Europe India Chamber of Commerce

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EUROCHAMBRES partners EICC for the Trade and Investment Conference

The European Association of Chambers of Commerce and Industry (EUROCHAMBERS) which voices the interests of over 19 million member enterprises in 45 European countries, is partnering the EICC Trade and Investment conference which will take place in Brussels on 9 December 2010 in the European Parliament. The Conference is being organised on the eve of the EU-India Summit and Business Summit to be held on 10 December, and is EICC's tribute to the EU-India Strategic Partnership and the growing importance of EU-India relations. The conference will be attended by industrialists, business leaders, European policy makers, representatives of the European Commission, professionals and trade experts from countries of the European Union and India. The EICC Secretary General recently held discussion with Ms. Micol Martinelli, Senior Policy Advisor of the EUROCHAMBRES about developing cooperation between the two Pan-European Chambers. They reaffirmed the importance of jointly organising the Conference and recognised the importance to further deepen the partnership in order to provide the framework for continued cooperation. The EUROCHAMBRES will be represented by a strong delegation of top business leaders and executives from across Europe and EUROCHAMBRES will make a presentation on European Business & Technology Centre (EBTC). The association of Belgo-Indian Chamber of Commerce in the Conference is an important development since the conference is being held under the Belgium Presidency of the European Union. India's Trade and Commerce Minister Mr. Anand Sharma and EU Trade Commissioner Mr. Karel De Gucht will address the inaugural session of the Conference. Distinguished speakers from Europe and India include Mr. Alessandro Barberis, President, EUROCHAMBRES; Mr. Philippe de Buck, Director General BUSINESSEUROPE; Mr. Dilip Modi, President, ASSOCHAM; Dr. Ajit Shetty, Vice President, Johnson & Johnson; Dr. Mohan Kaul, Director General, Commonwealth Business Council; Mr. Dilip Mehta, CEO, Rosyblue and Mr. Philippe Vlerick, President of the BICC&I in addition to Mr. Geoffrey Van Orden MEP, Chairman EICC and MEP Mr. Nirj Deva, Life President, EICC. While EICC Co-Chairman Mr. Sanjay Dalmia and Mr. Ravi Mehrotra CBE will chair two sessions, Lord Diljit S Rana, Chairman, Andras House and President GOPIO International will speak during the closing session. Professionals and experts who will make presentations and share views on the theme of the conference are Mr. Rajdeep Sahrawat of Tata Consultancy Services, Dr. Daniel Sharma of DLA Piper, Mr. Laurens Narraina of PwC and Mr. Patrice Vanderbeeken of NautaDutilh. Business delegation from CII and FICCI will also speak at the conference.

Brussels all set to host EU-India business summit

A business partnership summit between India and the European Union (EU) will be held in Brussels on December 10 with the aim to build a stronger business partnership between India and the 27-member bloc. This event will be held in parallel to the EU-India Summit to be attended by Prime Minister of India, Prime Minister of Belgium and President of the European Commission in addition to important policy makers from India and Europe. The first EU-India Summit in Lisbon in June 2000 marked a watershed in the evolution of the EU-India relationship. In 2001 the annual Joint Commission launched the Joint Initiative for Enhancing Trade and Investment. EU-India relations have grown exponentially from what used to be a purely trade and economic driven relationship to one covering all areas of interaction. The Fifth Summit in The Hague, on 8 November 2004, was a landmark Summit, as it endorsed the proposal to upgrade the EU-India relationship to the level of a 'Strategic Partnership'. The Business Summit represents a platform to express the views and the needs of both sides business communities on interaction with political leaders. This year's Summit under the Belgian Presidency will address the issues such as Renewable Energy, Infrastructure Development under the theme **EU-INDIA PARTNERSHIP OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT.** The event is being organized by the Federation of Belgian Enterprises (FEB/VBO), counterpart of the Confederation of Indian Industry in India and (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI), and BUSINESSEUROPE. EICC fully supports the Summit and is closely working with FEB in the preparation. The Business Summit will bring together high-level business leaders of India and the European Union in a general discussion and for a focused meeting of the EU-India CEO in the Round Table. Although, the

