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INDIA GLOBAL BUSINESS



Netanyahu's India Connect

8



DIPLOMAT CORNER

India-Israel relations on a very good wicket

Exclusive with Pavan Kapoor,
Indian Ambassador to Israel

41



HOTSPOT

Germany: India's gateway to the EU

by Benno Bunse, CEO,
Germany Trade and Invest (GTAI)

68



GLOBAL INDIAN

Hospitality comes naturally to Indians

Interview with Jyotsna Suri,
Chair & MD, Bharat Hotels Ltd



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Modi's friendship with Netanyahu brings cheer to Indian farmers

Historic, as we said last week, is a much misused word these days, but to describe Prime Minister Narendra Modi's just concluded visit to Israel in any other way will be to miss the woods for the trees.

That's because the two countries signed several agreements that can substantially change the lives of long-suffering class of Indians – farmers. It is not without reason that Israeli Prime Minister Benjamin Netanyahu said: "This is a marriage made in heaven; it is being celebrated on earth."

Take the look at the range of the seven agreements signed:

- * Setting up an India-Israel Industrial R&D fund
- * Water conservation
- * Water utility reform in India
- * India-Israel Development Cooperation on Agriculture
- * Cooperation on atomic clocks
- * Setting up a Geo-Leo optical link
- * Cooperation on electric propulsion and small satellites

Notice: three of the seven agreements deal with water and agriculture development signaling that Modi is spending his hard-earned global goodwill on the uplift of Indian farmers.

Israeli agricultural scientists have developed and mastered the science of drip irrigation, which has turned their once arid country – among the driest in the world – into a haven for farmers.

It is this technology that a government-to-government programme is transferring to Indian farmers to enable them to produce "more crop per drop." The two countries have so far set up 15 Centres of Excellence in Agriculture as part of the India-Israel Agricultural Project, a three-way collaboration between the Government of India, the Government of Israel and an Indian state.

It is this collaboration that has enabled Indian farmers develop blooming mango orchards in semi-arid Haryana and thriving vegetable nurseries in the not-so-fertile regions of Gujarat.

These centres are also helping farmers in Bihar grow and improve yields of fruits such as lychee and mango,

in Karnataka of pomegranates, mangoes and vegetables and in West Bengal of vegetables by providing seeds developed with the help of the latest agricultural technologies and by imparting knowledge on the best farming techniques, thereby, enabling Indian farmers to increase their incomes and improve their lives.

If the Modi-Netanyahu duo can facilitate this potentially dramatic change for half of India's population, they will have changed the face of Indian society. Eleven more such centres will be built in future.

Then, an Israeli company will help clean a particularly dirty stretch of the River Yamuna where 8 km of sewage flows into the river and help restore the life of the now dvina river.

PRIME MINISTER MODI HAS PROMISED TO DOUBLE FARMER INCOMES BY 2022.

Prime Minister Modi has promised to double farmer incomes by 2022. A much wider use of these latest Israeli farm technologies and procedures will almost certainly play a big role in helping the government meet that ambitious goal.

The visit also focussed on other core areas of concern to the two countries – such as security from terror and the deep defence relationship.

Here, to my mind are the five key takeaways from Modi's visit to Israel:

- i) India and Israel agreed to elevate bilateral ties to the level of a strategic partnership, with a special focus on agricultural cooperation.
- ii) The two Prime Ministers emphasised the importance of ensuring global peace. "Our talks focused on not just areas of bilateral opportunities but also how our cooperation can help cause of global peace and stability," Modi said.
- iii) Both nations will collaborate on cyber security and exchange knowledge and best practices to tackle terrorism in cyberspace.
- iv) The personal chemistry that was evident between Modi and Netanyahu over the three days.

Manoj Ladwa

Publisher & CEO, India Inc.

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CONTENTS

This edition of 'India Global Business' weighs up India's relations with Israel in the context of Narendra Modi's visit to the country - the first by an Indian Prime Minister. A Sector Focus on the education sector and an analysis of the recently concluded general elections in the UK are some of the other highlights.

COVER STORY

**India-Israel:
Past tense, future perfect**

11



Diplomat Corner

8



India-Israel relations on a very good wicket
Exclusive with Pavan Kapoor, Indian Ambassador to Israel

16 India-Israel: Close allies in keeping peace and order
by Ashok Malik, Senior Columnist

REVIEW



20 Spreading their wings
by India Inc. Staff

INDIA-UK

24 The UK election results don't portend a doomsday scenario
by Manoj Ladwa, Founder & CEO, India Inc.



27 The case for Global Britain must now be made at home and abroad
by Sunder Katwala, Director, British Future

29

Bonds that go beyond Brexit
by Mihir Kapadia, CEO, Sunglobal Investments



THE AMERICAS

33 The sun will continue to shine
by India Inc. Staff



36 India's clean energy dynamics after Trump's Paris exit steady for now
by Rahul Tongia, Fellow, Brookings India

HOTSPOT



41 Germany: India's gateway to the EU
by Benno Bunse, CEO, Germany Trade and Invest (GTAI)

48



Four countries in six days: Prime Minister Modi makes a European connect

EMERGING MARKETS

52 Link West showing early signs of success
by India inc. Staff



55 Time ripe for closer India GCC ties
by Hansel Berboza, VP, Bank of Muscat

SECTOR FOCUS/Education

60 India moves up emerging markets university rankings

62 The craze for that foreign degree
by India inc. Staff

GLOBAL INDIAN

Interview
68



Hospitality comes naturally to Indians
Jyotsna Suri, Chair & MD, Bharat Hotels Ltd

OTHER HIGHLIGHTS

Interview
76

Pressing on with a Raw zeal
Exclusive with Anuj Rakyen, Founder and Managing Director, Raw Pressery



78 Can corporate governance be measured?
by Anne Molyneux, Consultant with IFC

80 How India grabbed the Green Oscars edge

82 Last Word

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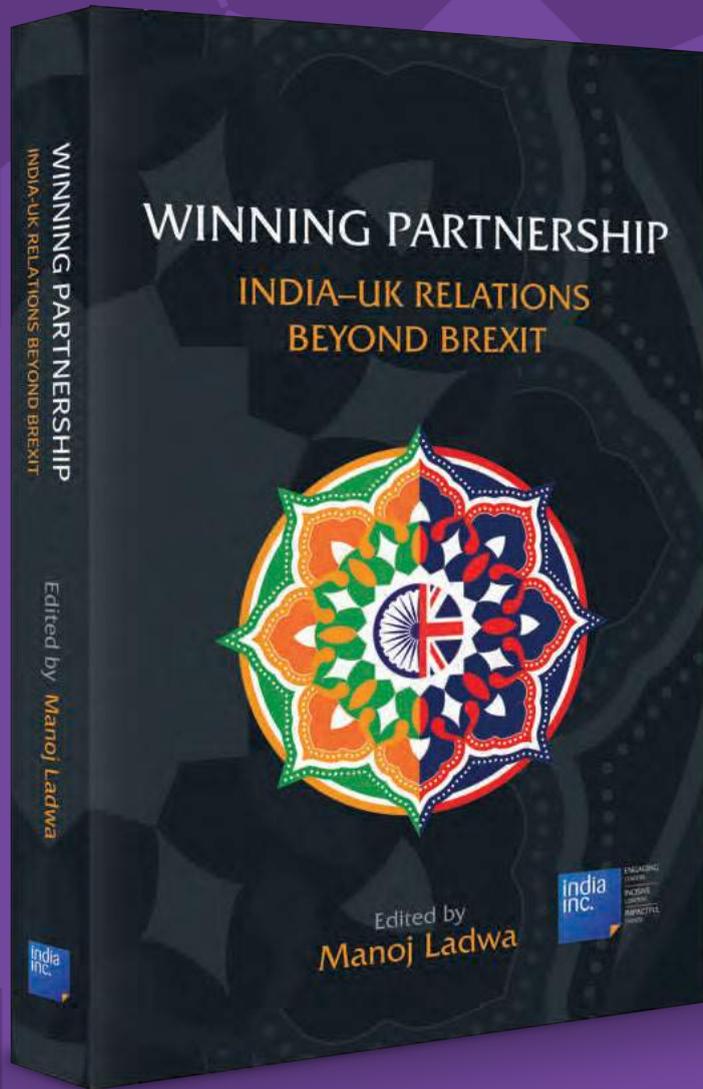
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'Winning Partnership' is a collection of essays on what a modern India-UK partnership could mean.

The book comes at a critical juncture in global affairs. India and its engagement with the world is being transformed under the leadership of Prime Minister Narendra Modi. Whilst the United Kingdom, one of the most prosperous nations in the world, is going through tumultuous change following its epic decision to leave the European Union.



THE PROMISED LAND BECKONS

When Prime Minister Narendra Modi visits Israel, not only will he become the first Indian head of government to do so, his government will also be announcing to the world that India has shed its past diffidence about boldly following a course dictated by self interest. This, in itself, is a massive change but the visit will have many spin-offs beyond powerful symbolism. It is expected to significantly boost bilateral defence cooperation with a special thrust on the government's flagship Make in India initiative to help India develop an indigenous military-industrial eco-system. Agriculture, trade and tourism will be the other focus areas of the visit. In the following pages, **'India Global Business'** brings you a curtain raiser for his historic tour.



A man with dark hair and glasses, wearing a white kurta, is speaking at a wooden podium. He is looking slightly to the right of the camera. A microphone is positioned in front of him. The background shows a light blue wall and some bare tree branches.

INDIA-ISRAEL RELATIONS ON A VERY GOOD WICKET

The Indian Ambassador based in Tel Aviv, Pavan Kapoor, is well-placed to provide some context to Narendra Modi's historic visit to Israel in July – the first by an Indian Prime Minister.

Please give us an overview of where Indo-Israel ties stand.

I think India-Israel relations are on a very good wicket, at the political and economic level and also the cultural and people to people level. We have not had this scale of high level contact between the two countries for many years. In the last couple of years, we have had Heads of State visiting from India and Israel and we have had several ministerial delegations on either side.

We are now gearing up for the first-ever visit by an Indian Prime Minister to Israel.

On several fronts, the relationship is extremely good and we look forward to it getting even stronger.

How is Israel helping India develop a defence industrial base under Make in India?

Historically, we have had a need and demand for certain products and Israel has been a good supplier for us.

But the fact of the matter is that we have been pushing in the direction of joint development of products and transfer of technology to India. There has been some progress on this front, particularly in what we call the LR-SAM and MR-SAM [India-Israel surface-to-air missiles], which we are jointly developing.

But we think there is considerable scope for more such programmes under the Make in India initiative of the Government of India. There are a lot of incentives that have been provided for these kind of programmes and of late, there have been a series of joint ventures that have been agreed to between the private sector companies in India and Israel.

This should set the base for a fair amount of production shifting to India and this would be of benefit not to just to India in terms of creating

jobs but also for the Israeli side, to be able to reduce costs and look at further export markets elsewhere in the region.

How can the two countries deepen their partnership by moving beyond the current vendor-client relationship?

Defence is not a particular area of focus during the Prime Minister's visit in July. We are much more focussed on the development side of relationship – which covers everything from agriculture, water, science and technology, innovation and start-ups – a whole range of areas where we hope to be pushing the relationship forward. Defence is just a part of that.

WE ARE MUCH MORE FOCUSED ON THE DEVELOPMENT SIDE OF THE RELATIONSHIP – WHICH COVERS EVERYTHING FROM AGRICULTURE, WATER, SCIENCE AND TECHNOLOGY, INNOVATION AND START-UPS – A WHOLE RANGE OF AREAS WHERE WE HOPE TO BE PUSHING THE RELATIONSHIP FORWARD. DEFENCE IS JUST A PART OF THAT.

I would highlight agriculture as an area where we have already been collaborating with the Israelis. The Israelis have set up centres of excellence in different states of India, where they have been exhibiting their techniques and practices to improve crop/fruits and vegetable yields. Farmers from around the region come and learn those techniques and then try and emulate them in their own farms.

The idea is to take that much further to the next level. There is the whole

area of drip irrigation which is an invention of the Israelis, which is now picking up considerably in India, particularly in the southern states.

It is interesting that one of the largest drip irrigation companies in the world now is an Indian company, which bought over some smaller companies in Israel and has a huge market share in India.

Water is an area of tremendous potential because Israel has shown the world how to transform from a water deficit country to a water surplus country. They have gone into a very strong campaign of water conservation, increasing the supply of water through de-salination as well as doing tremendous amount of work on recycling and reuse of water for agriculture.

In addition, there are areas such as R&D, innovation and start-ups. Israel is known as a start-up nation and we have a fair amount of start-ups coming up in India. We have to look at how we can bring these two together and help companies come and scale up in India with new technologies and ideas from Israel and avail of the huge market to get economies of scale.

Experts say bilateral trade is at sub-optimal levels. What steps are being planned to ramp it up to its full potential?

This is an area to which we have been giving some thought. One of the things we have to try and do is that we have got to start getting many more Israeli companies to think East; think India, travel to India and see the potential that exists.

Israeli companies have instinctively looked towards the US or Europe; we are trying to get them to shift direction.

There are some cultural differences between business styles on both sides, which we have to overcome. The Israelis are extremely

transactional whereas we tend to be more relationship oriented. There is a need to understand each other and then figure out how better to do business with each other.

There are specific areas such as textiles where India seems to be losing out on market share in Israel to our neighbours. Israel with a population of 8.5 million is not a huge market for Indian products but we have to look at the potential in other forms, in terms of investment and technology.

The normal measures of trade may not be the best way to look at things, particularly in terms of exports from India.

On the other hand, the Israelis have a good scope to try and increase some of their exports to India, where there is a huge market that awaits them.

What would PM Modi's visit mean for this relationship and how do you see things progressing over the next decade?

The significance of this visit happening at this stage cannot be underplayed at all. The fact is that this is happening also in the 25th anniversary of our diplomatic relations – 1992 is when we opened up embassies in each other's countries.

It has been a slow journey, at times gathering pace and slowing down

again. In the last few years, things have really picked up pace and our Prime Minister is very committed to building this relationship and so is the Israeli Prime Minister.

In terms of the political commitment, it is at an unprecedented level. I think once we have this visit and sit down and show what each other has to offer, we should be able to push ahead with a great deal of confidence, without any hesitation in the relationship which may have existed in the past.

I see a very, very bright future for the relationship of our two countries.

Finally, please give us a snapshot of life in Tel Aviv and what is in store for the PM's visit?

One of the things people think of when they think of Israel is the idea of it in the middle of the Middle East and therefore surrounded by a lot of civil war, which is true to some extent. But I think what is also amazing is to see how this country, which is pretty tiny – both in area and population – has developed amazing technologies and is extremely innovative.

The kind of excellence they have achieved in areas of agriculture, medicine and defence is something to be seen to be realised.

It needs to be borne in mind that a lot of this has developed out of a sense of hostility that they have faced in

the neighbourhood. They have made wonderful use of adversity to treat it as a challenge and come out with very creative solutions and build up their industry and services. It is quite remarkable in that sense.

The country is also fascinating because of its interesting mix of people. There is a concept of military conscription in this country, so all young men and women with a few exceptions go through military training – for three years or two years. Many of them, after that travel to different countries, particularly India. When they spend several months in India, they find solace in its spirituality. There are a huge number of yoga enthusiasts in this country, a wonderful connect at a person to person level and a very strong feeling for Indians.

Going back 2,000 years ago, when the first Jewish people landed up on the Indian coast, there has never been any sense of anti-semitism in India. So, there is a great deal of goodwill for Indians.

There is a large Indian-origin Jewish community here, almost 80,000 people, which also acts as a wonderful bridge.

On the PM visit, everyone I meet is only asking about that. There is considerable buzz and excitement here and a lot of people are watching it with great interest.



India-Israel: Past tense, future perfect

by India Inc. Staff



When Indian Prime Minister Narendra Modi visits Israel in July, not only will he be bringing the otherwise warm relationship between the two countries out of the closet, he will also be marking the 25th anniversary of the establishment of formal and full-fledged diplomatic relations between the two countries.

Modi's visit, the first by an Indian Prime Minister to Israel, also marks the decisive de-hyphenating of the relationship with India's traditional support for the Palestine cause. Modi will not be visiting Palestine to "balance" India's perceived tilt towards the Jewish state. This is causing angst among India's chic left-wing ivory tower intellectuals who had, till recently, dictated India's Middle East policy and aligned it firmly with Palestine's interests.

Addressing a gathering in New Delhi recently, Israel's Ambassador to India, Daniel Carmon said: "We are feeling very proud. The visit of President (Pranab) Mukherjee last year and our President Rivlin last November, and the expected visit of Prime Minister Narendra Modi in the coming months is nothing short of historic."

