



Europe India Chamber of Commerce

Newsletter

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Indian Ministers to address IMC-EICC Europe-India Business Partnership Summit in Brussels

At least two Indian ministers have confirmed their participation at the jointly organised IMC-EICC Europe-India Business Partnership Summit "India Calling 2009" which will be held in Brussels from September 30-October 2, 2009. The 3-day major international meeting is being organised by the Indian Merchants' Chamber (IMC) in association with the Europe India Chamber of Commerce (EICC). Mr. Kamal Nath, Minister of Highway and Surface Transport and Mr. Vaylar Ravi, Minister for Overseas Indian Affairs have confirmed their attendance. A high level IMC team led by its President Mr. Gul Kripalani visited Belgium last month and held discussion with various chambers of commerce and associations in Belgium. The team also met Baron Dilip Mehta, CEO of Rosyblue and Baron Dr. Ajit Shetty, Corporate Vice President of the Johnson & Johnson and Chairman of Janssen Pharmaceutica, and Deputy Chief of the Indian Embassy Mr. M K Lokesh. The IMC has signed the MOU with three best hotels in Brussels for the India Calling 2009 conference. The Inauguration of the Conference will take place in Hotel Conrad on 30th September evening. The First day of the Business Session on 1 October will take place in the Hotel Sheraton and the Business Session on Second day will be in the Hotel Hilton. For more details and participation, please visit websites www.eicc.be and www.imcnet.org. The EICC Secretary General can be contacted by E-mail: sunil.prasad@eicc.be or sunil.prasad@coditel.net

KPMG, the Knowledge Partner of this Conference will bring out a Research Paper on "India-Europe Business Partnership: A Roadmap to overcome the current global recessionary trends and kick start the recovery". The State Governments of Maharashtra, Gujarat, Jammu and Kashmir have already confirmed their participation as partner states. High level Government officials from these states will make presentations on "New Business and Investment opportunities in their respective states" Over 150 leading business leaders and entrepreneurs from India of Chairman, Managing Director and CEOs level of leading companies in sunrise sectors will participate in the conference. Indian delegation will also consist of 30-35 women entrepreneurs who are members of the Ladies' Wing of IMC. Similarly over 150 businessmen representing the well known companies from Belgium and other EU countries will participate. So far Chambers and trade bodies of Belgium, France, Italy, Germany, Spain, Netherlands and UK have confirmed their participation and present their States' business and investment potentials. The composition of Indian delegates from the sunrise sectors such as Agro and food processing, Diamond, Environment and Technology Transfer, Financial Services, Infrastructure, Pharmaceuticals, Biotech and Healthcare, Port and logistics, Renewable Energy, Retailing and Tourism and Hospitality will be of added importance to the participants. The Conference is being held at a time when the economic meltdown has mounted pressure on all economies sucking the strength of traditional economic drivers in Europe. The Conference will therefore facilitate interaction and dialogue which will allow the key business leaders of Europe and India to address the immediate challenges posed by the crisis. While nothing like this type of event has happened before in Brussels, the EICC is committed to creating opportunities by leveraging the power of the biggest names in business and leadership in India and in Europe through this Conference.

EICC Corporate Member Sushil Handa to represent EICC at the WTO Public Forum

On the invitation of the American Chamber of Commerce to the European Union, EICC corporate member Mr. Sushil Handa will join as a panelist in the WTO Public Forum 2009 scheduled to take place in Geneva on September 29th 2009. The panel is entitled "*Protectionism - What does it mean for foreign direct investments? Implications for global governance*". The AmCham had asked EICC to nominate a dynamic "Senior Executive speaker" of a company of Indian parentage facing foreign direct investment issues as a panelist on the AmCham-EU panel.