European Union is already India's largest trading partner, the prospects for developing even closer trading links are highly promising, notably with likely signing of a free trade agreement. The Summit, to be held in the margins of the EU-India summit, will provide the opportunity to make a large number of contacts and better understand the specific features, challenges and the many opportunities offered by the relationship between the European Union and India. Those interested in participating in the Summit can register through visiting the following link: http://euindia.summitsfeb.be/about-euindia/presentation/

EICC Spain organises India-Spain Biotechnology forum

In yet another step to enhance and integrate the Spain Chapter of the EICC with the business in Spain, EICC in Spain jointly with its Barcelona affiliate NQ Abogados and Ministry of Exterior of Spain and other Spanish institutions, organised India-Spain Biotechnology forum in Madrid Science and Technology Park on 28 October. The Spain India biotechnology event was an eagerly anticipated event. Distinguished speakers from the field and outside were invited to present India's achievements in this area and the opportunities for Spanish biotechnology companies in the emerging Indian market. Counsellor Khobragade of the Indian Embassy and the EICC associate NQ Abogados expounded on the attractiveness of India as a key destination for Spanish biotechnology companies. The Ministry of Exterior of Spain presented some of the funding sources that are available to Spanish companies looking for tie ups in India. Kerala biotech sector was represented by Mr Joseph Thomas and Nanobiomatters a leading Valencian company related their successful experience in the Indian market. EICC Resident Director Mr. Gour Saraff introduced the EICC to the participants and discussed his experience where EICC could play a key role in furthering commercial and institutional relations in this vital sector

EICC-CBC-CII International Conference on small business during Vibrant Gujarat 2011

The Commonwealth Business Council and Confederation of Indian Industry will be joined by the Europe India Chamber of Commerce to jointly organise an International Conference on Small Business during the Vibrant Gujarat 2011 on 12 January in Ahmedabad. The Director General of the Commonwealth Business Council Dr. Mohan Kaul, who is also a Board Member of EICC, had taken the lead to organize an International Round Table for Small Business (SMEs). The event will be jointly organized with the Gujarat government. This is a significant step the chamber has taken to develop partnership with CBC and CII. With CII, EICC is developing relationship and the coming EICC Conference on 9 December and the SME event in Gujarat in January will only strengthen their relationship. Chamber's Board Member Mr. Sushil Handa who has been a forceful speaker for EICC has offered full support in the preparation of the event. Mr. Handa is based in Gujarat and being in the Vibrant Gujarat 2011 Governing Body, his help and cooperation will be needed. It has been informed that the Industrial Extension Bureau (iNDEXTb) will be an active partner in this exercise.

IMF projects India's economic growth at 9.7% in 2010, more than expected

The International Monetary Fund has raised its 2010 economic growth forecast for India, citing strengthening local consumer demand and has said that the country will grow by 9.7 per cent in 2010 and 8.4 per cent in the next fiscal. The fund maintained its 2011 prediction for India's growth at 8.4 percent. The IMF also said that the neighbouring China is expected to grow at an even faster rate of 10.5 per cent in 2010 and 9.6 per cent in 2011, driven by domestic demand. Advanced economies, on the other hand, are projected to grow by just 2.7 per cent in 2010 and 2.2 per cent in 2011, the IMF report said, adding that global trade is forecast to expand by 4.8 per cent in 2010 and 4.2 per cent in 2011, with a temporary slowdown during the second half of 2010 and the first half of 2011."India's macroeconomic performance has been vigorous, with industrial production at a two-year high. Leading indicators - the production manufacturing index and measures of business and consumer confidence -- continue to point up," the IMF said."Growth is projected at 9.7 per cent in 2010 and 8.4 per cent in 2011, led increasingly by domestic demand. Robust corporate profits and favorable external financing will encourage investment," it said. "Recent activity (10 per cent year-over year growth in real GDP at market prices in the second quarter) was driven largely by investment and the contribution from net exports is projected to turn negative in 2011 as the strength in investment further boosts imports," the IMF said. According to the World Economic Outlook report, growth in emerging Asia economies stands at about 9.5 per cent, with robust demand from China, India, and Indonesia benefiting other Asian economies.