Image Source: www.narendramodi.in

"The (last) 25 years have solidified our ties in the field of agriculture, defence, water and other areas. The best is yet to come; India and Israel will do wonders in the next 25 years," he added. "We are two countries proud of our ancient culture and heritage and two modern democratic societies eager to grab the future," he added.

Important defence partner

Over the years, Israel has emerged as one of India's largest and, arguably, most dependable partner in the defence sector. This relationship, which had small beginnings, received a huge boost during the Kargil War, when Israel rushed urgently needed high technology precision guided armaments from its own defence inventory in response to a request from the Indian government.

Since then, the relationship has

grown in leaps and bounds. Today, Israel is India's third largest defence supplier and exports about \$ 1 billion of arms to India every year and India is the largest buyer of Israeli defence platforms.

During a recent visit by three Indian Navy warships to Israel, Rear Admiral R.B. Pandit, Flag Officer Commanding India's Western Fleet, noted that India has "benefited from defense technologies, and a number of significant defense acquisitions have been made from Israel."

Missile muscle

He referred in particular to the Barak 8, a surface to air missile designed and produced jointly by India and Israel, which has added considerable muscle to the Indian Navy.

The Indian government recently signed a \$1.6-billion contract for the

supply of medium range surface to surface missiles for the Indian Army and long-range surface-to-air missiles and air and missile defence systems for Indian aircraft carriers.

Then, India has also successfully test-fired Israeli defence company Rafael's (not to be confused with the French fighter aircraft purchased by India) surface to air Spyder missiles against a Banshee unmanned aerial target vehicle made by the UK. India will buy this system for \$400 million.

The short-range quick reaction weapon system, considered among the best in the world, can destroy incoming enemy aircraft, UAVs, cruise missiles, unmanned combat aerial vehicles and other airborne weapons.

Underwater defence

India has also purchased the Integrated Underwater Harbor Defense and Surveillance System from Elta Systems, a subsidiary of Israel Aerospace Industries, for the defence of Mumbai port. This will enable Indian security forces to avert another attack such as the one in November 2008 when 10 terrorists trained, armed in Pakistan entered India's financial capital from the sea and killed 166 people. This system will also be installed later at other important Indian ports and shore-based cities.

Boosting Make in India

Israeli defence contractors such as Rafael and Israeli Aerospace Industries have been actively collaborating with Indian defence forces and the public sector Defence Research & Development Organisation (DRDO) on a wide range of defence platforms.

"Rafael is constantly seeking to enlarge its partnerships in India and is negotiating with the local industry to make this happen. It maintains an excellent relationship with the government offices, the DRDO, the forces and the industries, and is looking to expand its activities in India," media reports quoted Rafael as saying. The reports added that the company is looking for opportunities

to establish global manufacturing hubs for its systems in India.

And leading Israeli daily 'The Jerusalem Post' reported a spokesperson for Israel Aerospace Industries that "the company has been working with India's defence industries and armed forces for 25 years, in a strategic collaboration based on the transfer of technology to benefit Indians as part of New Dehli's Made in India policy."

"The company collaborates with local companies and works with India's defence agencies, as well as the coast guard, navy, air force and army. Joint development projects include the Barak-8 air defence system, in both its maritime and land-based versions; mission aircraft; various radar systems; and UAVs."

ISRAELI DEFENCE CONTRACTORS SUCH AS RAFAEL AND ISRAELI AEROSPACE INDUSTRIES HAVE BEEN ACTIVELY COLLABORATING WITH INDIAN DEFENCE FORCES AND THE PUBLIC SECTOR DEFENCE RESEARCH & DEVELOPMENT ORGANISATION (DRDO) ON A WIDE RANGE OF DEFENCE PLATFORMS.

Small arms, big ambitions

The Indian government has announced that it will acquire 250,000 small arms such as assault rifles, sub-machine guns, machine guns, pistols and sniper rifles for its military and para-military forces. Of this, the armed forces need 66,000 assault rifles of 7.62 calibre immediately as a replacement for the indigenously produced Insas rifle.

The total cost: \$1 billion initially and \$5 billion in all.

Defence News, a leading Indian website on defence-related news,

reported that leading Israeli arms maker Israeli Weapon Industries (IWI) has tied up with India's Punj Lloyd to manufacture a range of guns and ammunition in India both for India's armed forces as well as for exports. Punj Lloyd Raksha Systems or PLRS is 51 per cent owned by the Indian partner and 49 per cent by IWI.

The firm, the report said, will make Tavor carbines, Galil sniper rifles, Negev light machine guns and X95 assault rifles.

Helping India's farmers

If defence and security cooperation forms the bedrock of Indo-Israeli ties, then collaboration on agriculture is, without doubt, the second most important sphere of the bilateral relationship.

Analysts are confident that Modi's visit to Israel next month will lead to stronger collaboration in the farm sector, which employs more than 50 per cent of India's 500-million strong labour force.

Following the India-Israeli Agricultural Project in 2008, 27 Israeli Centres of Excellence were planned across the country to teach Indian farmers new farming technologies, the latest farming techniques and impart knowledge on how to extract maximum value from the agricultural value chain. Fifteen of these 27 centres are already up and running in various states.

In particular, Israeli expertise on drip irrigation, which has turned the arid Jewish nation into a haven for farmers, has turned large tracts of wasteland in Haryana, Gujarat and Maharashtra into fertile food and fruit producing zones. For example, Israeli technology has turned Haryana into a major mango producing state and the drip irrigated nurseries of Gujarat have given rise to new industries and newer livelihoods for these previous farm sector laggards.

"Undoubtedly, agriculture is at least one of the two main pillars in India-Israel relations – definitely the main pillar from the civilian angle," Gil

Haskel, head of Mashav, Israel's Agency for International Development Cooperation, told the media ahead of Modi's visit.

The two sides are currently working out the specific areas and within them projects in the agricultural sector on which Israel will collaborate with India.

History of benign neglect

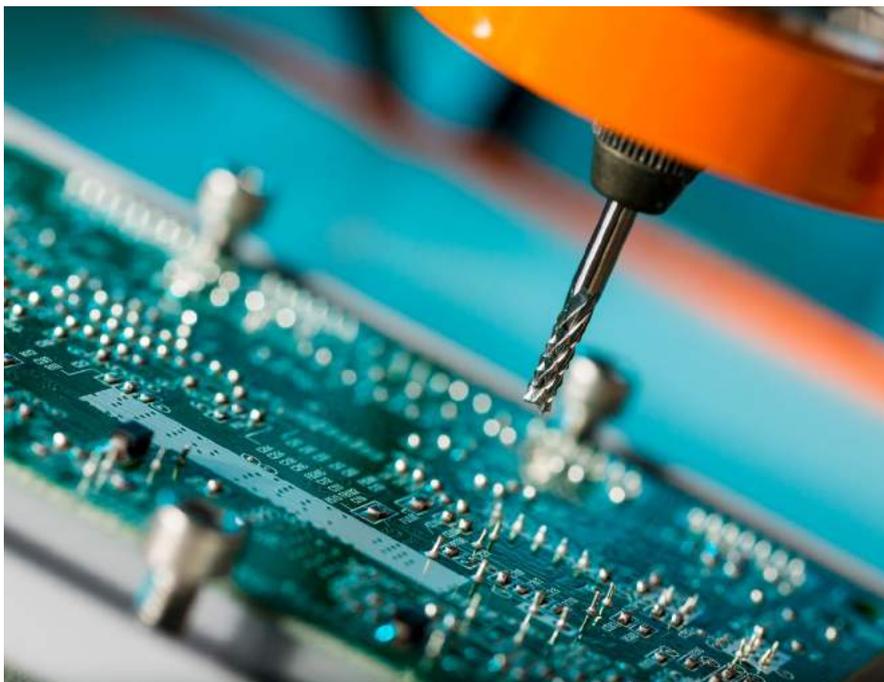
Given the depth and breadth of ties between the two countries, it is amazing that the two countries have largely, at least officially, ignored each other for the first four decades of their existence as sovereign states. India won independence in 1947 and Israel the following year, but the Congress party under Pandit Jawaharlal Nehru and Indira Gandhi were wary of establishing open relations with Israel for fear of upsetting their Muslim votebank in India and the Gulf monarchies, on whom India depended on for oil.

So, although India recognised Israel soon after it was carved out as the only non-Muslim sovereign state in the Middle East, diplomatic relations were maintained through a consular office in Mumbai. Anything deeper than that was seen as an ideological dilution of India's traditional support for the Palestine cause.

Then, the end of the Cold War turned these strategic assumptions on their head. In 1992, Prime Minister P.V. Narasimha Rao overruled his party's hawks and established open relations with the Jewish state, which began to help India in defence and security-related issues.

But despite this, Indian leaders remained reluctant to openly embrace Israel and bilateral ties, though warm, remained in the closet. This, however, did not prevent India from launching an Israeli spy satellite into space and billions of dollars worth of arms and other defence equipment from the Jewish state.

It was only after Narendra Modi swept to power in 2014 that the Indian government brought the relationship out of the closet. Following the visits



of Foreign Minister Sushma Swaraj and Home Minister Rajnath Singh, President Pranab Mukherjee, too, visited Israel. And Modi's visit is the final proof that India is no longer shy about publicly embracing a country it considered a pariah till not so long ago.

Trade, tourism and more

India and Israel are now close strategic and military partners but bilateral trade between the two countries, at \$5 billion, does little justice to this friendship.

In 1992, when the two countries established full formal diplomatic relations, bilateral trade was at \$200 million and mainly comprised precious stones. Since then, it has grown to about \$5 billion. India is Israel's 10th largest trading partner and the seventh largest destination for its exports.

India exports precious stones and metals, organic chemicals, electronic equipment, plastics, vehicles, machinery, engines, pumps, clothing and textiles, and medical and technical equipment to Israel. Imports from India amounted to \$2.3 billion or 3.2 per cent of Israel's total imports in 2014.

Israel exports precious stones

and metals, electronic equipment, fertilisers, machines, engines, pumps, medical and technical equipment, organic and inorganic chemicals, salt, sulphur, stone, cement and plastics to India. Israeli exports to India amounted to \$2.2 billion or 3.2 per cent of its overall exports in 2014.

Official figures show that tourism between India and Israel is picking up. Last year, 40,000 Israelis visited India and 10,000 Indians went to Israel. Like the rest of the trade figures, this, too, is just a drop in the ocean, but experts are optimistic that these figures will rise exponentially in the years to come following greater awareness about each other's countries.

Future looks bright

India and Israel have a lot in common. They are both seen as oases of democracy in tough neighbourhoods, both passed the test of fire at the time of their births, both a victims of terrorist violence and both are acknowledged as the leading industrial powers in their respective regions.

Given this and the convergence of strategic, military and geo-political interests, experts predict that India's ties with Israel will only get warmer in future.

FACTFILE: INDIA & ISRAEL

If defence and security cooperation forms the bedrock of Indo-Israeli ties, then collaboration on agriculture is, without doubt, the second most important sphere of the bilateral relationship. Here is a snapshot of the breadth of the bilateral relationship.



Founded in: **14 May 1948**

Area: **20,770 sq km**

Population: **8,174,527** (July 2016 est.)

GDP: **\$311.7 billion** (2016 est.)

GDP growth rate: **2.8%** (2016 est.)

Currency: **Israeli New Shekel**

Currency versus dollar: **1 Israeli New Shekel equals 0.28 US Dollar** (As of June 5, 2017)

Currency versus rupee: **1 Israeli New Shekel equals 18.14 Indian Rupee** (As of June 5, 2017)

Inflation rate: **-0.5%** (2016 est.)

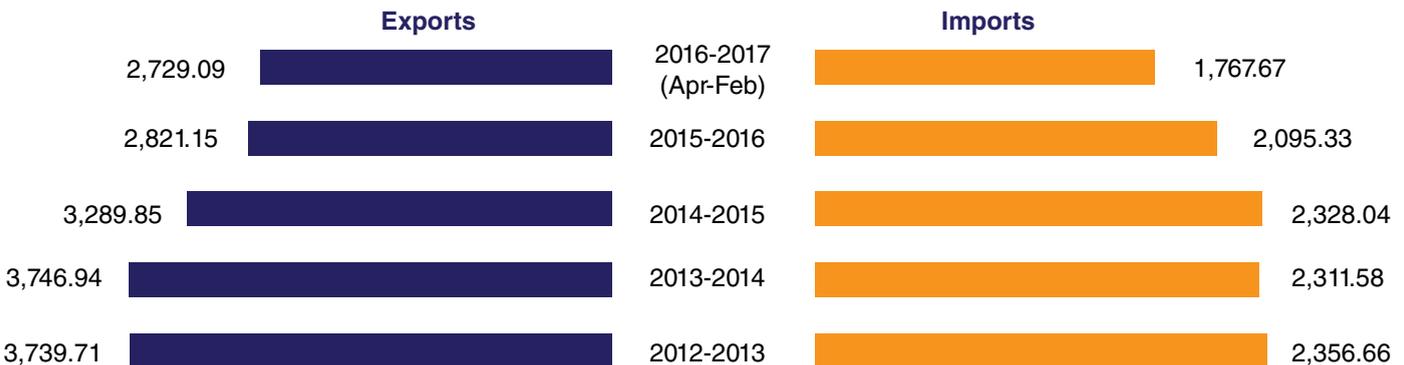
Exports: **\$51.61 billion** (2016 est.)

Imports: **\$57.9 billion** (2016 est.)

Main industries: high-technology products (including aviation, communications, computer-aided design and manufactures, medical electronics, fiber optics), wood and paper products, potash and phosphates, food, beverages, and tobacco, caustic soda, cement, construction

Source: CIA

Bilateral trade (Values in US\$ Million)



Source: Ministry of Commerce and Industry, Department of Commerce

Important visits:

From Israel to India

- President of Israel, Reuven Rivlin, Nov 2016
- Agriculture Minister, Uri Ariel, April 2016
- Minister of Defence, Moshe Ya'alon, Feb 2015
- Minister of Agriculture, Yair Shamir, Jan 2015
- Minister of Economy, Naftali Bennett Oct 2013
- Minister of Energy & Water Resources, Uzi Landau Feb 2012

From India to Israel

- Agriculture Minister, Radha Mohan Singh, Sep 2016
- Human Resources Development Minister, Prakash Javadekar, Sep 2016
- External Affairs Minister, Sushma Swaraj, Jan 2016
- President of India, Pranab Mukherjee, Oct 2015
- Chief Minister of Maharashtra, Devendra Fadnavis, April 2015
- Chief Minister of Meghalaya, Dr. Mukul Sangam, April 2015
- Minister of Home Affairs, Rajnath Singh, Nov 2014

Israeli imports from India amounted to \$2 billion or 3.5% of its overall imports in 2015.

Israeli exports to India amounted to \$2.3 billion or 3.8% of its overall exports in 2015.

The 10 major commodities exported from India to Israel were:

- 1 Gems, precious metals and coins: **\$973.6 million**
- 2 Organic chemicals: **\$296.5 million**
- 3 Electronic equipment: **\$121.2 million**
- 4 Medical, technical equipment: **\$59.3 million**
- 5 Plastics: **\$56.4 million**
- 6 Vehicles: **\$44.4 million**
- 7 Machinery: **\$38.1 million**
- 8 Other textiles, worn clothing: **\$31.8 million**
- 9 Knit or crochet clothing: **\$31.6 million**
- 10 Clothing (not knit or crochet): **\$30.8 million**

The 10 major commodities exported from Israel to India were:

- 1 Gems, precious metals and coins: **\$933.7 million**
- 2 Electronic equipment: **\$389.3 million**
- 3 Medical, technical equipment: **\$180.7 million**
- 4 Iron or steel products: **\$170.3 million**
- 5 Fertilisers: **\$157 million**
- 6 Machinery: **\$110.9 million**
- 7 Organic chemicals: **\$69.8 million**
- 8 Other chemical goods: **\$44.2 million**
- 9 Inorganic chemicals: **\$43.6 million**
- 10 Plastics: **\$29.5 million**

India-Israel history:

India formally recognised Israel on **September 17, 1950**. Soon thereafter, the Jewish Agency established an immigration office in Bombay. This was later converted into a Trade Office and subsequently into a Consulate.

Since 1992, defence and agriculture have been the main pillars of bilateral engagement but in recent years it has expanded to areas such as S&T, education and homeland security.

From **US\$ 200 million in 1992** (comprising primarily trade in diamonds), bilateral merchandise trade reached **US\$ 5.19 billion in 2011**. Since then, it has, however, stagnated around **US\$ 4 - 4.5 billion** with bilateral trade (excluding defence) for 2015 being **US\$ 4.14 billion**.

Israel provided military assistance to India in its wars with China in 1962 and during its wars with Pakistan in 1965 and 1971. Israeli supplied weapons aided India in winning the Kargil War against Pakistan in 1999. Israel also provided humanitarian relief to India.