The following link gives http://www.wto.org/english/forums_e/ngo_e/forum09_background_e.htm information about the event. The Session will address issues such as the current and anticipated protectionist barriers to FDI in various sectors and across different regions or countries; what is the

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business impact of such measures; which global solutions can address these global challenges to ensure sustainable recovery and long-term economic growth, and what the implications for global governance? The panel is composed of business representatives from the EU, the US and a developing country as well as a representative from an EU institution, and will be moderated by a representative from the AmCham EU Trade and External Affairs Committee. This session relates to the first sub-theme of the forum (Finding global solutions to global problems: The way forward towards better global governance) by providing global business perspectives and solutions to the global problem of FDI restrictions affecting world trade in goods and services. The event will be a major branding opportunity for companies and an opportunity to draw attention to particular issues that need to be addressed. It will also provide a chance to network with stakeholders present at the WTO Public Forum hosted by WTO Director General Mr. Pascal Lamy.

Leaders in India Business Forum gathers pace and momentum

“Leaders in India Business Forum” to be held in Mumbai from 8-10 October 2009 has generated terrific interest all over the world. The theme of the Forum is: Looking Inward: Leadership and Business Success”. The event will be hosted by Steve Tappin, CEO and author of – ‘The Secrets of CEO’s’. The EICC is a strategic partner of the Informa India to promote the event in India and abroad. “Leaders in India Business Forum” comes at a time when the global economic meltdown has mounted pressure on all economies, and policy makers and business leaders are seeking solution and strategies to face the economic downturn. Against this backdrop, the Forum will facilitate interaction and dialogue that will allow key leaders to address the immediate challenges posed by the crisis. The discussion will be based on themes in the fields of business and economics, leadership development, global shifts on challenges of climate change and Innovation. The Forum provides unique opportunity for business leaders in general and young entrepreneurs in particular to share their ideas on global issues. Some of those who have very recently added the impressive list of speakers are: Princess Sheikha Mozah, Princess of Qatar, Abhi Shah, CEO Clutch Group, Chairman Bob Charles, Regional MD, Abdulaziz Sager, Chairman and Founder, Sager Group Holdings, UAE, Mr. Sushil Handa, Corporate Member of the EICC will also address the Forum. For more info, for participation, please visit websites: www.eicc.be and www.leaders-india.com Organisers can be contacted on mail Id: leaders@leaders-india.com

500 million internet users in India by 2012; no more a pipe dream, says MAIT

Manufacturers Association for Information technology (MAIT), the India IT hardware group has set itself an ambitious target for India’s Internet users. Ambitious would be an understatement if one looks at the numbers. It has said that India could have 500 million internet users, 100 million broadband connections and 100 million connected devices by 2012, provided infrastructural bottlenecks are removed and 3G and Wi Max networks are rolled out early. 500 million internet users are potentially coming from the large pool of 400 million mobile users which would be 700 million in 2012. India is betting high on mobile Internet more than anything else. But 100 million connected devices? MAIT has set for itself an ambitious target-- Goal 511-- for achieving 500 million internet users, 100 million broadband connection and 100 million connected devices by 2012. According to MAIT, this calls for strengthening of the national IT infrastructure along with the physical infrastructure on a priority basis. At present, India has the fourth largest number of Internet users in the world, with 81 million users. India is behind the US (220 million), China (210 million) and Japan (88.1 million), three million broadband subscribers and about 1-2 million connected devices in the country. To achieve the target, India needs early roll-out of 3G and Wi-Max networks. These will not only enable consumption of front-end devices and other back-end devices, but will also create a new economic paradigm through various applications, services. Manufacturers' Association for Information Technology (MAIT) is the apex body representing India's IT hardware.

India starts FTA negotiation with Switzerland

While the Free Trade negotiation with the European Union gathers pace with six rounds of negotiation already having taken place, India is now seeking an FTA with the European Free Trade Association (EFTA), which has countries like Switzerland, Norway, Iceland and Lichtenstein as members. It is learnt that apart from trade in industrial and agricultural goods and services, there would be strong focus on implementation of intellectual property rights regime. The EFTA countries and India had set up a joint study group to move towards a broad-based trade and investment agreement. Based on the positive recommendations of the joint study report, it was agreed in January, 2008 to initiate negotiation for a free

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trade agreement. Major items of Swiss exports to India include machinery, precious stones and metals, jewellery, pharmaceutical products, precision instruments, organic chemicals, fertilisers soap and washing preparations. India's exports to Switzerland mainly include organic chemicals, precious stones and metals, jewellery, agricultural products, machinery, metal and metal products, fertilisers, dyes and footwear. About 150 Swiss companies have formed joint ventures or subsidiaries in India. Switzerland is also among the top foreign investors in India.