Interestingly, The Economist in its latest publication in a special report has said that although India may have a long way to go before becoming as rich as China but its economy will soon start growing faster, thanks to a young workforce and a brand of capitalism that outweighs its much derided democracy. "Despite the headlines, India is doing rather well. Its economy is expected to expand by 8.5 percent," the magazine says in its latest cover story, referring to the bad press the country received ahead of the Oct 3-14 Commonwealth Games. "It has a long way to go before it is as rich as China - the Chinese economy is four times bigger - but its growth rate could overtake China's by 2013, if not before," the magazine says. "Some economists think India will grow faster than any other large country over the next 25 years. Rapid growth in a country of 1.2 billion people is exciting, to put it mildly," it adds in the article: "How India's growth will outpace China's." "India is now blessed with a young and growing workforce. Its dependency ratio - the proportion of children and old people to working-age adults - is one of the best in the world and will remain so for a generation," it says. The second reason, the magazine points out, is the much-derided democracy, despite the notion elected governments retard development in poor countries, are biased towards interest groups and indulge in endless debates and delays on even the most urgent matters. "No doubt a strong central government would have given India a less chaotic Commonwealth games, but there is more to life than badminton and rhythmic gymnastics. India's state may be weak, but its private companies are strong." The magazine says Indian capitalism is driven by millions of entrepreneurs furiously doing ahead with this task, and thriving small businesses with many world-class ones whose English-speaking bosses network confidently with the global elite. "They are less dependent on state patronage than Chinese firms and often more innovative: They have pioneered the $2,000 car, ultra-cheap heart operation and some novel ways to make management more responsive to customers," the magazine says. "Ideas flow easily around India, since it lacks China's culture of secrecy and censorship. That, plus China's rampant piracy, is why knowledge-based industries such as software love India but shun the middle kingdom," it says. "India's individualistic brand of capitalism may also be more robust than China's state-directed sort," the magazine adds, but also warns against unemployable workforce and rickety infrastructure. Yet there is hope. "The Indian government recognises the need to tackle infrastructure crisis, and is getting better at persuading private firms to stump up the capital. But the process is slow and infected with corruption," it says. "Given the choice between doing business in China or India, most foreign investors would probably pick China," The Economist said. "But as the global economy becomes more knowledge-intensive, India's advantage will grow."

India adds 670 million mobile users

Telecom operators in India added 18.18 million subscribers in August this year, taking the total number of mobile users in India to 670.60 million, the Telecom Regulatory Authority of India (TRAI) reported in October. According to data released by the telecom regulator, the wireless subscriber base increased from 652.42 million in July, 2010, to 670.60 million by the end of August, 2010, translating into a growth of 2.79 per cent. The total number of telephone subscribers (both mobile and landline) in India increased to 706.37 million by August-end from 688.38 million in July, it added. With this, the overall tele-density (telephones per 100 people) in India touched 59.63 per cent. The growth in the wireless category was led by Vodafone, which added 2.30 million users to take its subscriber base to 113.77 million users. Hot on the heels of Vodafone, State-run operator BSNL added a whopping 2.25 million users in August, taking its total user base to 76.03 million. Market leader Airtel added 2.03 million users, taking its subscriber base to 141.25 million, while Idea Cellular and Aircel added 1.98 million and 1.61 million subscribers, respectively. Reliance Communications added two million new subscribers in August, while Tata Teleservices added 2.09 million users during the month. The wire line subscriber base declined to 35.77 million in August, 2010, from 35.96 million at July-end, it said. State-run firms BSNL and MTNL enjoy an 83.68 per cent share of the wire line market. The total broadband subscriber base in India increased by 3.17 per cent from 9.77 million in July to 10.08 million in August 2010, the data showed.