India-Israel ties:

Diamond trading constitutes more than half of bilateral trade but in recent years it has diversified to include sectors such as pharmaceuticals, agriculture, IT etc.

Indian companies are marking their presence in Israel through mergers and acquisitions and by opening branch offices. Similarly there are over 300 Israeli investments in India, mainly in high-tech and agriculture.

Major areas of collaborations are – Military, Agriculture, Science & Technology, Space, Culture & Education and Tourism.

Some pacts of impact:

Bilateral Agreements	Date
Memorandum of Understanding on Water Resources Management and Development Cooperation	11.11.2016
Declaration of intent on Cooperation in the field of agriculture	11.11.2016
Amending Protocol to the Double Taxation Avoidance Convention	14.10.2015
Cultural Exchange Programme (2015-18)	14.10.2015
Third phase of India-Israel Agricultural Cooperation	24.09.2015
Mutual Legal Assistance Treaty in Criminal Matters (MLAT)	27.02.2014
Agreement on Cooperation in Homeland and Public Security	27.02.2014
Agreement on Protection of Classified Material	27.02.2014
Extradition Treaty	09.01.2012
Agreement for Transfer of Sentenced Persons	09.01.2012

INDIA-ISRAEL: CLOSE ALLIES IN KEEPING PEACE AND ORDER

by Ashok Malik



Politically and strategically, Israel is India's most trusted ally in West Asia, writes a senior political columnist.

Twenty-five years ago, in 1992, India and Israel formally established full diplomatic relations and exchanged ambassadors. In 2003, Ariel Sharon, Israel's prime minister at the time, travelled to India, becoming the first head of government from Tel Aviv to do so. This month, Prime Minister Narendra Modi will become the first Indian prime minister to visit Israel.

This will be a historic moment because unlike previous Indian dignitaries who have travelled to Israel, Modi will not combine the trip to the Jewish state with a stopover in the Palestinian territories. There is recognition that Israel deserves a standalone visit and is a class apart from India's other partners in West Asia.

When Israel and India built their relationship in the 1990s, there was expectation of cooperation in intelligence, countering Islamist terrorism, defence capacity building and foreign policy in a part of the world where the two countries are rare democracies. As it turned out, this was only the tip of the iceberg. Over the past two decades, Israel has become embedded in the Indian

system as an economic and strategic partner. From dairy farming to drip irrigation to horticulture, it is involved in a series of developmental projects across Indian states.

OVER THE PAST TWO DECADES, ISRAEL HAS BECOME EMBEDDED IN THE INDIAN SYSTEM AS AN ECONOMIC AND STRATEGIC PARTNER.

In Rajasthan it is growing olives and incubating an Indian olive oil industry. In Punjab, dairy farmers and milk producers turn to Israel for technology and knowhow. In Maharashtra (Jalgaon), an Indian drip irrigation company bought out its closest rival, an Israeli company, and became a world leader in the field. So acclaimed is Indian and Israeli prowess in drip irrigation that even Arab countries are interested in it. In Gujarat, diamond merchants see Israelis as well as Jews in Antwerp and other European locations as natural business associates.

Israel's reputation as an innovation and start-up hub is inspiring Prime Minister Modi's plans for Indian modernisation and entrepreneurship. Israel is one of India's biggest suppliers of military equipment. As India strives to create a domestic defence manufacture industry, Israeli investors and technology companies have shown great interest. Sensitive technologies such as Heron unmanned aerial vehicles are moving from Israel in India.

Politically and strategically, Israel is India's most trusted ally in West Asia and one dare say among the three or four closest friends India has anywhere in the world. In a global system marked by turbulence and in a Greater Middle East that sees a new fire virtually every day, India and Israel are relatively stable stakeholder democracies and close allies in keeping peace and order. Tellingly, both share a degree of wariness when it comes to US President Donald Trump's still-in-the-making foreign policy.

While India and Israel are about the last countries the United States President should see as threats or challenges, so far – and including

during his recent visit to Israel – Trump has been inconsistent in his words and actions. Israeli analysts expect the Modi visit to be more successful than the Trump visit. A quarter-century ago, if one had said that an Indian leader's tour of Israel would be more welcome than a US leader's, the response would have been shock and disbelief. It's on the cusp of coming true.

During his visit, Modi will travel to Haifa, where Indian soldiers fought a decisive battle as part of the Allied effort in World War I. Indian soldiers were cremated or buried in Haifa, after what was an early example of Indian peacekeeping and role as a net security provider in the Middle

East. The Indian prime minister will pay tribute to those brave men. He will

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also address Israeli Jews of Indian origin, recent migrants from a country that has had several waves of Jewish settlers over hundreds of years – but where anti-Semitism has never been a problem.

To this day, India is a popular tourist destination for young Israelis, especially soldiers demobilised from military service and looking for a relaxed break in a friendly country, before going back to college or to a civilian job. Indian outbound tourism and visits to Israel are also growing. Indians go to Israel as tourists, pilgrims, history buffs, business associates, admirers and friends.

In a few days, Prime Minister Modi will tick all those boxes.

*Ashok Malik, Senior Political
Columnist*



The diamond merchant behind the India-Israel bond



Kirtilal Mehta set up base as a diamond merchant in Tel Aviv in 1968. As Modi plans the first visit by an Indian PM to Israel, Mehta's initiatives in the region provide a crucial backdrop.

As Narendra Modi visits Israel, Kirtilal M. Mehta will be smiling in heaven.

Mehta, who died in 1993 at the age of 86, was the patriarch of India's diamond industry, a pioneering global businessman and an early link between Israel and India. Like Modi, he was a Gujarati – and of humble origins. He was orphaned at 12, dropped out of school and began working with a relative in Burma (now Myanmar).

This was his introduction to the gems business. Less than a decade later, not yet 20, he was running operations in Bombay (now Mumbai). In 1944, he founded Beautiful Diamonds in Bombay.

In 1953, he opened Gembel Diamonds in Antwerp, and branched out to Hong Kong in 1956. In 1968, Gembel inaugurated a facility in Tel Aviv. Five years later Occidental Gems, another Mehta company,

opened in New York. The plucky boy from Gujarat now ran a diamond empire spread across three continents. The Gembel Group is today managed by Rashmi Mehta, Kirtilal's son.

For all his worldwide investments, it was Tel Aviv that was home to Kirtilal

MEHTA LIVED IN TOUGH TIMES. DIPLOMATIC RELATIONS BETWEEN INDIA AND ISRAEL WERE TENTATIVE AND NOT UNDERTAKEN AT THE HIGHEST LEVEL. GLOBALISATION AND MODERN COMMUNICATION TECHNOLOGY – WHETHER EMAIL OR MOBILE PHONES – WERE DECADES AWAY.

Mehta. He told friends he preferred the weather there to Europe or North America. Every day, he went to his office at the Diamond Exchange in Ramat Gan. When his wife Lilavati died in 1964, he built the Lilavati Hospital in Bombay in her memory. Later he married again, this time finding happiness with Esther, an Israeli Jew. They were still together when he died.

Mehta lived in tough times. Diplomatic relations between India and Israel were tentative and not undertaken at the highest level. Globalisation and modern communication technology – whether email or mobile phones – were decades away. Yet, he went to Israel with little more than enterprise, goodwill and that glint in his eyes – and found himself at ease.

It would be appropriate if the Indian Prime Minister were to remember him while visiting Tel Aviv.

India-Israel gear up for a historic visit

From engineering exports to defence agreements, there has been a hive of activity as Israel prepares to welcome Indian PM Modi.

India-Israel sign white shipping pact



India and Israel have signed a “white shipping” agreement to improve data sharing on non-classified merchant navy ships or cargo ships.

Indian Navy Chief Admiral Sunil Lanba met with the top brass of Israeli defence forces to further deepen bilateral military ties during a visit to Tel Aviv. The agreement was signed by Admiral Lanba and the Chief of the General Staff of Israeli Defence Force, Lt Gen Gadi Eisenkot, after their meeting during which they explored ways to further deepen bilateral defence and security ties.

They deliberated on overall security situation in the region and deliberated on various aspects of defence cooperation between the two countries.

Lanba also met Major General Udi Adam, Director General of Israel’s Defence Ministry, during which various issues relating to bilateral security cooperation were raised. Defence ties between India and Israel have been growing rapidly and a raft of mega deals, including procurement of an air defence system for the Indian Navy, are likely to be sealed during Indian Prime Minister Narendra Modi’s upcoming visit to Israel.

L&T Tech bags project in Israel

L&T Technology Services Limited (LTTS), a leading global pure play engineering services provider, announced the development of Smart City & Campus solutions that will be used to develop a smart office campus in Israel for a leading technology company – a result of its expanded partnership with Microsoft.

The multi-year project was awarded shortly after LTTS and Microsoft expanded their existing partnership for Smart City, Campus & Building (SCCB) solutions based on Microsoft Azure. That collaboration will drive joint solution innovation for campuses of the future, leveraging Azure as well as HoloLens Mixed Reality to enhance LTTS’ Digital Engineering Solutions such as i-BEMS.

“This multi-million-dollar landmark smart office project demonstrates the synergies in technologies between L&T Technology Services and Microsoft and the proof of things to come in smart campus solutions,” said Amit Chadha, President, Sales & Business Development and Member of the Board, L&T Technology Services Limited.

The Smart Campus will be the centrepiece for a new era of modern Smart City technologies that open numerous opportunities to provide repeatable solutions around energy efficiency systems, lighting controls, thermostats,

sensors, and alarms – all connected to an intelligent software IoT platform.

Air-India plans Tel Aviv flights



Air India is preparing for flights on the Mumbai-Tel Aviv route and the announcement could be made during Prime Minister Modi’s expected visit to Israel later this year.

As Saudi Arabia does not allow planes to fly to Israel from over its airspace, the airline will have to draw up a circuitous route for these new flights.

Israel is not recognised by a majority of the Islamic and Gulf countries that lie between it and India. At present Israel’s El Al Airlines flies between Tel Aviv and Mumbai.

The flying time between these two cities should be less than five hours but El Al can’t overfly some countries on direct flight path like Saudi Arabia, UAE, Iran, Afghanistan and Pakistan due to which it has to take a longer route.

The El Al flight taking off from Tel Aviv for Mumbai has to go to the southern tip of the country, fly over Red Sea completely avoiding Saudi and then turn east from the “horn of Africa” that juts into the Arabian Sea straight to its destination. As a result, the distance of 4,057 km between Mumbai and Tel Aviv is covered in eight hours.

AI may have an advantage as it plans to take fly its Boeing 787 Dreamliner the regular straight route up to Saudi Arabia and then take a detour near Red Sea.

Spreading their wings

by India Inc. Staff



Indian project exports are gradually gaining scale by winning increasingly bigger contracts with a little help from the Indian government.

When spectators troop in to watch the likes of Lionel Messi match his skills against Neymar in the 2022 World Cup Football tournament in Qatar, India will have an unseen presence in the 40,000-seat Al Rayan Stadium.

A Reuters report recently said Indian contractor Larsen & Toubro (L&T) has won the \$135-million contract, through a joint venture, to build the stadium that will host some important matches for the 2022 football World Cup.

This is just one of the many projects that L&T is building in countries far away from its home base in India.

A global presence

From highways to power plants to oil and gas pipelines to sports stadiums, Indian companies such as L&T, Shapoorji Pallonji Mistry, Punj Llyod,

the public sector Ircon and hundreds of smaller companies are constructing infrastructure not only in India but also in faraway places such as Africa, the Middle East, Central Asia and South East Asia, thus, not only earning precious foreign exchange for the country but also helping project India's hard and soft power to distant corners of the world.

Strategic partners

At a time when China has unveiled its One Belt One Road (OBOR) initiative to build a network of highways, railway lines and energy pipelines through Central Asia, the Middle East and Europe in a thinly veiled strategy to expand its sphere of influence, India, too, has its hands full with its own connectivity projects.

Racing against time and rushing to make up for lost time, the Narendra Modi government has taken up work

on the long-delayed \$484-million Kaladan multi-modal transport project in Myanmar to connect Mizoram in India's North East to South East Asia.

Kaladan, conceived in 2003, is the first major project taken up by India in Myanmar. Though construction began in 2010, it was soon abandoned due to lack of adequate funding and poor planning.

It was only in October 2015 that the Modi government revised the budget upward by nearly six times to 2,904 crore and appointed the public sector Ircon Infrastructure and Services Ltd as consultant. The target: complete the project by 2019.

As part of the project, the government has awarded a \$250-million contract to build a 110 km road from the Paletwa river terminal to Mizoram.

Other parts of this ambitious international connectivity project, like the construction of the Sittwe port on the Kaladan river in Myanmar has been completed. The construction of a river terminal about 160 km away and dredging work to ensure navigability are also nearing completion.

On the Indian side of the border, the 90-km Aizawl-Saiha National Highway extension work is also drawing to a close.

Exim Bank support

The Export Import Bank of India plans to borrow \$3.5 billion from overseas markets this year and use the funds to help Indian companies make inroads into new overseas markets.

Exim finances three segments — overseas investment finance scheme, project exports and lines of credit, which is government to government credit. Such finance is particularly important for Indian companies bidding for and executing projects abroad.

Exim Bank's aggressive financing recently helped the public sector Bharat heavy Electricals Ltd (Bhel) bag a \$1.6 billion project to set up a 1320 MW power project in Bangladesh's Khulna district, beating back stiff competition from Chinese rivals.

"We have been trying to bid for this project for a long time. We finally approached the PMO to secure an attractive financial package from the government of India to bid competitively. The package provided by Exim Bank was for all Indian manufacturers including L&T. It will be our largest overseas order till date," said a senior Bhel executive on condition of anonymity.

This project marks yet another instance of the convergence of India's economic and strategic interests in the country's immediate neighbourhood.

Helping rebuild Afghanistan

Indian project exports to Afghanistan have a significant strategic content as well. According to the Indian

embassy website: "India has played a significant role in the reconstruction and rehabilitation process in Afghanistan... Government of India has taken on a number of medium and large infrastructure projects in its assistance programme in Afghanistan. Some of these include: construction of a 218 km road from Zaranj to Delaram for facilitating movement of goods and services to the Iranian border; construction of 220kV DC transmission line from Pul-e-Khumri to Kabul and a 220/110/20 kV sub-station at Chimtala; upgrading of telephone exchanges in 11 provinces; expansion of national TV network by providing an uplink from Kabul and downlinks in all 34 provincial capitals for greater integration of the country."

FROM HIGHWAYS TO POWER PLANTS TO OIL AND GAS PIPELINES TO SPORTS STADIUMS, INDIAN COMPANIES SUCH AS L&T, SHAPOORJI PALLONJI MISTRY, PUNJ LLYOD, THE PUBLIC SECTOR IRCON AND HUNDREDS OF SMALLER COMPANIES ARE CONSTRUCTING INFRASTRUCTURE NOT ONLY IN INDIA BUT ALSO IN FARAWAY PLACES SUCH AS AFRICA, THE MIDDLE EAST, CENTRAL ASIA AND SOUTH EAST ASIA

"Some of the ongoing/completed Indian projects in Afghanistan include (the) new Afghan Parliament building (inaugurated on December 25, 2015 jointly by H.E. Dr Ashraf Ghani, President of the Islamic Republic of Afghanistan and HE Mr Narendra Modi. Prime Minister of India)..."

The world is their playground

The Middle East, Africa and South America are fast emerging as a major hub for Indian project exporters. L&T, India's largest engineering and construction company, for example, has a large presence a huge list of new and under construction projects in these regions.

The company has opened offices in the Middle East, South Africa, Nigeria and Brazil to facilitate projects in these countries. The company now earns almost 20 per cent of its revenues from its overseas operations, a large portion of this coming from the Middle East.

"The strategy of going global is for sound business reasons, since a wide international customer base enables de-risking of operations and global exposure enables L&T to benchmark its operations against global standards," the CMD of L&T, AM Naik, had told the media.

Shapoorji Pallonji forays into Africa

The Shapoorji Pallonji group, another huge Indian construction major, is building a \$300-million power plant in Tanzania that will speed up industrialisation in that country.

According to reports, it is building this 225 MW plant in collaboration with another Indian company, the Kamal Group, in Tanzania's Bagamoyo area in the Coast Region.

Larger ticket sizes

In a sign that Indian project exporters are coming of age globally, they are winning increasingly larger orders for critical projects that would earlier go to Western, Japanese and Chinese companies.

Recently, L&T Construction won its single largest order, worth \$817 million, in the Middle East from Qatar General Electricity & Water Corporation (for its ongoing Qatar electricity transmission network expansion plan).

This project, which involves engineering, procurement and construction (EPC) of 30 new gas-insulated sub-stations of of 220 kV, 132 kV and 66 kV and laying 560 km of 132 kV and 66 kV underground cables across Qatar.

