too will be supported by the Ministry of Overseas Indian Affairs and the Ministry of Commerce of the Government of India. Since 2004 the IMC has been successfully organizing the India Calling Conferences abroad with enthusiastic participation from Industry, Government and Overseas Investors. The last India Calling Conference was held in Toronto and Vancouver in 2008. A high level delegation from the IMC led by the President elect Mr. Gul Kripalani visited Brussels from 26-30 April to discuss the logistics and preparation of the conference with the EICC Secretary General and other members of the Board. The EICC has offered some valuable suggestions including the direction which would make the event most relevant in the context of current global economic slowdown and how India and Europe can work together improve their trade cooperation. During their three days visit, the team met with the Ambassador of India His Excellency Dr. Jaimini Bhagwati; key officials of Belgo-Indian Chamber of Commerce & Industry, Port Authority of Antwerp, Apex Industry Association in Belgium – AGORIA, Flanders Investment and Trade and Walloon Export Agency (AWEX). The team held discussion with Member of European Parliament and Chairperson of the EU-India Parliamentary Delegation Ms. Neena Gill. The delegation also met with Baron Dilip Mehta who has assured full support and cooperation on behalf of diamond community in Antwerp. Members of the IMC delegation included Secretary General Mr. P N Mogre and Mr. Dilip Dandekar, Vice President and Chairman of the India Calling Committee.

EICC and NYENRODE decide to integrate their knowledge programme

The EICC and Holland based Nyenrode Europe India Institute have decided to jointly embark upon various activities in order to take benefit from each others' strength. It has been agreed that the EII will be the knowledge partner of EICC in producing content and hosting various activities and events of EICC. EII and EICC will form a consortium of companies (both Indian and European) and B-Schools (both Indian and European) to work on EU-India business related topics. Nyenrode Business Universiteit was founded in 1946 as a private university with the motto promoting "for and by business". EII and EICC will involve their respective partners and associates such as ASSOCHAM, IMC and Indian Institute for Foreign Trade for this purpose. They will work together to put forth the research on the subject of Europe India business relations. Also, they have agreed to bring out quarterly publications highlighting current status and opportunities in Europe-India business relations including studying and analysing the FTA. Through cooperating with each other, both institutions aim to achieve excellence and make the activities more visible and useful in Europe and in India. Both have decided to constructively contribute to their joint objectives and collectively create a brand unique and distinct from all others in order to shape trade and economic relations between Europe and India.

Sweden sets its eyes on Indian nuclear pie

India, whose nuclear market is valued at about $150 billion over the next few decades, has seen a rush of global companies landing in New Delhi since the U.S. deal was signed, ending 30 years of its global nuclear isolation. After countries like France, the US, Britain, Russia and Canada, it is now the turn of Sweden to woo India for joint venture on Nuclear energy. A Swedish business delegation on nuclear power and safety management visited New Delhi in April to explore business opportunities in this field. In addition to learning India's nuclear policies and the regulatory framework, the team also explored the in-depth information on the India's nuclear power sector and identified the strengths and weaknesses of the leading nuclear companies in India. India signed a civilian nuclear co-operation agreement with the United States last year. Sensing the investment requirement to secure future fuel supply for nuclear reactors, India signed a bilateral nuclear deal with European Union civil nuclear cooperation in September 2008. This deal will attract global majors like Areva and Alstom to the huge untapped nuclear market of India. It is estimated that this deal will bring around US$ 29 Billion worth of nuclear market business in the next 15 years for the French companies like Areva and Alstom. India is not a nuclear novice. It already has 17 nuclear power plants, with six more under construction. But since the country was largely excluded from trade in nuclear plants or materials, despite generating nuclear power for 30 years, its technology and know-how are not up to date. For instance, despite having the world's second-largest reserves of thorium, power plants in India are all based on uranium, a nuclear fuel and technology available only in the developed world. India's nuclear power generation amounted to just 3 percent of its total power generation capacity of 140 GW in 2007-08. Plants in various stages of construction will add another 3.2 GW of capacity, bringing total installed nuclear capacity to 7.3 GW by 2012. Indian government has set a target to add a capacity of 63,000 megawatts nuclear power by 2030 at an estimated development and generation cost of over $80 billion. Sweden seems to be bullish on back-end operations like nuclear waste management for which they see India a market of around 2 billion US dollars.

Sweden has taken a more nuanced approach to the US-India nuclear deal, stating that its position in the Nuclear Suppliers' Group would depend on the safeguards agreement that India signed with the International Atomic Energy Agency. Although Sweden has expressed some concern about NPT, the Swedish line compliments India's excellent non-proliferation record and accepts that even though India is outside the NPT regime, it behaves as part of the non-proliferation regime. In addition to wooing India on joint venture on nuclear energy, Sweden has also expressed its interest in helping India in nuclear waste management. Although countries like France, the US, Britain, Russia and Canada have already established ties with India in the nuclear field aiming to grab its share of India's over $150 billion nuclear pie, Sweden is confident that there is a lot of scope for cooperation with India. Sweden's competence in the field of nuclear safety and nuclear waste management is globally known and the country is very advanced in developing systems and solutions including experience in nuclear energy production.