Rise of a “small city” in India - 150 Mercedes “drives” in one single day

When a Mercedes-Benz salesman in Pune, India, got a call from an obscure city six hours away asking to buy 150 cars, he thought it was a joke. The request came from Aurangabad, a community of 2 million people best known for its caves and cotton. In October this city became the emblem of rising wealth of India’s small cities when more than 150 members of the Aurangabad Chamber of Marathawada Industries and Agriculture ordered the luxury cars to grab some attention for what was once a dusty trading town. The city doubled in size during the past decade after investments by Siemens AG, which built a factory for telecom equipment, and SAB Miller Plc, which constructed a brewery. Aurangabad isn't alone in trying to get attention, reports Bloomberg Business Week in its October 1 issue. A September 14 report by the Boston Consulting Group has said that multinational corporations typically invest heavily in the top 10-15 cities in countries including India, China, Indonesia and Brazil, while ignoring smaller cities with less obvious potential. So Aurangabad; Curitiba, Brazil; Xiaochang, China; and Yekaterinburg, Russia, are lumped together with the mostly poor, rural populations that few companies want to pursue, BCG found. "The next billion consumers, who are far above the poverty line, have high consuming power. They are just not coming on people's radars." Cities with fewer than 5 million residents represent 83 percent of emerging markets' urban consumers, BCG estimated. By 2030, another 1.3 billion people will live in emerging- markets cities, driving 67 percent of global GDP growth. About 460 million people, earning between $5,000 and $10,000 a year, will join the middle class in the next five years. Car sales are a good indicator of how much companies can gain from expanding in smaller cities. August sales in India, the third-biggest Asian economy, were up 33 percent from a year earlier, the 19th consecutive monthly increase, according to data compiled by Bloomberg. Sales trends from Maruti Suzuki Ltd., Tata Motors Ltd. and Hyundai Motor India Ltd. show that dealerships in smaller cities contribute significant sales from middle-class buyers. New Delhi-based Maruti has 802 sales and service outlets in India, while Detroit-based General Motors Co. has 207. The proud owners of these luxury cars said the objective behind acting in unison was to give the place a different recognition in the world. The Indian arm of Mercedes-Benz expects to post double-digit sales growth this year from a year ago as it launched new models in Asia's fourth-largest auto market. Mercedes-Benz sold 3,220 cars in India last year.

EU and South Korea ink free trade deal

The European Union and South Korea signed the free trade agreement on 6 October giving a glimpse of hope on the world trade multilateral trade negotiations. The agreement is the most ambitious trade agreement ever negotiated by the EU and the first with an Asian country, and marks a significant achievement in improving trade links between EU and Asia. The agreement is expected to provide a real boost to jobs and growth in Europe at this critical time. This wide-ranging and innovative deal is a benchmark for what EU wants to achieve in other trade agreements. The text of the FTA was initialled between the European Commission and South Korea on 15 October 2009. Since then the text of the Agreement was translated into Korean and 21 EU languages. All EU Member States have signed the FTA ahead of the official signing ceremony. The date of provisional application will be 1 July 2011, provided that the European Parliament has given its consent to the FTA and the Regulation of the European Parliament and of the Council implementing the bilateral safeguard clause of the EU-South Korea FTA is in place. The EU Member States will also have to ratify the agreement according to their own laws and procedures. One study estimates that the deal will create new trade in good and services worth €19.1 billion for the EU; another study calculates that it will more than double the bilateral EU-South Korea trade in the next 20 years compared to a scenario without the FTA. The agreement will remove virtually all import duties between the two economies as well as many non-tariff barriers. It will relieve EU exporters of industrial and agricultural goods to South Korea from paying tariffs. Once the duties are fully eliminated, EU exporters will save € 1.6 billion annually. Half of these savings will be applicable already on the day of the entry into force of the Agreement. The FTA will also create new market access in services and investment and will make major advances in areas such as intellectual property, procurement, competition policy and trade and sustainable development. EU-South Korea goods trade was worth around €54 billion in 2009. The EU currently runs a deficit with South Korea in goods trade, although trends suggest that the Korean market offers significant growth potential. For products like chemicals, pharmaceuticals, auto parts, industrial machinery, shoes, medical equipment, non-ferrous metals, iron and steel, leather and fur, wood, ceramics, and glass, the EU enjoys a solid trade surplus. Similarly, for agricultural products South Korea is one of the more valuable export markets globally for EU farmers, with annual sales of over €1 billion. On services, the EU has a surplus with South Korea of €3.4 billion, with exports of €7.8 billion in 2008 and imports of €4.4 billion. In terms of tariffs, South Korea and the EU will eliminate 98.7% of duties in trade value for both industrial and agricultural products within 5 years from the entry into force of the FTA. This is the most ambitious trade coverage ever achieved in a FTA negotiated by the EU.