"The development drive in the State of Qatar is in high gear and we are proud to be partnering in it by bagging yet another prestigious project... We have been associated with Kahramaa for over a decade which has put in place a programme well ahead

of the times to provide sufficient power and water for Qatar. We look forward to furthering this significant strategic relationship and continue to play a key role in making Qatar proud and a very modern state," SN Subrahmanyam, who was recently appointed CEO of L&T had said in a statement.

Challenging environment

Even as L&T and other Indian firms aggressively push their presence abroad – even as private sector orders in India remain constrained by the inability of Indian companies to make large investments on new plants and fresh infrastructure – they face stiff competition from Chinese and other rivals, making it that much more difficult to bag new orders.

companies, keep flowing while they keep the Indian flag flying abroad.

Africa the new frontier

At the recent meeting of the African Development Bank in Ahmedabad, Finance Minister Arun Jaitley said India, which is building as many as 45 greenfield projects in Africa, is now the fourth largest investor in that continent.

"India-Africa co-operation is not a one-off event but part of a strategic policy over last several years. The present government has provided fresh impetus to these efforts. India's share of announced greenfield projects grew from 3.3 per cent in 2003-08 to 6.1 per cent in 2009-15. During the same time, China's share fell from 4.9 per cent to 3.3 per cent.

Asia-Africa Growth Corridor

This initiative, undertaken by India and Japan will create a free and open Indo-Pacific region and create new sea routes along the ancient maritime trade routes connecting Africa with India and South East Asia.

The project proposes to connect the Jamnagar port in Gujarat with Djibouti in the Gulf of Aden, Madurai port with Mombasa and Zanzibar and Kolkata to Sittwe port in Myanmar.

Japan will contribute its state-of-the-art technology and its experience in building quality infrastructure, while India will bring to the table its experience of working in Africa.

Once this initiative gets off the ground, it will open up project exports



"The government will have to spend; otherwise there will be no growth in the economy," Naik warned.

Government alive to the problem

Fortunately, the Modi government has allocated about \$90 billion in the Budget for 2017-18 for spending on infrastructure. The government, thus, will pick up some of the slack created by the private sector and ensure that domestic orders, the lifeblood of Indian engineering and construction

India is amongst the most important emerging investors in Africa. In terms of greenfield projects, India was fourth largest investor with 45 projects in 2015 after the US, the UK, and the UAE," he said.

In an unrelated development, Commerce Minister Nirmala Sitharaman lauded India's growing project exports to Africa and said Japan is keen on collaborating with India in this regard.

worth billions of dollars for the likes of L&T, Punj Lloyd and other Indian and Japanese companies.

Experts are optimistic that experience of handling such a humungous project will change the dynamics of Indian project exports and finally enable them to rub shoulders with the behemoths from China, Japan, South Korea and the West.

PROJECT EXPORTS

What is project export?

Project Exports comprises of overseas projects contracted in any of the following modules

1

Civil Construction Projects

2

Turnkey Projects including engineering, procurement and construction (from concept to commissioning) and essentially includes civil work/construction and all supplies specific to these turnkey projects

3

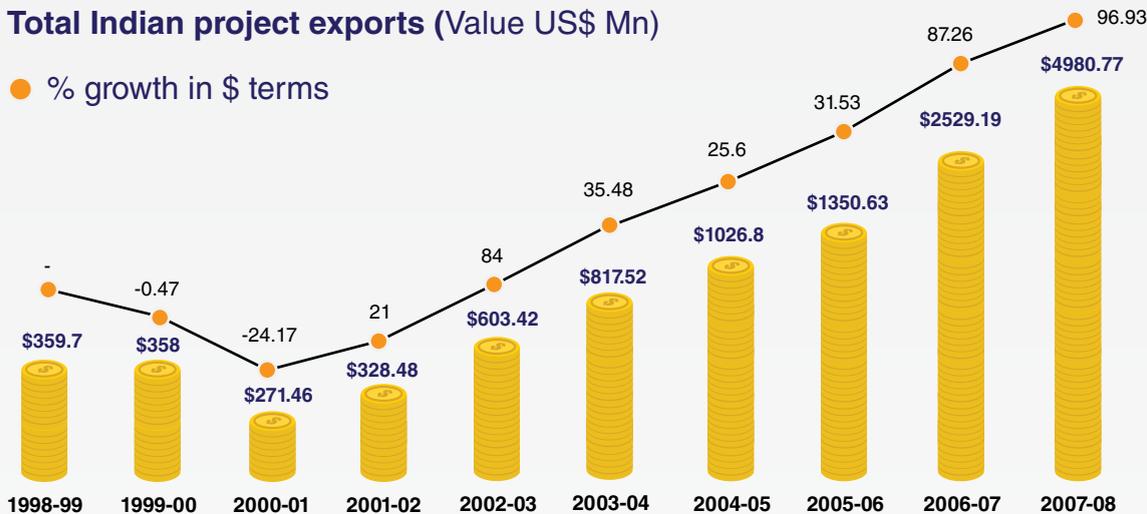
Process and Engineering Consultancy services, Project Construction Items (excluding steel and cement)

4

Construction Engineering Products (Fittings & Fixtures/Materials), Construction Equipment & Accessories, Other Project Goods

Total Indian project exports (Value US\$ Mn)

● % growth in \$ terms



Main export destinations

Asia
SAARC
Middle East
Far East
Africa
Russia, & CIS
Europe
Latin America

Source: Project Exports Promotion Council of India (PEPC)

The main challenges

- Data issues
- Chinese competition
- Non-tariff barriers in some markets
- Procedural & documentation factors
- SEIS scheme and project exports
- To be considered in FTAs/RTAs
- Project exports through rupee trade
- Project exports to Africa

Major Indian project exporters

	L&T Ltd		IVRCL Ltd
	Simplex Infrastructures Ltd		Power Grid Corporation of India Pvt Ltd
	Hindustan Construction Co Ltd		IL&FS Transportation Networks Ltd
	Thermax Ltd		Bharat Heavy Electricals Ltd
	Adani Infra (India) Ltd		
	IRCON International Ltd		

Source: Department of Economic Affairs

The UK election results don't portend a doomsday scenario

by Manoj Ladwa



When politicians misjudge the public mood and gamble, the end result can be politically catastrophic. In that sense, the UK election results are nothing short of a political earthquake – the second one to hit the UK in 10 months.

Just as David Cameron had misread the public mood in Britain when he called for the Brexit vote, Theresa May's decision to go back to the people a full three years before her term as Her Majesty's First Minister was to expire has also proved to be a grave political miscalculation.

Mistake? Yes. Apocalypse? No.

Though her gamble has backfired and in spite of the short-term uncertainty it has created in its wake, I am confident that the political dust will soon settle and government will get back down to the business of governing. And do so quickly. May has been quick to tie up support from the ideologically allied Ulster Unionists.

Given that the Tories are only a handful of seats short of the majority mark, there is little threat to the stability of her government at the moment. She has also been able to see off threats from party colleagues who had hoped to challenge her

authority following the electoral setback.

But what she has lost – and this, though intangible, is as important as parliamentary numbers – is some of the political capital she needs going into what is expected to be a bruising, gloves-off negotiation with Brussels over the terms of Britain's exit from the European Union.

Silver lining

Taking a slightly longer term view, I think the hung verdict – and consequent reduced political clout of the ruling party – may well prove to be the cloud that has a large, but currently hidden, silver lining. For one thing, we can assume that those who were all too ready to drive a so-called hard Brexit option, under which the UK would have left the European Union without a deal to secure access for its goods and personnel in the EU, would be somewhat tempered.

Opening for India

May 2.0 would be correct also to

interpret the fractured mandate as a message to continue to press for a more globally engaged Britain rather than a mandate to aggressively pull up the draw bridge on foreign business and people. This provides a services-driven export economy like India the opportunity to press its case for a fair and sensible immigration regime recognising the immense value Indian talent can bring to the UK economy.

This will be good news for the 800-odd Indian companies that have established their businesses in the UK not only to tap its large and prosperous market but also to use the country as a bridge-head to the economic colossus that lies across the English Channel.

Then, London remains a preferred destination for Indian companies looking to raise money from the international markets – whether through foreign currency-denominated paper or via the rupee-denominated masala bonds. A soft Brexit will most

likely ensure that the City retains its allure for Indian investors, who flock to it not only because of business reasons but also due to cultural and family ties.

A hard Brexit, on the other hand, would have put their investments – made on the basis of assumed easy access to the EU – at risk. That is a fallout neither the UK nor Indian investors would have enjoyed, and possibly could have led to a longer term strain in bilateral relations. Indian companies are, collectively, the third largest investor group in the UK and among the largest employers in that country.

Right time for a closer clinch

That apart, this vote could actually (and contrary to some belief) give a fillip to closer UK-India economic ties. There is a broad bi-partisan political consensus in the UK on the importance of India and trading relations with New Delhi. It is clear that UK ministers will need to work harder and be sharper in helping to get deals done and issues resolved.

I hope this hung verdict provides an impetus for both governments to focus on the initiatives that are already on the anvil – in foreign policy, on strategic issues, on the economy, on people to people contacts and on ensuring greater cultural connect.

The way forward

To start with, Prime Ministers May and Modi should urgently review the work of the Working Group that has been set up to explore deeper trade and investment ties. So far, there has been scant information on what, if anything, has been discussed by the group.

Then, the two governments can leverage the goodwill generated by the high profile UK-India Year of Culture to promote further and closer people to people ties to celebrate all that unites the two great nations. Much can be done through this initiative to boost the mood and confidence between people.

Cooperation on reinvigorating the Commonwealth

There is also huge scope for



MAY 2.0 WOULD BE CORRECT ALSO TO INTERPRET THE FRACTURED MANDATE AS A MESSAGE TO CONTINUE TO PRESS FOR A MORE GLOBALLY ENGAGED BRITAIN RATHER THAN A MANDATE TO AGGRESSIVELY PULL UP THE DRAW BRIDGE ON FOREIGN BUSINESS AND PEOPLE.

cooperation between the UK and India on re-imagining the Commonwealth as a body that encourages freer trade and on facilitating greater market access between member states. The UK will next April host heads of government for the Commonwealth's bi-annual summit. There is huge opportunity for India to be re-engaged and encouraged to take a central leadership role of this otherwise traditionally perceived sleepy post-colonial club.

Terrorism is a scourge that is affecting both India and the UK (and indeed,

large parts of the world). Now that the Manchester and London terror attacks have brought this monster to British shores three times in quick succession, there is all the more urgency for the two sides to join forces to fight this danger with redoubled vigour.

And finally, US President Donald Trump's decision to pull out of the Paris Climate Pact makes it imperative for countries like the UK and India to take the lead role, along with countries like France and Germany in ensuring that we leave the world a better place for future generations.

Not quite doomsday yet

In the light of the above, I don't think the political earthquake in the UK will result in too much lasting damage either in Britain or in India. If anything, it does provide an opportunity to push ahead with the huge list of unfinished business. In fact, it is an opportunity to drive more focus into the bilateral relationship, not less as some may be fearing.

Manoj Ladwa is the Founder and CEO of India Inc.

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The case for Global Britain must now be made at home and abroad

by Sunder Katwala

The British General Election of 2017 was intended to provide stability and certainty, but it did not go according to plan.



Theresa May asked the country for a resounding personal mandate to strengthen her in the Brexit negotiations – but the public refused it, confounding expectations of a clear Conservative victory in this early General Election.

But, even before the inconclusive result, it was striking how little light the election campaign had shone on the key choices facing Britain about its place in the world. This was supposed to be the Brexit election – but the campaign revealed nothing new at all about the government's approach. Brexit is the biggest change in Britain's relationship to the rest of the world for half a century, but the world beyond Brexit barely featured at all, at least until the election campaign was twice suspended by the tragedy of terrorist attacks in Manchester and London. After the Manchester attack, Labour leader Jeremy Corbyn made a controversial speech about foreign policy interventions abroad and their relationship to security and extremism, but no major figure on any side of politics said anything

of note about Britain's economic relationships with the outside world during the election.

The inconclusive result is likely to see British politics become rather more domestically-focused, with a focus on how to keep the government going, and the need to bargain with MPs from Northern Ireland over the budget and legislation of a minority Conservative administration. There will be much speculation about how long the Prime Minister can remain in office, and whether another General Election will be necessary, set against the pressure of the ticking clock for the Article 50 negotiations, which will see Britain leave the European Union in two years.

While the uncertain outcome of the General Election may cause further delays, there is a good chance that the longer-term impact of the result will shift the politics of both Brexit and Britain's broader international relationships towards a more open approach.

Theresa May's visit last Autumn to India was intended to send the message that post-Brexit Britain intends to be an outward-looking country, more open for business than ever before, looking beyond Europe to broader horizons too. That trip was never likely to get too far beyond setting the mood music for the future,

given that Britain has yet to begin formally negotiating its EU departure under the Article 50 process. So, the government's ambition was for post-Brexit Britain to carve out a role as 'the world's foremost champion of free trade' – but the EU retains sole responsibility for international trade while the UK remains in the club. So the Indian government will naturally want to see if it can make progress in negotiations with the EU, and can do little beyond agreeing that it would be good to talk once Britain is free to negotiate.

In the meantime, Britain's attractiveness to trade partners beyond Europe may depend partly on its continental relationships too. The UK is the top choice of Indian investors to the EU, but access to the broader European market is part of that appeal. It will be a blow to Britain's hopes of deepening economic relationships beyond Europe if this new global champion of free trade fails to secure a deal to retain tariff-free trade in its home continent too. So the trip did illustrate the key challenges as to whether a more globally-engaged country will be the view of Britain after Brexit that the world believes is true.

Secondly, the global message of an outward-looking Britain depends on resolving the domestic argument at home about what Brexit means – more open or more closed, more global or

more protectionist? ‘Save our curry houses’ became an unlikely EU referendum slogan, as Conservative MP Priti Patel argued that “by voting to Leave, we can take back control of our immigration policies, save our curry houses and join the rest of the world.” Patel has yet to convince her new boss that more control over EU migration would also lead to being more open to skills from outside Europe. Nobody could credibly claim that last Autumn’s Conservative party conference projected an outward-looking message to the world beyond Britain. The failure of the Conservative 2017 General Election campaign may well now lead to a move inside government to rebalance the argument about immigration.

For all of the talk of closer British-Indian links, the number of Indian students at British universities has halved. Competitors such as Australia, Canada and the US have boosted their share of the market, offering more opportunities for students to work in good jobs after their degree. Theresa May’s government insisted on exploring opportunities to cut student migration further, rather than into attract more fee-paying students here, even though eight out of ten voters don’t want the numbers cut. Right-of-centre publications from ‘The Spectator’ to ‘The Times’ suggest that welcoming more students from India would be a key way to substantiate post-Brexit Britain’s global appeal.

As Home Secretary, May faced down an alliance of most of her senior colleagues on the inclusion of students in the net migration target, and the argument inside the government continued with her move to Downing Street. The shift of power inside the government after the election, and the prospect of new leadership in the future, make it likely that there will be a shift towards a more welcoming message and policy towards international students, reflecting the broad public perception in the UK that this is a rather separate question from the political hot potato of immigration.

The last year has demonstrated that the danger has been of Britain sending an ‘open’ message to the

world but contradicting it with a more ‘closed’ case at home. Yet there are big political as well as economic reasons to pursue a more balanced agenda. David Cameron made enormous efforts to deepen the party’s reach to British Indians. He inherited a party with one British Asian MP and left it with eight, among 17 ethnic minority MPs. Progress with ethnic minority voters has been harder: the party made some inroads in 2015 under David Cameron, but slipped back in 2017 with British Asian and other ethnic minority voters. Theresa May saw the possibility of a political realignment by winning votes from the populist Eurosceptic UKIP

THIS WAS SUPPOSED TO BE THE BREXIT ELECTION – BUT THE CAMPAIGN REVEALED NOTHING NEW AT ALL ABOUT THE GOVERNMENT’S APPROACH.

– but underestimated the extent to which that would repel voters in cities and university towns. The Conservatives did very badly indeed in London, losing several seats to the Labour party, and falling back in other areas of high diversity and in cities and university towns across the country.

One of the MPs who lost such a seat was Gavin Barwell in Croydon Central. His consolation prize for being defeated in parliament was to be appointed as Prime Minister Theresa May’s chief of staff immediately after the vote. This was seen in Westminster as a significant move in seeking to bridge the different wings of the party. Barwell had long been a vocal advocate of the party’s need for a liberal approach to immigration, making both an economic and an electoral case for the Conservatives ensuring they have a balanced and positive approach to managed migration. Before becoming a government minister, he wrote in ‘The Daily Telegraph’ under the Cameron administration, back in 2013, that the government risked

sending “very mixed messages” on its relationship with India which risked undermining the emphasis placed on extending economic and political ties. Barwell wrote: “It’s no good the Prime Minister committing so much of his time to beating the drum for Britain and telling the world we are open for business if every time we talk about immigration domestically it is always in terms of it being a problem, of not wanting people to come here. We need a more nuanced debate. “My constituents are concerned about levels of immigration, but they’re not opposed to tourists coming here, foreign students studying at our great universities and foreign businesses investing here.”