India emerging as low-cost carbon market

India has a distinct advantage in the global carbon market because the investments required in this field in the country are relatively small due to lower input costs. This is proving to be a blessing in disguise for Indian firms that many developed countries in their search for cheap and risk-free credits chose not to invest in India. India has also consolidated its leadership position in terms of host country-approved CDM projects. Programmatic clean development mechanisms that involve emission reduction for mass-based programmes hold great opportunity for Indian small and medium enterprises. It is estimated that India has a market value of £191 billion in low-carbon and environmental goods & services (LCEGS). With a 6% share of the £3,046-billion global market, the country is tied with Japan at the third position.

The emerging economies in Asia represent 38% of the global total, followed by the Americas, with 30% and Europe with 27%. India and China are identified as the hotbeds of the emerging low-carbon economy that currently don't have the same level of technology and sector development as the US or Japan, but have relatively large market bases due to their fast developing economies and large population bases by the report titled Low Carbon and Environmental Goods and Services: An Industry Analysis by BERR (Department for Business, Enterprise and Regulatory Reform, UK) and Innovas, a research consultancy firm. Ever since it was established in 2001, the carbon market has captured the imagination of Indian entrepreneurs. This market is already seen as the fastest growing market in the world. Global carbon markets are set to change towards sustainability and equality. The US leads with a market share of 20.6% worth £629 billion. It's followed by China with a market share of 13.5% worth £411 billion, according to a new British government report. The report identifies Asia as the emerging epicenter of the sector, more popularly referred to as a low-carbon economy. Competition for low-carbon technologies is picking up in Europe and some parts of the United States as the private sector and some governments start to make the shift. Moreover, the Global Carbon Exchange in London is well established and growing fast, leaving commodity exchanges in Asia lagging behind. In India – though the clean technology sector is still considered a niche – investors and venture capitalists believe the country is likely to achieve growth in the renewable sector similar to that attained in its information technology industry. Some of the key factors behind the expected growth in renewables are surging energy demands and increasing pressure on water resources.

India most active in initiating anti-dumping cases, finds WB

According to a report published by the World Bank, India has emerged as the most active nation in initiating anti-dumping measures against imports affecting 19 countries. India's initiatives reflect its concern over an increased level of protectionism. The developing countries initiated majority of anti-dumping investigations with India accounting for 29 per cent of such moves, the report said. However, the developed nations accounted for the greatest number of duty impositions. In December 2008, India had initiated anti-dumping investigations, involving both hot and cold-rolled stainless steel products adding that in addition to Japan, three developing countries - China, South Africa and Thailand - were the target in both investigations. At the same time, according to the World Trade Organisation, India is on top of anti-dumping probes. India accounted for more than one-third of new anti-dumping investigations initiated by WTO member countries between July and December 2008. China and Brazil too figured among the nations resorting to protecting their industries against dumping. The trade policy reviews report of the World Trade Organisation released recently showed that India initiated 42 anti-dumping investigations out of the total 120 such probes taken up by all the member countries affiliated to the multi-lateral agency. The other main users of anti-dumping, measured by investigations initiated, were Argentina, Turkey, and the European Communities, while the main targets of anti-dumping investigations were China, the European Communities and the United States, the report said.

Mumbai beats New York to emerge more expensive for expats community

A Survey on housing costs and practices for employees sent on overseas assignments has found Mumbai emerging even more expensive than New York City and China's Capital Beijing. The survey by global HR consultancy Mercer puts India's financial hub Mumbai and the national capital New Delhi are among the world's ten most expensive cities for expatriates to live in. Mumbai has been ranked as the world's fourth most expensive city in terms of rental property for expatriates, while New Delhi is eighth, the survey for February 2009 said. Mumbai has moved up by one notch from its fifth position in the September 2008 survey, while New Delhi has fallen two places from its sixth place in the previous ranking. Moscow has topped the list of world's most expensive cities and is followed by Tokyo (second), Hong Kong (third), Mumbai (fourth) and New York City (fifth) as the five most expensive cities across the globe for expats to live in. The survey highlighted that Asian cities have dominated the list of the world's costliest locations for expats living there, with as many as six locations from the region being among the world's top ten. The world's housing markets have been sliding since 2008, and major currency fluctuations in the past few months have also had a strong impact on the comparative cost of expatriate housing, the Mercer survey revealed. In today's market, it is imperative for firms to develop a global talent pool that support international business demands and housing remains one of the most sensitive issues in expatriate package negotiation process, Mercer added. Beijing has been ranked sixth followed by Geneva (seventh), New Delhi (eighth), London (ninth) and Singapore (tenth). Interestingly, the survey stated that current slowdown has led companies towards a fundamental shift in the types of housing being offered in India. Earlier, multinationals used to provide expat employees with luxurious housing options such as large farmhouses featuring world-class facilities. However, today, an increasing number are opting for luxury condominiums which provide the same kind of facilities but at a lower price.