Belgium's Helvoet Pharma invests in Greenfield production facility in Pune

Belgium based Helvoet Pharma, part of the Daetwyler Group is setting up its first greenfield production facility in Khandala Industrial Area, phase I (SEZ), on Pune- Bangalore Highway, near Pune. The Pharma major, Helvoet Pharma, has disclosed that it has invested 20 milion Euros (Rs 120 crore) to set up its first greenfield production facility in the Khandala industrial area. The plant, spread across 36,000 square metres, will come up in the newly-developed MIDC Special Economic Zone (SEZ) and will serve as a strategic hub for exports to European countries, a press release issued stated. The plant will manufacture components for primary packaging of parenteral pharmaceutical and diagnostic drugs and produce 4-billion components at full capacity by 2014-end. The production facility will be equipped with the state-of-the-art infrastructure to meet Helvoet Pharma's global standards of production, said Dr Paul J Haelg CEO and head technical components of Daetwyler, Helvoet's parent company. "Helvoet Pharma's decision to build its own manufacturing plant in India has been made to leverage the country's position as the centre of excellence for generic and branded pharmaceutical products. India has the highest number of US FDA approved plants outside the USA and is expected to become a significant healthcare consumer market," Dr Paul J Haelg, CEO and head technical components of Daetwyler, Helvoet's parent company said. In this green filed plant, the company will produce packaging component for parenteral pharmaceutical and diagnostic drugs and products manufactured in plant will be exported to European market and USA. By 2012 the plant will become operational; the new facility will cater to local and global pharmaceutical industry with hundred employees at Pune plant. "Helvoet Pharma's decision to start manufacturing plant in India has powered generic and branded pharmaceutical products", the company said. Belgium has emerged as one of India's important trading partners in the EU. Belgium has acknowledged the growing importance strengthening economic relations with India. Only this year in March Crown Prince Philippe visited India leading a 350 plus member economic mission which included representatives of 160 Belgian companies spanning all sectors of the Belgian economy.

Finland to showcase its innovations; will set up Finnish Innovation Centre in India

Out to prove that there's more to Finnish technology than Nokia handphones, Finland is seeking collaborations with India in biotechnology and nanotechnology and has decided to set up a Finnish Innovation Centre in New Delhi. The tiny but energy-efficient Scandinavian country also wants to work with India in healthcare, ecotourism and environment protection. Finland is aiming to showcase its new innovations in the field of clean technology, covering a host of sectors including water purification, waste management, energy efficiency to boost bilateral trade between both countries. Finland is looking forward to setting up the Finnish Innovation Centre (called Finnote) under a science and technology agreement signed between the two countries in 2008. Finland already has four such innovation centres in Japan, China, Russia and the US. "I can see a lot of future in the Indian market and we are looking forward to increasing research and development in sectors like science and technology, telecommunication, healthcare, ecotourism and clean technology," Seppo I. Keranen, senior consultant, Finpro recently told a group of visiting Indian journalists to Finland. Finpro is an organisation under Finland's Ministry of Employment and Finance. It has over 560 Finnish industries as its members. "Under the project we will put together researchers from both the countries and work jointly on developing new technology in various fields. "India has highly technology-efficient people and we have high technology knowhow. So both the countries can work together in various sectors. India is a very important market for Finnish companies," he said. In healthcare, Finland has tied with India's Department of Biotechnology to set up diagnostic centres in villages. "We are in talks with some 10 healthcare companies in India to start telemedicine facilities for rural parts of India as providing better health facility continues to remain a key issue," said Keranen, who worked as commercial counsellor at New Delhi's Finnish embassy for five years. Finland is also in talks with the Himachal Pradesh and Uttarakhand governments to start ecotourism in the states. "The climate in northern hilly regions in India is more or less similar to that in Finland. We are in talks with both the state governments to build ski resorts and energy efficient buildings as we have highly efficient technology that can keep buildings warm in even several degrees below zero," Keranen said. There are around 75 Finnish companies working in India while 29 Indian companies are active in Finland. The volume of business between the two countries is over $1 billion a year.