That was a direct challenge to the agenda of the then Home Secretary Theresa May, who instead toughened the agenda in Downing Street.

After the disappointment of the election result, few believe that Theresa May will prove more than a caretaker leader of the country or her party. So the debate has already opened up inside the government and the party about how to better strike that balance. The Conservatives need to manage Brexit in a way that protects the economy - and will want to make sure that they are competing for the rising economic and political power of British Indians.

Seizing it may depend on ensuring that outward-facing messages aren’t just saved for foreign governments and diplomatic trips abroad – and become part of a positive vision for post-Brexit Britain that is made back at home in Britain too. We failed to have that debate about global Britain and its approach to the wider world including India during the 2017 General Election – but it will surely have to begin now.

Sunder Katwala is the Director of British Future, an independent UK-based thinktank. He has previously worked as a journalist and was general secretary of the Fabian Society.

Bonds that go beyond Brexit

by Mihir Kapadia



India's strong economic fundamentals, low inflation and interest rates on a declining trend are ideal for bond investors, writes a financial markets expert.

London & Partners, the Mayor of London's official business development company, has long been focusing on attracting inward investments into London, which is arguably the cultural and business capital of the world. This initiative, which started well before Brexit, sought to reinforce London as the gateway between America and Asia. It could become very important for London if it loses access to the Passport to European Financial after the UK exits the European Union (EU).

The London Stock Exchange (LSE) is an important institution in the City of London and has long attracted international companies to list in London. This has included many companies from South Asia. At present, there are over 70 companies from India which have listed and

raised strategic equity capital through IPO and follow-on offerings, which is about twice the number in New York, Toronto, Singapore and Frankfurt combined.

The London Stock Exchange and UK Listing Authority offer the highest standards of disclosure and regulatory oversight whilst remaining accessible, flexible and predictable in facilitating listing. By listing in London, Indian companies can look for investors in a much larger capital pool than is available domestically in India. The LSE helps companies to raise their profile overseas, as it brings the listing company to the attention of London's deep pool of global investors and analysts. This is particularly valuable for the growing number of Indian companies which are seeking to export products and services to global markets.

In the last year, we have seen an increase in the issuance 'Masala' bonds (Indian Rupee- denominated Bonds issued by Indian entities but sold internationally). Although these bonds trade on the over-the-counter (OTC) market rather than on an Exchange, they are often listed on Exchanges as most institutional investors require a listing for instruments to be eligible for investment.

Housing Development Finance Corporation (HDFC) launched the first Masala Bond in July 2016, raising nearly 3,000 crore rupees (\$350mn); this was a landmark issue and it was listed in London. This helped to cement the LSE's clear position as the leading global listing venue for offshore Rupee denominated instruments: both stocks and bonds.

A number of other Indian issuers have followed HDFC and have issued Masala Bonds. There are currently eight or nine Masala bonds outstanding and listed on the London Stock Exchange with a combined outstanding value of INR 210 billion (about \$3.2bn). One notable bond issue was by the state-owned National Thermal Power Corporation (NTPC) listed world's first Indian green masala bonds raising Rs 2,000 crore (\$300mn), which had a yield of 7.48 per cent and a five-year maturity.

Another notable listing on the LSE was the world's first Indian Fixed-Income Exchange Traded Fund (ETF), which was launched by Sun Global Investments in London in November 2015. This fund is known as the LAM Sun Global Zyfin India Sovereign Enterprise Bond UCITS ETF but is better known by its LSE ticker (CURY:LN) – still the only vehicle which offers smaller foreign investors the chance to get exposure to Indian fixed-income. Moreover, it does so in a very liquid form as the shares trade on the London Stock Exchange like any other share. The ETF has been very successful and the GBP-denominated shares have risen by nearly over 37 per cent in the nearly two years since the launch.

This performance was helped by Brexit, which led to sharp decline in the value of the GBP and thus boosted the GBP value of the Rupee denominated bonds that the ETF invests in. However, this was not the only reason. The performance of the underlying bonds and the rupee has been impressive and the US dollar tranche has advanced over 17 per cent since the launch. The Euro Tranche, which is listed on the Frankfurt Stock Exchange, is up 8.7 per cent over the same period. These are very impressive returns for bonds in a world which interest rates and bond yields are negative or very low.

Investors are increasingly attracted by India's macro-economic fundamentals. Despite the problems and dislocation caused by demonetisation, India is again likely to be the fastest growing major economy



IN THE LAST YEAR, WE HAVE SEEN AN INCREASE IN THE ISSUANCE 'MASALA' BONDS (INDIAN RUPEE- DENOMINATED BONDS ISSUED BY INDIAN ENTITIES BUT SOLD INTERNATIONALLY).

in FY 2017 and FY 2018 with GDP growth at around 7.1 per cent. International Investors are looking beyond equities, particularly at bonds, which have not been on their radar to the same extent as equities. As India's economic fundamentals continue to be strong, inflation is low and interest rates are on a declining trend – these are the ideal conditions for bond investors. International investors are increasingly looking at this as rupee bond yields are still quite high (nominal yields of at least 7.5% across the curve). This looks attractive compared to alternative markets such as developed bond markets where yields are very low or negative.

There is an increasingly wider range of companies looking at London to issue Indian rupee denominated debt securities, and a steadily growing pool of international capital ready to

buy such bonds. Coal India Limited, the world's largest coal miner, is reportedly considering an equity listing at the LSE; this listing will be another feather in the cap for the LSE.

The UK-India investment relationship is an important factor. India is now the third largest investor and second largest job creator in the UK; the UK is the largest G20 investor in India and plays an important role in building skills in the Indian workforce.

India has a huge range of investment opportunities and trillions of US dollars of infrastructure that needs that need to be financed. The financial sector of London has huge pools of capital looking for attractive investment opportunities. In addition, London has vast legal banking and financial structuring expertise. It also has the London Stock Exchange which is the world's largest and most international listing venues.

This pattern of characteristics means that India and London are natural partners. We expect many new Indian financial instruments to be structured, traded and listed in London in the next few years.

Mihir Kapadia is CEO of Sun Global Investments.

India makes cross-sector European mark

Indian companies made significant strides in energy, pharma, IT and other sectors across Europe.

India's energy firm to invest in UK



India's state-run Energy Efficiency Services Ltd (EESL) will invest £100 million in the UK over the next three years.

EESL struck up a joint venture with EnergyPro Ltd, an advisory company in energy efficiency, and invested in EPAL, earlier a wholly-owned arm of the EnergyPro. EESL would route its investments through EPAL.

EESL MD Saurabh Kumar said: "EESL has already invested 7 million pounds in the EPAL. We have 80 per cent stake in this JV whereas the remaining stake is with our partner EnergyPro Ltd.

"The EESL has decided to invest 100 million pounds over the next three year. We have estimated an annual revenue of 20-25 million pounds after this investment. At present, with £7 million investment in the EPAL, the revenues are estimated at 1 million per annum for the next 15 years."

Power minister Piyush Goyal will in London this week to make a formal announcement about the investment by EESL.

Torrent Pharma buys Novartis brands

Ahmedabad-headquartered Torrent Pharmaceuticals has acquired women healthcare brands Regestrone and Pregachieve from Swiss pharma major Novartis AG for the Indian market.

Torrent had entered into a pact with Novartis last month to acquire the two brands. Both the brands are prescribed by gynaecologists for the management of abnormal uterine bleeding, peri and post-menopausal symptoms and infertility.



"With acquisition of key brands of Elder like Shelcal and Deviry, impetus on this therapy area has also increased. Regestrone and Pregachieve will further fortify the Hormone Segment. The use of Hormones amongst the gynaecologists is on an increase because of lifestyle changes," a Torrent statement said.

The company has a strong presence in dermatology segment and is now looking at building its presence across other key therapies and small brand acquisitions is likely to play a key role.

Tata Technologies acquires Swedish firm



Indian global engineering services company Tata Technologies has entered into a definitive agreement to acquire Sweden's Escenda Engineering AB.

The acquisition helps Tata Tech accelerate its plans to expand in Europe due to the rapid growth opportunity the region offers in both the automotive and industrial machinery sectors, the company said.

Following the acquisition, Escenda Engineering will become a wholly owned subsidiary of Tata Technologies Europe Limited. The company will maintain the same management team and full workforce under the new ownership.

Warren Harris, CEO of Tata Technologies, said: "The acquisition of Escenda is another boost to our international footprint as well as our capabilities in the automotive sector, where we already support a range of global OEMs. The deal showcases Tata Technologies' ability, confidence and commitment to continue to grow and enhance our international operations."

Founded in 2009, Escenda Engineering is based in Gothenburg, Sweden, and claims to be a leader in automotive product engineering and design.

Lodha Group raises funds for UK project



The UK arm of Indian realty firm Lodha Developers has raised \$375 million (about Rs 2,400 crore) from investment company Cain Hoy for the construction of its housing project in London.

The amount raised will go towards construction funding for its Lincoln Square development in London, the Mumbai-based developer said in a statement. The project is being constructed by Multiplex, the construction arm of global investment major Brookfield, and is expected to be completed in the last quarter of 2018.

Lodha Developers said the company has sold over 78 units worth almost \$170 million since the launch of the project in May 2016.

“The facility includes £80 million to replace the existing debt, provided by Cain Hoy last autumn, and the balance will be used to complete the project over the next two years,” the company statement said.

Jindal Poly Films eyes European firm

New Delhi headquartered manufacturer of polyester and polypropylene films, Jindal Poly Films, is in advanced stages of discussions to acquire the European operations of DuPont Teijin Films for around \$300 million, according to Indian media reports.

Established in 2000, DuPont Teijin Films was formed as a 50/50 global alliance combining the polyester film interests of DuPont and Japan's Teijin. The business includes existing joint ventures with DuPont-Hongji Films Foshan Co in China.



Jindal Poly Films, the flagship brand of the BC Jindal group, is India's largest polyester-based packaging film company. If the acquisition goes through, it will propel the company to the world's largest in the category.

DuPont Teijin Films has businesses in Europe, Indonesia and Japan. The European arm has a global footprint, including plants in China, Europe and the US. Its European manufacturing sites are based in Dumfries, Scotland, and Luxembourg, with a global innovation centre located in Teesside, UK.

Sona BLW expands Hungarian plant capacity

Sona BLW Precision Forgings Ltd (SBPFL), part of India's \$500-million multinational Sona Group, is expanding its production capacity at its plant in Hungary.

The Hungarian plant, spread across 4,800 square metres, is the Sona Group's first greenfield manufacturing unit outside India. The facility is a downstream process unit which will increase production capacity by 40 per cent through machining and heat treatment operations.

The company says the expansion

programme will lead to some cost reduction. The increased production capacity will help create total capacity of 3.9 million pieces per year with a targeted annual sale of 1.5 billion Hungarian Forint.



Sona Group CEO Sunjay Kapur said: “Our Hungary plant expansion offers us advantages to maintain cost-efficiency, transfer of certain aspects of our production and also remain close to the market.”

20 Indian start-ups in UK Tech Week

Some of India's most ambitious new start-ups participated in the ongoing London Tech Week to explore plans of international expansion.

The 20 companies which cover areas of travel tech to dairy tech, and from stem cell technology to science for children, are part of the India Emerging Twenty (IE20) programme launched by London Mayor Sadiq Khan's business and promotional agency, London & Partners (L&P).

“The India Emerging Twenty initiative is a wonderful way of highlighting the amazing entrepreneurial talent that exists in India, one of the fastest-growing economies in the world. India's young and dynamic entrepreneurial growth is the driving force behind India's growth as a country. IE20 are shining champions of India's growth story,” said Cobra Beer founder Lord Karan Bilimoria.

Rajesh Agrawal, the Deputy Mayor of London for Business, said: “The IE20 is proof that London's relationship with India continues to grow and it is fantastic to welcome so many of its fastest-growing companies to our great city.”

The sun will continue to shine

by India Inc. Staff



The US withdrawal from the Paris Climate Accord will not have much impact on the fight against global warming as India and others take the lead in embracing renewable energy.

Just as US President Donald Trump's repudiation of the Trans Pacific Partnership provided Chinese President Xi Jinping the opportunity to present himself as the prime defender of the globalised trading order, the US walkout of the Paris Climate Pact has presented Indian Prime Minister Narendra Modi the rare chance of presenting India as the leader of the global fight against climate change.

And Modi, who has a reputation of being able to spot an opportunity before most others, is alive to the potential this has to propel India into a global leadership position.

Reaffirming support

Reacting to the US withdrawal from the Paris Climate Pact, Modi told reporters on his recent four-nation tour to Europe: "Paris or no Paris,

our commitment to preserving the climate is for the sake of future generations. We must leave for our future generations a climate wherein they can breathe clean air and have a healthy life."

Reaffirming India's stand later during his European sojourn, the Prime Minister asserted: "India is a responsible nation with regard to climate change... We can milk the nature... Exploitation of nature is not acceptable to us. India has been working to protect the environment even before the Paris deal was reached in 2015. For the last 5000 years, even when I was not born, it has been the tradition in India to protect the environment."

He will now have to work closely with the governments of Germany, France and the UK to fulfil his pledge but more on that later.

The Paris pact

The Paris Climate Agreement binds signatory countries to cut the emission of carbon dioxide and other greenhouse gases, through voluntary "nationally determined contributions"; to ensure that the average temperature on earth does not rise more than 2 degrees Celsius over that in 1880, the year from which such records are available.

Readers must note that blatant and brazen disregard of environmental norms over the last 137 years have already raised earth's average temperature by 1.3 degrees Celsius over that in 1880. This means, the goal from hereon is to ensure that we cap the rise in temperature to 0.7 degrees Celsius.

If we fail, climate change will continue unabated, global warming will pick up pace, the Arctic Ice Cap will melt

further, raising water levels across oceans and seas around the world and sink large swathes of coastal regions and islands across continents.

Weather patterns will change unpredictably, making Monsoons more erratic and lead to widespread migration of “climate refugees” to higher altitudes.

The turmoil and violence this will unleash across the globe can be gauged from the reactions in some European countries to the influx of a few hundred thousand refugees from the Middle East. Imagine the scale of disruption if millions of displaced people were to cross borders in search of refuge and safety.

Why the US withdrew

The Paris pact offered the world a way to avert the coming apocalypse. It follows the polluter pays principle, which means that countries like China, the US and India, which are the three largest emitters of greenhouse gases, discharging 30 per cent, 15 per cent and 7 per cent, respectively, of global emissions annually bear the brunt of the costs and efforts involved.

But, at the insistence of India and China, countries such as the US and the industrialised nations of Europe, which have historically discharged a disproportionate amount of carbon dioxide into the atmosphere were obligated to contribute funds and technology to help emerging and poorer nations to meet their climate change obligations.

President Trump, however, incorrectly interpreted this to allege that India and China were seeking huge sums of money in return for staying in the pact.

He added: “Compliance with the terms of the Paris Accord... could cost America as much as 2.7 million lost jobs by 2025... This includes 440,000 fewer manufacturing jobs... by 2040, compliance with the commitments put into place by the previous administration would cut production for the following sectors: paper down 12 per cent; cement down 23 per cent; iron and steel down

38 per cent; coal –and I happen to love the coal miners – down 86 per cent; natural gas down 31 per cent.”

Trump went on to add: “The cost to the economy at this time would be close to \$3 trillion in lost GDP and 6.5 million industrial jobs, while households would have \$7,000 less income and, in many cases, much worse than that.”

He forgot to add that he got these figures from a National Economic Research Associates study that added a key caveat: “Does not take into account potential benefits from avoided emissions.”

THE PARIS PACT OFFERED THE WORLD A WAY TO AVERT THE COMING APOCALYPSE. IT FOLLOWS THE POLLUTER PAYS PRINCIPLE, WHICH MEANS THAT COUNTRIES LIKE CHINA, THE US AND INDIA, WHICH ARE THE THREE LARGEST EMITTERS OF GREENHOUSE GASES, DISCHARGING 30 PER CENT, 15 PER CENT AND 7 PER CENT, RESPECTIVELY, OF GLOBAL EMISSIONS ANNUALLY BEAR THE BRUNT OF THE COSTS AND EFFORTS INVOLVED.

“... Thus, as of today, the United States will cease all implementation of the nonbinding Paris accord and the draconian financial and economic burdens the agreement imposes on our country,” Trump said early in his speech.