Rolls Royce sees India emerging as most important market

For Rolls Royce India will be the single most important market for Rolls Royce in the next 5-10 years. Rolls Royce Motor Cars, the UK-based manufacturer of luxury automobiles, sees India emerging as its most important market in the next five to 10 years, and is looking at using parent BMW's supplier network in India to source components. The super-exclusive British marque, which sells cars on the basis of pre-determined quotas in low-volume markets, seems to have realised the potential of India, the second-fastest growing economy in the world. According to company sources, market for Rolls Royce cars is shifting from the West to the East with markets such as India and China contributing more to its growth. Rolls Royce cars are custom-made at its Goodwood factory in the UK, and the talk of sourcing components from a foreign country is a first for the carmaker. In the long term, according to the company, India represents a phenomenal business opportunity because we have seen a general movement of our business from the West to the East, to markets like India and China that have played a crucial part in the growth Rolls Royce has enjoyed. Rolls Royce, which was an intrinsic part of India's princely past, made a re-entry into India in 2005, and was surprised when sales hit around a-car a-month beating expectations by miles. Although the company admits it benefited from its Indian heritage, it's now clear it wants to target the "new Maharajas — the kings of business".

India-targeted M&A volume touch \$19.9 bn

Merger and acquisition activities involving Indian companies have slumped to a three-year low of \$19.9 billion so far in 2009, lowest in 3 years, with the corporate world facing a liquidity crunch in the wake of the global financial crisis. In terms of the number of deals, however, finance was at the top with about 65 M&A deals till date in 2009, followed by technology (52) and construction (37). "India-targeted M&A activity reached \$19.9 bn via 484 deals this year to date, down 33% on the same period last year, making it the lowest year to date level since 2006," global deal-tracking firm Dealogic said in a report. According to them there had been M&A deals worth about \$29.70 billion in the corresponding period in 2008. Out of \$19.9-billion M&A deals involving Indian firms, inbound deals amounted to \$2.3 billion where foreign firms bought stake in Indian companies. Inbound cross border M&A has fallen 27% to \$12.3 billion via 103 deals, the report said, adding outbound M&A activity fell marginally to \$13.9 billion through 54 deals, a 0.40% fall from the same period last year. "Inbound cross border M&A volume would have dropped more significantly had it not been for MTN Group's \$9.5 billion acquisition of a 7.7% stake in Bharti Airtel, the second largest India inbound deal on record," Dealogic said. The Bharti-MTN deal with a potential value of \$23 billion is the largest M&A deal in the telecommunications sector in 2009 YTD. Besides, the valuations of outbound deals too were propelled by Bharti Airtel's \$13.2 billion acquisition of a further 36% stake in MTN Group to increase its holding to 49%. The telecom sector was the most active segment this year as the sector alone witnessed deals worth \$10.3 billion, followed by oil & gas (\$2.1 billion), Construction (\$2 billion), Technology (\$1 billion) and finance (\$0.80 billion).

No coma, no full stop - UK companies continue offshoring IT to India

In their attempt to cut costs amid the global downturn, two in every three UK-based firms have off-shored a portion of their IT functions in the last six months, with a large portion of it going to India, a survey says. According to a survey by an UK-based IT recruitment firm IT Job Board, almost two thirds (64 per cent) of the companies surveyed have off-shored a portion of their IT functions in the last six months. Further, about 34 per cent of the IT professionals in the companies that participated in the survey said more than half of their IT department had already been shifted overseas and 79 per cent respondents said the work had been sent to India. "Off-shoring is becoming an increasingly popular phenomenon, particularly as firms look to reduce cost during these difficult economic times. UK is in midst of skills crisis, which is currently being undermined by the recession. If we are going to combat the long-term issues associated with IT skills, then businesses should be looking to train and utilise local talent, rather than off-shoring their IT activities," IT Job Board head (international marketing) Teresa Sperti said. Firms also need to