India, Norway for extended DTAA

India and Norway are all set to expand the scope of their double taxation avoidance agreement (DTAA) to facilitate greater information exchange on potential cases of tax evasion. After changes to the Indo-Swiss tax treaty this would be the second such treaty that would be reworked to ensure smooth flow of information on tax-related issues. This amended tax treaty will allow the income tax authorities to access information on bank accounts of Indians easily, but only in specific cases. The tax treaty was amended on the lines of Paris based Organization for Economic Cooperation and Development (OECD) Model Tax Convention that does not provide for roving enquiry, or fishing expeditions as they are commonly called. India is pursuing the issue of exchange of information with other countries and would also seek amendments in tax treaties with them. It signed its first tax information exchange agreement with Bermuda on Thursday. The move is in line with decision taken at the G-20, which took up issue of tax havens and tax evasion. India and Norway are also looking to strengthen the fight against tax havens as part of the global task force on financial integrity and economic development. Consistent with the practice adopted in most of the countries in the world that have taken to levy tax on income / capital, India has adopted the system under which Income Tax on residents is imposed on the "total world income" i.e. income earned anywhere in the world. Whereas a tax payer's own country (referred to as home country) has a sovereign right to tax him, the source of income may be in some other country (referred to as host country) which country also claims a right to tax the income arising in that country. The result is that income arising to a resident out of India is subjected to tax in India as it is part of total world income and, also in host country which provides the source for that income. In the case of non-residents, however, it is not the "total world income" but only that income is subjected to tax in India which is earned in this country. Since a resident is taxed in respect of foreign income in his own country as well as in the country where it is earned, he is subjected to tax in both the countries in respect of the same income. The purpose of double tax avoidance agreement is to avoid such double taxation to the extent agreed upon. Due to phenomenal growth in international trade and commerce and increasing interactivity among the nations, residents of one country extend their sphere of business operations to other countries. Cross-country flow of capital, services and technology is the order of the day particularly after the country embarked on the path of globalization of economy. Presence of double or multiple taxation acts as a major determining factor in decisions relating to location of investment, technology etc. as it affects the bottom-line of a business enterprise. The effort is, therefore, to ensure that heavy tax burden is not cast as a result of double or multiple taxation.

India has 69 billionaires, Mukesh Ambani tops Forbes list of India's richest

Reliance India Limited chairman Mukesh Ambani has topped Forbes magazine's list of the 100 richest Indians for the third year in-a-row, surpassing billionaires like LN Mittal and Azim Premji with a net worth of $27 billion. As per the Forbes research study, the combined net worth of India's 100 richest people rose to $300 billion this year from $276 billion last year, driven by the country's booming economy and a rally in the stock market. According to the Forbes India Rich List, there are 69 billionaires this year, compared to 52 last year. Ambani was followed by the steel baron Lakshmi Mittal, who retained his second position in the list with a net worth of $26.1 billion. However, the wealth of both of these billionaires is believed to have slipped by 15% from the previous amount.Mukesh's younger sibling Anil Ambani lost the third spot on the list to IT major Wipro and fell to sixth rank. Premji's wealth has increased to $17.6 billion from $14.9 billion last year, taking him to the third spot from the fourth place last year. Fourth on the list was Essar Energy brothers Shashi and Ravi Ruia with a net worth of $15 billion, bolstered by the company's IPO in London, which raised $1.85 billion.

In an interesting creation of wealth story, India added more than 42,800 US dollar millionaires last year, taking the total number in the country to more than 127,000 - and the phenomenon is only going to grow further as high economic growth is sustained. What's more, India, China and other Asia-Pacific regional economies are collectively set to outpace developed countries in spawning high net-worth individuals (HNIs), Merrill Lynch and consulting firm Capgemini said in a report released recently. “Moving forward, China and India will lead the way in the region with economic expansion and HNI growth likely to keep outpacing more developed economies” it said. The Asia-Pacific Wealth Report 2010 noted that the total amount held in assets by Indian millionaires accounted for more than $477 billion last year, up 53.6 per cent on the year.