Then, in a reference that can only be termed uninformed, the US President said: “Further, while the current agreement effectively blocks the development of clean coal in America, China will be allowed to build hundreds of additional coal plants. So we can’t build the plants but they

can. According to this agreement, India will be allowed to double its coal production by 2020. Think of it. India can double their coal production. We’re supposed to get rid of ours.”

Show me the money

It will take the US about four years to exit the pact – around the time Trump’s term ends. But some of the damage could be done by then. The US had pledged \$3 billion to the \$10-billion Green Climate Fund (GCF) of the United Nations.

The GCF is mandated to finance efforts by emerging and poor nations to fight climate change. The US has provided \$1 billion so far and there is no clarity yet on whether it will honour its pledge to contribute the balance \$2 billion. If it doesn’t, then EU, China and India, which have promised to redouble efforts to ensure that they meet the Paris pact targets with, or without the US, will have to find some way of plugging this gap.

India takes the lead

Contrary to what Trump said, India has committed to ensuring that 40 per cent of its energy comes from renewable sources by 2030. It has set a target of building 175 GW of renewable energy capacity by 2022. In fact, India’s renewable energy targets, the highest in the world, is set to overtake Japan to emerge as the world’s third largest solar energy market after China and the US.

Then, India’s power, coal and renewable energy minister Piyush Goyal has set a very stiff target of ensuring that India has an all-electric car fleet by 2030. The Indian passenger car market crossed the three-million per annum mark in 2016-17 and is expected to cross the four million mark within the next four years. There is every possibility of India becoming the world’s third largest car market by 2030.

An all-electric automobile market combined with the ambitious renewable energy capacity – the government expects 40 per cent of India’s power generation capacity to come from renewable energy by 2030 – will surely push India into the leadership position despite the



problems that US withdrawal will create.

So, given the deluge of investments, from foreign and domestic investors, in the solar energy sector, it is clear that India is not looking for funds from the US as alleged by Trump.

Refuting the US President's assertions in no uncertain terms, Indian external affairs minister Sushma Swaraj said India did not join the Paris agreement under pressure for funds.

Impact on the world

Having said that, it is not as if the US move to withdraw from the Paris pact will definitely cost the world big time. "The fact that the US is pulling out is an enormous problem for India because we are a highly vulnerable country to climate change," Navroz Dubash, Senior Fellow, Centre for Policy Research, was quoted as saying. "This will weaken the Paris Agreement to the extent that it encourages other countries to back out and so India stands to lose."

Then, India will lose out if, as a result of the US pullout, it has to step up its contributions of both cash as well as enhanced emission cuts. But experts insisted that India and China are already doing more than their bit in terms of adding renewable energy capacities. Therefore, it is up to the EU to pick up the slack in funding, they added.

What India needs to do

India's nationally determined commitments under the Paris accord are as follows:

- To reduce the emissions intensity of GDP by 33 per cent-35 per cent by 2030 below 2005 levels
- To increase the share of renewable energy to 40 per cent of installed electricity generation capacity by 2030
- To create a cumulative carbon sink of 2.5-3 GtCO₂e through additional forest and tree cover by 2030

Emission intensity is ratio of greenhouse gases to GDP. Reducing the emission intensity of the GDP in line with India's NDC target in a short span of only 13 years is a humungous task.

Analysts say that reaching the target of generating 40 per cent of electricity from renewable sources will involve shifting 26-30 per cent of the population to renewable energy.

This will involve not only investments in green energy sources but also focus on behavioural changes in the population – and launch information dissemination programmes to make them more environmentally conscious.

From Kyoto to Paris

Long-time watchers of global climate change politics will feel a sense of déjà vu. After all, Trump is not the first US President to pull out of a

global climate change pact. In 2001, under President George W. Bush, the country withdrew from the Kyoto Protocol. Most other developed countries, especially the EU, followed the US out of that agreement.

This time, however, things are different. Trump's decision ensures that the US joins the likes of Syria and Nicaragua as countries defying the global consensus as reflected by the Paris pact. The EU, China and India are firmly on board, determined to save the earth from an ecological apocalypse.

There is, however, another school of thought that thinks the hullabaloo over Trump's decision to withdraw from the Paris pact could be much ado about nothing.

Why?

Since it will take the US another four years to withdraw from the treaty, some experts argue, there will be little short term impact of Trump's decision. And, there could be another President presiding over the White House by the time the US has to actually exit the Paris pact.

Different administration; different priorities; different approach!

Is that too optimistic a scenario?

Since the future of the world itself is at stake, there can't be much harm in dreaming.

India's clean energy dynamics after Trump's Paris exit steady for now

by Rahul Tongia

US President Donald Trump's decision to pull out of the Paris Accord may be a chance for India to shine, writes an energy expert.



India's global role and clean energy ambitions

India treats its climate obligations, especially the growth of Renewable Energy (RE) as an "article of faith". Importantly, India announced very ambitious targets for RE well before Paris. The newly-elected Modi government announced a plan in 2014 to reach 175 GW of RE (growing from some 30 GW then) by 2022. This was exceedingly bold, corresponding to a growth rate of over 25 per cent annually in RE. In contrast, targets for high RE penetration in selected US states, China, and EU require an annual growth of RE of only about 5 per cent or so, in some cases lower.

Paris emphasised the importance of India's RE targets, but not all of India's Paris obligations are based on adding RE. Efficiency can and must play a greater role, especially given India's growing urbanisation and likely growth of housing, appliances, vehicles, etc. More than targets per se, the most dramatic shifts in India's electricity portfolio have come from changes in the market. Grid-scale solar power, which only a few years ago was over Rs 14/kWh (almost 15 pence then), has been falling in price dramatically, with recent bids coming in under Rs 2.5/kWh.

This makes it "cheaper than coal" if you believe the headlines in their entirety. Of course, these are only levelised costs, and not an apples to apples comparison,

but certainly cheaper solar is one reason coal is facing pressure, and several Indian states have announced plans to scale back coal plant ambitions, and the Central government said that no new coal plants will be needed for almost a decade – the understated fact being this allows for under-construction plants. Even existing coal plants are being utilised less and less, not only because of RE but also because of modest demand growth with greater efficiency, such as impressive programs for LED bulb rollouts. RE will continue getting cheaper; India didn't create the phenomenon of globally falling prices – but it is certainly riding it well, with concerted effort and top-down programs.

What will US actions mean?

The US has been a strong partner in India's RE ambitions, including efforts on helping mobilise funds, such as through the US-India Clean Energy Finance Task Force. It's worth clarifying that these actions may have US government support, but the ultimate funds are from the private sector or others. Hopefully such efforts will continue, in part driven by the size of India's potential market.

The US (and all global players) can help India not just with the scale of capital, but lower interest rates than in India (the forex hedge remains a concern). There is also a role for technology, not just for RE but also batteries

Trump's pullout from the Paris Accord on climate change has brought India to the fore. Two claims are especially puzzling. One, the treaty lets India (and China) not do much till 2030, and that India is looking for developed countries to pay them \$2.5 trillion for its Nationally Determined Contributions (NDCs). India's NDC calculations were taken with their own calculations, and have very little to do with the US (or any other country).

A US pull-out would have limited on-ground implications, though it may change a bit of mindset. It's worth mentioning that India's electricity sector is dual ("concurrent") in the Constitution, both Central and State, but the distribution utilities, who retail electricity are all under state purview. Ultimately, they have to want to be green, and they, in turn, rely on signaling from consumers. Most consumers are more worried about power availability and quality than carbon. Even local air pollution, a much more pressing problem, isn't given enough attention – people use dirty diesel vehicles as these are ostensibly cheaper (for them).



and other related technologies. Again, these will also be commercial discussions and decisions.

The US pullout's biggest negative is that the world's second-largest emitter of greenhouse gases (GHG) has a potential trajectory for GHG reductions lower than planned.

When we normalise by per capita, the US becomes even more critical. The good news is that even the US isn't monolithic. Like India, states matter, and many states (and cities) have taken pledges to reduce their GHG emissions. In addition, many US companies are taking the pledge to push cleaner energy for their operations, led, in part, by Silicon Valley type companies. This makes it hard for global consumers to punish US companies, and a formal retaliation by Indian (or other) governments via a border adjustment mechanism also appears unlikely. This is in part due to complexity, and in part due to political risks, and in part it wouldn't achieve much – energy is a decreasing share of US value-add in an economy that is less and less about natural resource-intensive manufacturing.

How much will India do – and what can change?

Falling RE prices make it easier for India (and others) to do the right thing, but the US and other developed countries have both higher incomes to pay for any changes, and also need to do less per year. The flip side is India is growing anyways, so it may be both feasible and advantageous to do it as green as possible.

INDIA TREATS ITS CLIMATE OBLIGATIONS, ESPECIALLY THE GROWTH OF RENEWABLE ENERGY (RE) AS AN “ARTICLE OF FAITH”. IMPORTANTLY, INDIA ANNOUNCED VERY AMBITIOUS TARGETS FOR RE WELL BEFORE PARIS.

There are a few possible hiccups. Low RE prices mask other challenges, not least because RE today is opportunistic RE – use it when available. You still need something else much of the day, or storage, which is expensive today. RE also has lots of system level costs that are being managed via socialisation, but this will become harder as RE's share grows. Thus, it's not yet the case that RE is a pure “no regrets” option.

Second, the readiness of states to handle energy transitions is a bottleneck. Take Smart Grid deployments, which go hand in hand with clean tech. The technology exists, but the real gap is business-regulatory models and implementers willing to put in the long-haul effort to execute including change management at the state level. This is where global players, with global deployment experience, are helpful. Like with RE, the need is for patient capital, one that is in it for the long

haul, relying on the ongoing savings (or income in the case of RE), and not upfront valuation. The analogy is the need for rental oriented YieldCos, instead of people interested in capital appreciation ala flipping a house.

One only hopes that India (or others) don't only do what they can initially, especially with low hanging fruit, but then limit their efforts citing the US. India's central leadership is likely to stay the course, but they need more stakeholders to help them achieve their plans, both within India (states, utilities, consumers, etc.) and outside India (financiers, technology providers, etc.)

Many people worry about a climate leadership vacuum. The world doesn't need a leader for climate change; US leadership was anyways by President Obama rather than the entire government – the legislature didn't support the Treaty. Tackling climate change needs everyone to be leaders, doing more than what may be easy or popular. Most countries are poised to try, especially India.

Dr Rahul Tongia is a Fellow at Brookings India. He was founding Technical Adviser for the Government of India's Smart Grid Task Force, and also the Chair of the Working Group on Policy of India's Clean Energy Finance Forum.

Moving up the American value chain

A range of expansion plans and buyouts marked India's foray into the American markets.

Infosys plans major US expansion



India's leading software services firm Infosys plans to hire 10,000 American workers over the next two years.

As part of this initiative, the Bengaluru-headquartered major will open four new technology and innovation hubs across the country focusing on cutting-edge technology areas, including artificial intelligence, machine learning, user experience, emerging digital technologies, cloud, and big data.

Indiana Governor Eric Holcomb welcomed Infosys plans, which will create 2,000 jobs in his state alone. He plans to lead a high-powered trade delegation to India later this year with the sole objective of attracting more Indian business, particularly IT companies.

He said: "Indiana's become the best place in the country to create and innovate."

"That's why this partnership, with not just Infosys but the other companies that we discussed, are so important. Because it is the future. This knowledge economy is the future and it's exciting to launch new efforts here."

Jain irrigation buys US firms

Jain Irrigation has acquired two irrigation and distribution companies – Agri-Valley Irrigation Inc (AVI) and Irrigation Design and Construction Inc (IDC) – in the US for \$48.5 million.

The company through its wholly-owned US subsidiary Jain Irrigation Inc will acquire 80 per cent stake after both the US irrigation distribution companies merge.



With combined revenue of \$113 million last year, AVI and IDC will enable Jain Irrigation to distribute its leading Agriculture Technology portfolio such as Observant, Puresense, Gavish, amongst others, at 13 locations in California besides taking over 225 employees on its payrolls. Jain Irrigation has retained the existing management of AVI and IDC to drive future growth.

Consideration for the transaction will be paid in cash not exceeding \$48.5 million and subject to net working capital adjustments at the time of closing, a company statement said.

Walmart India sets up GST helpline



Gearing up for the roll-out of the Goods and Services Tax (GST) from July 1, Walmart India has launched a toll-free helpline for kirana and other reseller members to enable a smooth transition into the new tax regime.

"The helpline has been set up to address and clarify doubts on all GST-related queries. It has a built-in capacity to handle over 2,500 queries a day with services available in Hindi, Telugu, Punjabi, Marathi and English," the company said in a statement.

"This initiative will lead to a positive impact on our customers as we emerge with a streamlined process both at the back-end and the front-end," said Krish Iyer, President and CEO, Walmart India.

As part of these efforts, Walmart India has also started a series of workshops for small and medium enterprise supplier partners to help them evaluate their GST compliance levels and prepare for the transition.

Zydus Cadilla gets US drug nod



Indian pharma major Zydus Cadilla has received the approval from US health regulator to market Felbamate tablets, used to treat seizures in people with epilepsy, in the American market.

The company got the nod from the US Food and Drug Administration (USFDA) to market the drug in the strengths of 400 mg and 600 mg, the company said in a statement.

Felbamate is an oral drug used to treat seizures in people with epilepsy. The company will manufacture the drug at its plant in Ahmedabad.

The company has more than 115 approvals and has so far filed over 300 abbreviated new drug applications (ANDAs) since it commenced filings in 2003-04.

Jindal Films to set up in US

Jindal

Films

Jindal Films Americas (JFA), a part of the India-based BC Jindal Group, is expanding its product offering to include polyester films by setting up a plant at LaGrange in Georgia, US, with an investment of \$120 million. JFA is a manufacturer of high performance films for flexible packaging and labelling.

The planned polyester plant, expected to become operational by

early 2019, will have a capacity of 65,000 metric tonnes of film. The plant would be composed of two lines, enabling Jindal Films to provide a product offering of both thin specialty and thick specialty films.

Marcelo Passos, executive vice-president and CEO of Jindal Films Americas, said: "We are very excited to introduce the plans to expand our capabilities into polyester film film in the Americas."

As the American arm initiates plans to expand, Jindal Films Europe is also considering a similar expansion in its region.

Gujarat clinical firm in US acquisition



Ahmedabad-based full service clinical research organisation (CRO) Cliantha Research has acquired US-based Inflamm Research.

The deal enables Cliantha Research to conduct Phase I, II, III and IV clinical research in North America region. Inflamm Research claims world renowned expertise in inflammatory disease research and patented natural allergen Environmental Exposure Chambers (EEC), which will allow Cliantha to conduct asthma, allergy, ophthalmology, and tobacco research as well as specialised pulmonary/respiratory therapeutic studies, a company statement said.

Vijay Patel, executive director, Cliantha Research, said:

"Inflamm Research is the leader in research in inflammatory disease with specialty in Environmental Exposure Chamber technologies. Now we can provide our sponsors with advanced clinical trial designs along with a strong, highly experienced scientific team in North America.

"This acquisition brings us closer to our goal of offering highly specialised trials to our sponsor."

eClerx Digital opens new US HQ



Mumbai-headquartered eClerx Digital has opened its doors at the division's new Americas Headquarters located in Austin, Texas.

The company said its new location is essential to support market growth in the fast-growing fields of analytics-based marketing and both B2C and B2B digital activities. eClerx Digital helps companies maximise the return on their investment in these areas by applying a combination of US-based consultants and offshore analysts to significantly improve existing processes while allowing customers to scale based on business demands.

The new location will support sales, marketing, product development and client-focused analytics consulting functions.

Scott Houchin, Managing Principal at eClerx Digital, said: "We look forward to successful continued growth as a leading digital services provider in a growing marketplace.

"Austin's burgeoning digital ecosystem provides a perfect location to test and develop new service offerings and to be the employer of choice for our client-focused consultants."



SHAPING A VIBRANT ECONOMY

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Executive Board of Germany Trade & Invest: Dr Benno Bunse (left) and Dr Jürgen Friedrich (right)

Germany: India's gateway to the EU

by Benno Bunse

One of the European Union's (EU) leading economies sets out what makes it the right gateway to Europe for Indian companies.

P rime Minister Narendra Modi was only in Berlin for 24 hours on May 30, but the wake of his visit has left little doubt as to how important India is to Germany and the EU. German Chancellor Angela Merkel used a joint appearance in front of a business audience to emphasise that agreeing an EU-India free trade agreement (FTA) would be a priority.

Talks on such a deal broke down six years ago, with differences over agriculture, generic drugs and freedom of worker movement all standing in the way. But business leaders in Germany have been lobbying for Europe's strongest

AN INVESTMENT IN GERMANY IS AN INVESTMENT IN A COUNTRY THAT STRIVES TO CREATE AND EXPLORE OPPORTUNITIES WITHIN EVEN THE SMALLEST NICHES.

economy to lead the EU back into discussions, particularly in the wake of Brexit. The German Ifo Institute recently published a study which showed that a free trade agreement with India could double exports from

the EU to India within a decade, while increasing imports going in the other direction by 87 per cent.