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weigh up the cost benefit with the trade off in quality, before making the decision to off-shore, she added. In their outlook for the next six months, exactly half (50 per cent) of IT professionals believed their companies would offshore work and 75 per cent felt the work would go to India, the survey revealed. In terms of the roles being affected, 79 per cent thought software developer jobs were being outsourced, 71 per cent stated programmer roles, and 67 per cent advised IT support jobs were being impacted. Besides, about 40 per cent IT professional surveyed believed the main issue with offshoring was lack of business knowledge and 83 per cent felt it was having a negative impact on the quality of their IT. Interestingly, about 76 per cent of respondents felt that offshoring presented no long-term benefit to the economy, the survey added. The IT Job Board works with the UK and Europe's leading businesses and IT recruitment agencies to offer live permanent and contract IT jobs.

Two Indian Drug firms are target of EU investigation for antitrust practices

European Union (EU) regulators are investigating some drug firms over suspected antitrust practices that include deals with makers of cheap generics to delay drugs' market entry, the European Commission has disclosed. In her final report of a probe into the pharmaceuticals sector, EU competition commissioner Neelie Kroes said that delays in bringing cheaper generic medicines to the market had pushed up consumers' bills by 20% between 2000 and 2007. According to the Commissioner, the first antitrust investigations are already under way, and regulatory adjustments are expected to follow dealing with a range of problems in the sector. The EC, the EU's executive arm separately announced an antitrust investigation into privately owned French drug maker Servier Laboratories and generics firms Krka d.d, **Lupin Ltd, Matrix Laboratories Ltd**, now a unit of Mylan Inc., Niche Generics Ltd, part of Unichem Laboratories Ltd, and Israel's Teva Pharmaceutical Industries Ltd. The commission said its investigation concerned unilateral behaviour by Servier and deals which may have blocked the entry of generic perindopril, a cardio-vascular drug originally developed by Les Laboratoires Servier, into the European Economic Area. The EU Commissioner had launched her sector investigation in January 2008 with a series of raids on makers of brand-name drugs, including AstraZeneca, GlaxoSmithKline, Pfizer, Merck and Sanofi-Aventis. Settlement deals have also come under fire in the US, with the Federal Trade Commission last month estimating the cost to consumers at \$3.5 billion a year. Legislation pending in the US Congress would ban such deals. Drug makers blame most of the delays on regulatory and other bureaucratic issues, rather than deliberate action by companies. The EU executive said that it would examine current EU rules on price and reimbursement and urged European countries to introduce legislation to facilitate the entry of generics and stressed the need for a Europe-wide patent. There has been a significant uptick in EU Commission antitrust action in the last two years, reflected by the uptick in document review work in Europe as well as other contract attorney work. The EU Commission has focused on companies infringing EU rules on abuse of a dominant market position. The suspected conduct may include refusal to supply, margin squeeze and tying, possibly as part of an overall strategy to exclude competitors from the market. In such EU raids/investigations, it does not mean the company targeted by a probe is guilty or that the EU prejudges the outcome of the investigation.

Swedish assumes EU Presidency

Sweden began its six-month presidency of the European Union from 1 July in the midst of a global economic crisis and difficult institutional problems. Observers say it will take great diplomacy by the Swedes to keep member states focused on dealing with the issues of the day such as climate change and the global recession. At the top of the list is Ireland's October referendum on the Lisbon Treaty that opinion polls suggest will pass this time around. In addition to known problems, observers point out most EU presidencies find themselves forced to deal with unplanned events such as the Russian-Georgian war last fall or the energy crisis at the beginning of this year. Swedish officials have singled out preparing for the Copenhagen climate change summit, which is expected to thrash out a successor to the Kyoto Protocol next December, as its main objective. Other difficult tasks also lie ahead, like responding to the global economic crisis, pushing forward the final stages of the Lisbon Treaty's ratification, and presiding over consultations to appoint the next Commission president, the first ever permanent president of the European Council and the first EU high representative for foreign affairs and security policy. The latter two positions are foreseen under the Lisbon Treaty.

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