Where 3 iPhones equals one *Nano,* Apple miscalculates Indian market

The global economic recession and financial crisis seems to have hardly any impact on Apple Inc. as the electronic and software giant posted a quarterly profit of $1.21 billion on revenue of $8.16 billion. Apple sold 3.79 million iPhones, up a huge 123 per cent from the same period last year. However, the fastest growing cell market in the world, Indian market has shown total distaste to push iPhone ring buttons. Any body would have thought that crazy rise of mobile phone market in India would have been the best market for any new gadget in communication technology, but in a country where, 3 iPhones equals one ***Nano,*** the $2,000 car that Tata Motors launched in India recently. it is but natural that Indian market gave a cold reception to the Apples. The iPhone is priced far beyond the reach of even many middle-class Indian consumers. Even though iSuppli, the El Segundo (Calif.) market research company, estimates iPhones cost less than $175 to build, both Apple and Airtel stuck to the approximately $700 price for the phone in India, vs. $199 with a two-year AT&T (T) contract in the US. The carriers Vodafone (VOD) and Bharti Airtel (BRTI.BO) have been offering Apple's (AAPL) iPhone since last August but the unsold phones are stacking up at shops around the country. It is very doubtful that Apple will be able to break down sales figures as the sales here have yet to touch 20,000 handsets. So what has gone wrong for Apple in India? This also explains - a fresh graduate recruited by one of India's leading software companies will have to pay 1.6 times his or her pretax monthly salary of 25,000 rupees to satisfy an impulse to own the iPhone. Needless to say, Apple needs to rework its iPhone pricing in India if it hopes to attract a respectable number of customers in this rapidly growing economy.

India gets 43 pc FDI through Mauritius route

Mauritius, considered a tax haven for Global Inc. accounted for 43 per cent of cumulative foreign fund inflow into India. According to figures available with the Department of Industrial Policy and Promotion, of the total $81 billion FDI that has come into India since April 2000, $35.18 billion was routed through the Mauritius route. The Organisation of Economic Cooperation and Development (OECD) which has drawn a global list of tax havens, has not included Mauritius among the preferred jurisdictions of the tax get-aways. However, the tiny nation in the Indian Ocean, which levies effective corporate tax of less than three per cent, is considered the best place for avoiding taxes. Though India has a Double Taxation Avoidance Agreement with about 65 countries like the US, UK, Japan, France, and Germany, it is Mauritius which is the most preferred route for FDI inflows. Even though India offers several exemptions and reliefs to companies on the corporation tax of 30 per cent, the effective rate in the country for the corporate is no less than 20 per cent. So much tax arbitrage makes sense for companies to go and register themselves in Mauritius. Tax concessions have been a major driver for companies routing (investments) into India through Mauritius. There is corporate tax of 15 per cent and they give deemed credit.

EU countries will elect representatives to the European Parliament in June

The European Parliament will see many new faces after the Parliamentary election which will be held between 4 and 7 June 2009 in the 27 member states of the European Union (EU). The 736 Members of European Parliament (MEPs) will be elected by proportional representation to represent some 500,000,000 Europeans making this the biggest trans-national elections in history. The representatives the EU citizens will elect will be in action until 2014 and will play a major role in Europe's political future. Whether it is the state of Europe's environment or the extent to which the EU's borders should be open to immigration, the European Parliament plays an important role in determining the rules and laws governing EU citizen's lives. During last few years, the EP has received a lot of criticism from several sectors including EU civil society groups and citizen's charter. The "*No2EU -Yes to Democracy"* views European 'parliament' as an expensive fraud which has no law-making or parliamentary powers. According to them, all EU laws are proposed by another EU institution, the unelected European Commission, which is heavily influenced by corporate and big business lobbyists. A recent report showed that MEPs can make over one million Euros from a single five-year term by claiming various allowances, employing family members to screw the system and even for assistants for whom no record exists. However, EICC views that the European Parliament has a crucial role to play in the EU development policies. The Parliament has to ratify all European agreements and has the power to raise issues with the European Commission. Moreover, as the watchdog of European institutions, the European Parliament is also able to put political pressure upon issues on which it does not decide. The Lisbon Treaty, if entering into force, will reinforce the role of the Parliament, the number of cases in which the European Parliament will have decision power increases and the link between national parliaments and European Parliament is strengthened. The first task will be to oversee the implementation of the new institutional structure foreseen by the Lisbon Treaty, following ratification. Thus, the upcoming year 2009 will be an opportunity for change in various fields. A new European Parliament and a new European Commission will also take office for the next five years.