As a trading partner for India, Germany is the top EU country (rank number six). Both countries rank in the top five attractive markets for investors in terms of quantity of new investment projects (for activities excluding M&A). There were 415 Indian companies in Germany at the end of 2016, employing 23,085 employees. The largest proportion of Indian FDI projects in Germany since 2010 have been in the ICT industry, while Germany primarily imports textiles, chemicals and machinery from India.



Yet this only scratches the surface of the opportunities the two countries represent to each other. This year alone, delegations will visit from India to Germany to look at industries such as bioenergy and cleaning management services, while German delegations will visit India to look at energy efficiency and sustainable waste management. As the two countries seek to pioneer innovations in their respective regions, the opportunities for synergies will only grow.

Memorandum of Understanding (MoU) agreements were signed on a range of industrial fields during Prime Minister Modi's visit, including digitalisation, cyber policy, vocational education and skill development, health and sustainable urban development. These lay the foundation for significant future mutual investment and cooperation between the countries, built on, as the two leaders agreed, a basis of shared values such as respect for human rights and fundamental freedoms,

THE GERMAN IFO INSTITUTE RECENTLY PUBLISHED A STUDY WHICH SHOWED THAT A FREE TRADE AGREEMENT WITH INDIA COULD DOUBLE EXPORTS FROM THE EU TO INDIA WITHIN A DECADE, WHILE INCREASING IMPORTS GOING IN THE OTHER DIRECTION BY 87 PER CENT.

democratic governance, equality, the rule of law, and multilateral cooperation.

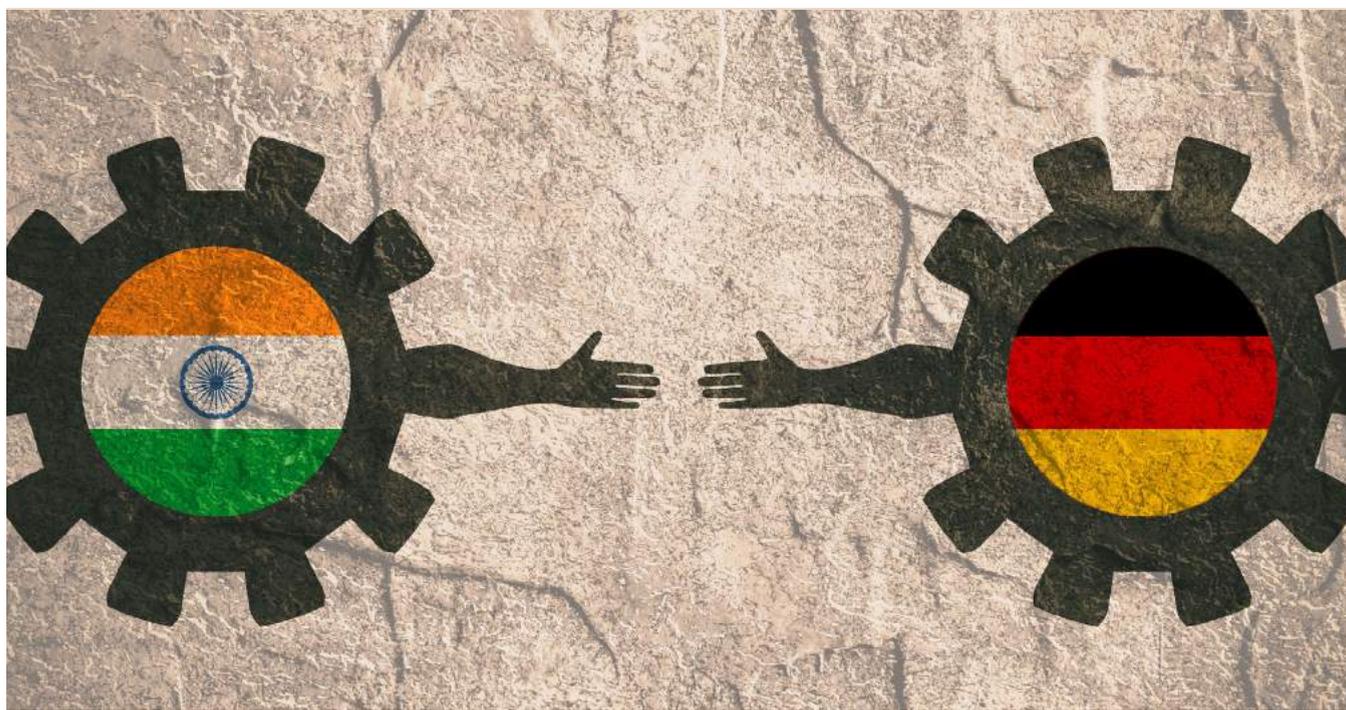
Germany is the world's fourth largest economy and Europe's largest market. It is the world's third largest exporting nation. Many international studies, including the recent EY attractiveness study, attest Germany to be Europe's most attractive country for foreign investors, lauding

infrastructure, the workforce, our stable socio-economic climate, the size of the German market and the R&D landscape. Industrial production still accounts for 22 per cent of Germany's gross value added, making it a crucial global industrial nation. The continued importance of the industrial sector is attributed to the high degree of diversification and specialisation in the German economy.

German companies large and small have always been key players within the global economy. However, competitive pressures created by increased globalisation have led to structural changes. Mass production of labour-intensive products has been eschewed for specialisation in research-intensive technological high-end products. This has created a unique national industrial landscape. Many German industrial companies are world leaders in their respective industry. They are often referred to as "Hidden Champions" – leaders of niche industries which rarely attract public attention. These companies' competitiveness relies on steady investments in R&D. No other European country spends as much resources into R&D as Germany does. More than 70 per cent of internal R&D expenditures are invested in traditional sectors in which Germany is known to play an important role worldwide. These sectors include: the automotive industry, the electronics industry, the machinery & equipment industry, the chemical and pharmaceutical industry. But as well as the classic industrial sectors for which Germany is renowned, we are also pioneering in more modern sectors. Berlin and Munich are two of Europe's biggest tech start-up hubs.

Germany remains a stable social, political and economic society. The workforce is one of the best-educated in the world. Our academic and vocational education systems make sure that academics and workers alike can achieve both a good educational foundation and freedom to work towards their specific qualifications – much of the

BERLIN AND MUNICH ARE TWO OF EUROPE'S BIGGEST TECH START-UP HUBS.



substance of Chancellor Merkel's and Prime Minister Modi's talks centred around a sharing of these skills and systems between the countries

Yes. A multitude of supporting government funds exist for foreign investors, particularly for R&D projects. Indeed, the one of the primary functions of Germany Trade & Invest is to help investors from abroad identify and access the correct funds to ease their path into Germany. An investment in Germany is an investment in a country that strives to create and explore opportunities within even the smallest niches.

When you invest in Germany, you acquire the skilled labour with which to take advantage of opportunities which will eventually arise. You acquire existing opportunities and solutions. And you can acquire and develop unique existing solutions for your company which cannot be found anywhere else. In Germany, you can

create, grow, and consolidate. All strategies can be implemented there.

For all countries, regardless of nationality, Germany Trade & Invest is the primary partner for the investment process, helping them with information and proactive consulting on their initial steps into Germany as the new business location. Investing companies can further benefit from our outstanding and comprehensive in-depth knowledge about the German industry ecosystem and the tax, regulatory and legal frameworks. Our experts are sought after when it comes to identifying financing options, including European and German incentives. Together with associations for banking, private equity and venture capital Germany Trade & Invest also offers insights into alternative forms of investment.

Our service offering starts with conceptual and strategic support with a business plan, a market

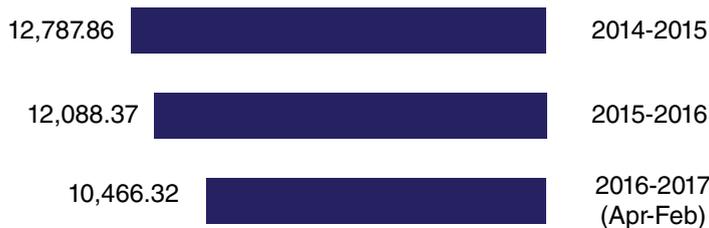
analysis, a financing concept and a project plan including all tax, legal and regulatory steps. Eventually, this leads to support for the client on the operational requirements and demands. This may include workforce qualifications, industry specific salary data, energy prices, logistics, size and stability of buildings, office prices by square meter and other aspects. All these services are free of charge. Germany has an economy where risk is minimised, and where the opportunities to add value are many. We have created a good location for Indian entrepreneurs and businessmen to invest in.

Dr Benno Bunse is the CEO of Germany Trade & Invest (GTAI), the economic development agency of the Federal Republic of Germany.

INDIA-GERMANY: TRACKING THE FIGURES

An investment in Germany is an investment in a country that strives to create and explore opportunities within even the smallest niches, claims Germany Trade & Invest (GTAI), the economic development agency of the Federal Republic of Germany, in an attempt to woo more Indian investments.

Imports from Germany (Values in US\$mn)



Source: Ministry of Commerce and Industry, Department of Commerce

Exports to Germany (Values in US\$mn)



Source: Ministry of Commerce and Industry, Department of Commerce

Overseas Direct Investments (ODI) to Germany (Values in US\$mn)



Source: Reserve Bank of India

FDI Inflows from Germany (Values in US\$mn)



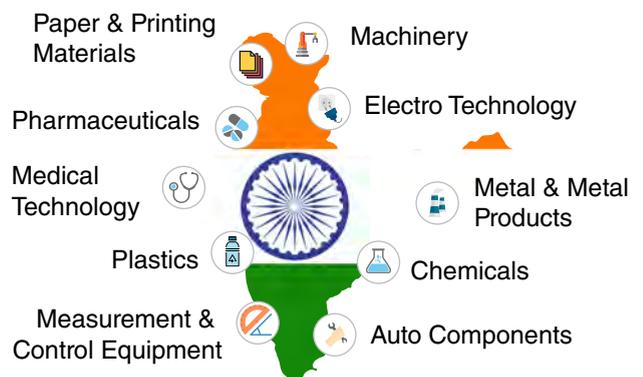
Source: Department of Industrial Policy & Promotion

Major Indian Exports to Germany



Source: Federal Statistical Office, Wiesbaden

Major Indian Imports from Germany



Source: Federal Statistical Office, Wiesbaden



Indian finance minister Arun Jaitley with German Federal Minister for Economic Cooperation Development, Gerd Mueller



PM Modi with German Chancellor Angela Merkel

Bilateral Visits:

Ministerial visits from Germany to India

April 2017

Federal Minister for Economic Cooperation and Development Dr Gerd Mueller

December 2016

Parliamentary State Secretary of Federal Ministry of Economic Affairs & Energy Uwe Beckmeyer with a delegation of German defence companies

October 2016

Federal Minister of Transport and Digital Infrastructure Alexander Dobrindt

May 2016

State Secretary of Federal Ministry of Transport & Digital Infrastructure Michael Odenwald visited India

March 2016

State Secretary of Federal Ministry of Environment Gunther Adler

February 2016

Beckmeyer attends 'Make in India Week' in Mumbai

October 2015

Chancellor Angela Merkel for the Inter-Governmental Consultations (IGC) in New Delhi

Ministerial visits from India to Germany

May 2017

PM Narendra Modi for the Inter-Governmental Consultations (IGC) in Berlin

May 2017

J.P. Nadda, Minister of Health & Family Welfare, attends the G20 Health Ministers' Meeting in Berlin

April 2017

Ravi Shankar Prasad, Minister of Electronics & Information Technology, to attend G20 Digital Ministers' Meeting in Dusseldorf

February 2017

M.J. Akbar, Minister of State for External Affairs, to attend the G20 Foreign Ministers' Meeting in Bonn

January 2017

Radha Mohan Singh, Minister of Agriculture and Farmers' Welfare, for the Global Forum for Food and Agriculture (GFFA)

October 2016

Ananth Kumar, Minister of Chemicals, Fertilisers & Parliamentary Affairs, to inaugurate the India Pavilion at the 'K 2016' in Dusseldorf

October 2016

Shripad Yesso Naik, Minister of State (IC), AYUSH, to attend the 2nd World Ayurveda Conference

Major Indian Companies in Germany

Bharat Forge



Industry: Automotive

Year of establishment in Germany: 2004

Bharat Forge entered Germany by acquiring one of Germany's biggest forging firms, Carl Dan Peddinghaus GmbH (CDP), in January 2004. In 2014, Bharat Forge Aluminumtechnik GmbH & Co KG (BFAT), a subsidiary of Pune-based forgings major Bharat Forge, bagged a multi-year contract valued at around €250 million from a German OEM. The company decided to set up this plant in Saxony at Brand-Erbisdorf at an investment of €31 million.

Tata Consultancy Services



Industry: Information technology

Year of establishment in Germany: 1991

TCS serves more than 80 customers, including 14 DAX-30 companies, helping them adapt to the challenges of the digital economy. Clients comprise top German corporations such as Deutsche Bank, Deutsche Börse, Deutsche Lufthansa, Commerzbank, Infineon, and SAP. TCS is represented in all parts of Germany with 16 sales representatives, 10 sales agencies and four training centres.

Hexaware Technologies



Industry: Information technology

Year of establishment in Germany: 2004

In 2004, Hexaware Technologies GmbH unveiled its European Development Centre and German headquarters at Bad Homburg. Hexaware works for large corporations in Germany such as Deutsche Leasing AG, Lufthansa Systems and Citibank. Hexaware is one of the top five Indian vendors in the German market.

Dr. Reddy's Laboratories



Industry: Pharma

Year of establishment in Germany: 2006

Dr Reddy's operates in Germany through its subsidiary betapharm, a company it acquired in 2006 and considered one of the biggest overseas acquisitions by an Indian pharmaceutical company. Founded in 1993, betapharm Arzneimittel GmbH distributes high-quality generics at affordable prices and is recognised as one of the leading generic companies in Germany.

Tech Mahindra



Industry: Information technology

Year of establishment in Germany: 2001

In 2014, Tech Mahindra signed an agreement with Germany's BASF Business Services Holding GmbH to buy its subsidiary BASF Business Services Consult GmbH for an undisclosed amount, in line with its strategy to strengthen its footprint in Europe. Before acquiring BASF, Tech Mahindra already had a presence in Germany across three centres employing more than 100 people. The company announced the inauguration of its third near-shore delivery center in Düsseldorf, Germany, in 2014.

Wipro



Industry: Information technology

Year of establishment in Germany: 2001

In 2001, Wipro set up an office in Frankfurt to expand its operation in Germany. Before setting up its office, Wipro was already delivering IT and product design services to some leading German telecom, banking and technology companies. The Bengaluru-headquartered firm has IT development centers in Munich, Meerbusch, Nuremberg and sales offices in Frankfurt, Munich, Cologne and Meerbusch. Wipro has an on-shore datacentre capability in Meerbusch that offers a broad range of IT infrastructure management services.

India & Germany ink 12 pacts at Fourth IGC in Berlin

- 1 Agreement on collaboration between the Ministry of Skill Development and Germany's BMBF (Federal Ministry of Education and Research). This agreement will facilitate training of Indian skill development officers and cluster managers.
- 2 Agreement between the Ministry of Health and BMG (Federal Ministry of Health) on cooperation in the health sector.
- 3 Agreement between the AYUSH and BMG (Federal Ministry of Health) over cooperation in alternative medicine.
- 4 Joint Declaration of Intent (JDI) between the Ministry of Science and Technology and the BMBF for the establishment of an Indo-German Centre for Sustainability.
- 5 JDI between the Ministry of External Affairs and the German Foreign Office on cooperation on cyber policy.
- 6 JDI between the Ministry of Finance and BMZ (Federal Ministry for Economic Cooperation and Development) on Indo-German Development Cooperation.
- 7 JDI between the Ministry of Commerce and Industry and BMWi (Federal Ministry for Economic Affairs and Energy) over continuation of cooperation in the field of advanced training of corporate and junior executives from India.
- 8 JDI between the Department of Heavy Industries and BMBF on cooperation in vocational education and skill development for machine tools.
- 9 JDI between the Ministry of External Affairs and the German Foreign Office on collaboration between Foreign Service institutes of both countries.
- 10 JDI between the Ministry of Railways and German Ministry of Transport on cooperation in railway safety.
- 11 JDI between the Ministry of Urban Development and German Ministry for Economic Cooperation and Development on cooperation for sustainable urban development.
- 12 JDI on cooperation in the field of digitalisation, empowerment and economic impact between the Ministry of Communications and Information Technology and Germany's Ministry for Economic Affairs and Energy.

Bilateral trade in 2016 was valued at **\$17.42 billion**.

Business ties:

Germany is **India's largest trading partner** in Europe.

Germany is the **7th largest** foreign direct investor in India since January 2000.

Germany has consistently been among **India's top 10** global trade partners.

Germany's total FDI in India from April 2000 until March 2017 amounted to **\$9.69 billion**.

India was ranked **24th** in Germany's global trade during 2016.



Source: Ministry of External Affairs, Government of India

Indians in Germany:

There are about **1,43,000 people** of Indian origin in Germany including both German and Indian Passport holders.

The Indian diaspora mainly comprises of **professionals, technocrats, businessmen/traders** and nurses.

There are a number of Indian organizations and associations active on the business/cultural front, **cementing ties between India and Germany** at the people-to-people

Four countries in six days: Prime Minister Modi makes a European connect



The Indian Prime Minister was on a packed tour of Germany, Spain, Russia and France in May/June and has returned with a slew of agreements and promising pacts for the future.

When Prime Minister Narendra Modi arrived in Berlin at the start of his European tour, the term used to describe the visit was the opening of a “new chapter” in the bilateral relations between India and Germany.

The PM set off for his meeting with

dinner at the 18th century palace, 50 miles north-west of Berlin.

In an interview with German newspaper ‘Handelsblatt’, the Indian PM had a stark message for the Brexit-hit realities of Europe. He said: “The European Union is an important global player. Its stability

United Kingdom and the European Union and is committed to further strengthening its ties with both the Strategic Partners. We will continue this approach.”

He also warned against a tendency to drift towards protectionist moves. “We do have concerns regarding protectionist and anti-immigrant sentiments in the world. We are hopeful that they will be addressed. We live in an interconnected world. Movement of goods, capital and people across borders is essential to our collective progress and to realise the benefits of globalisation.”

We do have concerns regarding protectionist and anti-immigrant sentiments in the world.

Narendra Modi
Prime Minister of India

German Chancellor Angela Merkel at her country retreat of Schloss Meseberg soon after landing. Both leaders discussed issues of mutual interest in an informal setting over

has a significant bearing on global developments, including peace and security.

“India values its strong and multi-faceted relationship with both the

The PM also called for reform of the international order to reflect current day global realities rather than the global bodies created in the aftermath of the World War.

“India has been seeking reform of the UN Security Council for quite

Modi holds talks with German Chancellor Angela Merkel in Berlin



some time... There is an urgent need to expand the Security Council," he said, adding that India has all the credentials to become a permanent member in an expanded Security Council.

On Indo-German ties, he said India sees Germany as an important partner in the national flagship programmes of Make in India, Skill India, Start-up India, Clean India and Smart Cities.

He called on "more and more German companies to invest in India" during his inaugural address at the Indo-German Business Summit in Berlin as the speedy conclusion of an India-EU free trade agreement (FTA) was the focus for the German side. Highlighting the huge potential that remains untapped in the economic partnership, the PM said India will welcome German companies with open arms.

THE WORLD CAN'T MOVE FORWARD WITHOUT INNOVATION AND WE BELIEVE INNOVATION AND DEMOCRATIC VALUES ARE A GUARANTEE FOR DEVELOPMENT. INDIA AND GERMANY HAVE BOTH IN OUR BLOOD AND WE WILL MOVE TOGETHER IN THAT DIRECTION

"There are 600 Indo-German joint ventures operating in India, employing 200,000 people. But there is huge potential as Indo-German economic cooperation is below its full potential and to enhance this, we in India are waiting with open arms because we value German partnership a lot," Modi said.

The deadlocked FTA between India and the European Union (EU) was

also highlighted at the summit, with German Chancellor Angela Merkel and senior business leaders urging the PM for a speedy conclusion to the FTA.

"There are growing protectionist trends around the world but Germany believes the value chains are so deeply interconnected that we will continue to create fair trading conditions. Within this context, it is important that the FTA makes progress," Merkel said in her address at the summit.

"Germany will continue to push Brussels to resolve negotiations more speedily and we are committed to implement and put into practise such an agreement. The negotiations have been tough because every country must safeguard their own interests and Germany will ensure that India's concerns are also put on the table," she said.



Modi meets Spanish Premier Mariano Rajoy and calls on Spanish King Felipe VI in Madrid



The representations came as it the Ministry of External Affairs (MEA) confirmed India and EU negotiators are to take forward discussions on the agreement at a meeting in July. At the business summit, the PM's focus was on highlighting India's liberalised FDI regime and growing ease of doing business. Describing GST as the "most historic reform India ever done," he said the trend of

reforms is spreading fast to all states.

He highlighted the abolition of the Foreign Investment Promotion Board (FIPB) to "expand the engagement of overseas investors in Indian economy." The central aspect of the German visit was the Fourth Inter-Governmental Consultations (IGC) during which the two leaders reviewed the entire gamut of bilateral

issues and clinched 12 agreements.

"The world can't move forward without innovation and we believe innovation and democratic values are a guarantee for development. India and Germany have both in our blood and we will move together in that direction," Modi said at the conclusion of the IGC, a format he likened to the Pragati meeting he holds in Delhi.



Modi with French President Emmanuel Macron in Paris

“India is a big country with many dreams. Our dreams are big and the timeline is short... Never before has India been so ready. We are at a take off stage,” he told Germany-based business leaders and chief executives.

From Germany, Modi moved on to Madrid – the first Indian Prime Minister to visit Spain in 28 years but the key messages of an open Indian economy were the same across Europe.

He held a bilateral summit with Spanish Premier Mariano Rajoy and called on Spanish King Felipe VI as well as interacted with a select group of Spanish CEOs keen to invest in India during his day-long visit. The first meeting of the India-Spain CEOs Forum was held on the sidelines of the Spanish leg of his visit.

“There is significant potential for deepening bilateral trade and investment ties. We seek active participation of Spanish industry in various Indian projects including infrastructure, smart cities, digital economy, renewable energy, defence and tourism,” he said.

In Russia, Modi held bilateral talks with President Vladimir Putin before attending the St. Petersburg International Economic Forum as chief guest. Several agreements were clinched during this part of his visit, including some highlights:

- India, Russia sign St. Petersburg Declaration for enhanced ties across the board
- India, Russia to hold first tri-services exercises ‘Indra 2017’
- Agreement for Units 5 and 6 of Kudankulam Nuclear Power Plant in Tamil Nadu

The Indian PM ended his four-nation tour with a meeting with newly-elected French President Emmanuel Macron. The focus of his meeting in Paris was on climate change but the wider context was of deeper Indo-French ties. “Be it trade and technology, innovation and investment, energy, education and enterprise, we want to give a boost to India-France ties,” Modi concluded.



Modi with Russian President Vladimir Putin in St. Petersburg



Link West showing early signs of success

by India Inc. Staff

Prime Minister Narendra Modi's policy of renewing and redefining India's millennia-old civilisational bonds with the Middle East are bearing concrete fruit in the form of strategic alliances and investments in India's infrastructure sector.

Mention the Middle East to an Indian and he will immediately associate it with oil, deserts, Dubai and, very possibly, a non-resident relative stationed there. None of the above provides a misleading picture of the region; equally, none of them paints the complete picture either.

Today, the Middle East means a lot more to India any or all of the above, though each of them remains an important component.

India's energy basket

India is the world's third largest consumer of oil and gas, after China and the US. It has to import more than 70 per cent of this requirement as domestic production has not kept pace with demand. And it is the Middle East that meets more than 50 per cent of total Indian demand for hydrocarbons valued at more than \$50 billion per year.

But in recent years, the relationship has gone far beyond that of simple vendor-client ties. For one, the rise in India's political and economic profile in recent decades has led to a concomitant increase in its strategic interests across the globe – and this has raised the stakes in its relationships with other countries.

From benign power to strategic ally

The Middle East has traditionally been the US sphere of influence. But the gradual decline of American power has paved the way for a resurgent Russia and an emerging China to muscle their way into the region.

With Russia playing a major role in the Syrian civil war and China leveraging its economic heft to its strategic advantage, India, obviously, could not sit back and risk getting left out of the game.

Its policy planners are already grappling with China's string of pearls strategy designed to encircle it from all sides. For China, the Middle East is not only a source of oil and energy but also an important transit point in the trade routes it is setting up to connect its home markets to those Europe, Africa and beyond. It is far less judgmental than the US in choosing friends and has positioned itself as a friend to both Saudi Arabia and its strategic rival in the region, Iran.

A serious challenge to its energy security in the form of increased Chinese presence in the Middle East would not be a thing Indian planners would be comfortable with.

This, and the threat of terrorism emanating from ISIS as well as Pakistan-backed groups, has prompted India to forge closer strategic ties with important Arab states such as Saudi Arabia, the



United Arab Emirates and Qatar, but more on that later.

Important trade partner

The GCC is among India's most important trade partners. Not only is the region the source of more than \$50 billion worth of oil and gas for India, it is also the destination for \$55 billion of merchant and project exports from India and accounts for almost a fifth of India's export basket.

The main exports from India are projects, petrochemicals (mainly from the plants of Reliance Industries and Essar Oil in Gujarat), gems and jewellery and consumer goods.

But the biggest export from India to the GCC nations is human capital. At last count, more than 7.5 million Indians were employed in the Gulf – as blue collar construction workers, in white collar technology jobs, in middle and senior management, in medicine, engineering, teaching and business. They ensure a massive inflow of remittances back to India. In 2015, they sent back \$36 billion, making them India's most valuable export to the Middle East.

Strategic calculus

Take a map of Asia and a compass. Place the needle on New Delhi and draw an arc that extends beyond the southernmost tip of Sri Lanka. The two ends of the arc will touch the Middle East and the Malacca Straits, respectively.

INDIA IS THE WORLD'S THIRD LARGEST CONSUMER OF OIL AND GAS, AFTER CHINA AND THE US. IT HAS TO IMPORT MORE THAN 70 PER CENT OF THIS REQUIREMENT AS DOMESTIC PRODUCTION HAS NOT KEPT PACE WITH DEMAND. AND IT IS THE MIDDLE EAST THAT MEETS MORE THAN 50 PER CENT OF TOTAL INDIAN DEMAND FOR HYDROCARBONS VALUED AT MORE THAN \$50 BILLION PER YEAR.

This, then, is India's natural sphere of influence. The British Raj realised India's locational advantage. As a result, New Delhi became their de facto Asian head office. Aden, an important British outpost in the Middle East was part of British India and the Trucial States, as the UAE was known as, interacted with the British authorities in India. And the Indian rupee was the common currency of many Gulf states.

All this changed with Indian Independence in 1947. The successor Indian state was too weak to project power overseas and so, frittered away the strategic advantage that came with the country's unique location bang in the middle of the world's energy basket and the world's busiest trade route.

The change in the relationship is already bearing fruit for India. GCC countries have, in recent years, extradited criminals and terrorists wanted in India. This is in sharp contrast to the benign neglect such requests were treated with until a few years ago.

Important investors

India will need about \$1 trillion over the next decade to build and refurbish its creaking infrastructure and raise it to global standards. The Abu Dhabi Sovereign Wealth Fund has committed \$75 billion for this purpose although the fine print of the investments has not been worked out yet.

Qatar, one of the world's richest countries, too, has shown interest in investing in India. The government is also approaching other oil rich members of the GCC to invest part of their corpus of national savings in India. As evidenced from the commitment made by Abu Dhabi, this can evolve into a win-win partnership – the Gulf states can get safe and assured returns while India receives much needed funds to modernise and upgrade its infrastructure.

The Middle East muddle

For four and a half decades since Independence, Indian policy planners looked at the Middle East through the prism of the Congress party's

PRE-VISIT ANALYSIS

domestic political compulsion to safeguard its Muslim vote bank. Thus, there was stiff opposition to upgrading the consular-level relations with Israel.

That changed in 1992 when, ironically, a Congress Prime Minister, P.V. Narasimha Rao established full diplomatic relationship with the Jewish state. And contrary to what many had feared, the Arab world did not turn its back on India, did not stop oil exports to this country and did not order Indian workers to leave.

As subsequent events showed, this new relationship has helped India's security situation vis-à-vis Pakistan and has helped the Indian armed forces keep abreast of the latest defence technologies. (This issue of IGB has a separate feature on Israel; so, this report will not delve any deeper into this relationship).

The Iran tangle

Much before it learnt to walk the tightrope between Israel and its Arab neighbours, New Delhi had to learn to walk on eggshells while navigating its relationship with Iran. Due to a variety of regional and religious factors, Arab states, most notably Saudi Arabia and UAE, did not see eye to eye with Iran.

With the US weighing in on the side of the Arab states because of its own problems with Iran, India was caught in a delicate spot. It enjoyed good diplomatic relationships – as well as millennia-old civilisational ties – with both sides.

So, choosing sides was not an option. But Indian planners will be keeping their fingers crossed that the proxy regional wars the two sides are fighting don't get out of hand because any increase in tensions in the Middle East leads to a spike in crude oil prices. Since every one dollar rise in crude prices leads to an increase of \$1 billion in India's import bill, Indian wariness about violence in the Middle East is well founded.

The Qatar imbroglio

If Iran, Israel and the Arab grouping wasn't already a handful to deal with, a new front has been opened in the Middle East.

Saudi Arabia, the de facto leader of the Arab bloc, the UAE, Bahrain and Egypt abruptly decided to cut off all diplomatic and other relations with follow Arab state Qatar, accusing it of funding terrorist organisations, maintaining relations with Iran and encouraging Al Jazeera to go after the ruling elites of other Arab states. The severing of relations included withdrawal of ambassadors, and imposing trade and travel bans.

Qatar has denied supporting terrorism, and pointed to its support to the US-lead war on terror and the fact that it hosts the largest US military base in the region.

The roots of this crisis can be traced to the decision of the Qatari royal family to normalise relations with Iran in order to develop the South Paras gas field, the world's largest, which is

shared by the two countries. The wealth from the sale of gas has allowed Qatar to chart an independent foreign policy much to the chagrin of its powerful Arab neighbours.

India is among the largest importers of Qatari gas and condensates, which power several fertiliser, cement and power plants in India.

But experts said New Delhi had no cause for worry as of now as the Saudi Arabia-led side is unlikely to impose sanctions on Qatar or threaten an oil embargo on countries that buy Qatari gas.

Narendra Modi's outreach

Since coming to power, Prime Minister Narendra Modi has paid special focus on India's ties with the countries in the Middle East. His visit to the UAE in 2015 was the first by an Indian head of government in more than three decades. Then the two back-to-back visits by Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan to India in 2016 and 2017 clearly showed that Modi's Link West policy, which focuses on strengthening India's engagements with its neighbours across the Arabian Sea is bearing fruit.

Then, external affairs minister Sushma Swaraj's visits to Bahrain, Oman and Israel underlined the importance the Modi government gave to ties with the Middle East.



Time ripe for closer India-GCC ties

by Hansel Berboza



India has historically had close economic ties with the Arabian Peninsula, especially the Gulf region along its eastern shores, writes a banking expert.

The first historically recorded maritime trade route in the world was, in fact, between the Indus Valley civilisation and the civilisation of Dilmun, which was located on the island of Bahrain and the adjacent shore of Saudi Arabia. Goods, including cotton and spices, were acquired by merchants from Dilmun.

Through most of history, goods flowed from India toward Arabia. Arabia had little to export to India except the money that was used to buy spices and other goods found in India. Pearls were the only significant export from the Arabian Gulf.

Relations between the Gulf region and India grew even stronger during the British Raj, when they acquired a strategic-military component in addition to an economic one. By the mid-19th century, the British had come to dominate the subcontinent.

British influence and control over Arab territory mostly flowed as a consequence of British needs to protect sea lanes.

Aden, where India's own Dhirubhai Ambani started his career, was administered as a part of British India and was an important port till the mid 1950s. The Gulf States even used the Indian Rupee as its currency till the late 1960's.

The trade relationship between India and the Gulf states began to reverse with the discovery of oil. The balance of trade began to shift more in favour of the Gulf states that exported oil. Today, India imports about 70 per cent of its oil from the Gulf region (including Iran). The total value of fuel imports from this region in the year 2015 was \$56 billion, according to figures released by the World Bank.

However, India also exports more to

the Gulf region than to the European Union (EU). As per the World Bank, in 2015, India exported \$55 billion to the Gulf Cooperation Council (GCC) – mostly consumer goods, jewellery and petrochemicals. About 20 per cent of India's exports go to the Middle East and North Africa. India was also Dubai's largest trade partner until 2013, when China overtook it. There are an estimated 7.5 million Indians working in the Gulf and many Indian companies are active in sectors like construction and technology. In 2015-16, remittances from Indian workers in the GCC were \$35.9 billion.

Remittances from the Gulf region are still a key growth engine for states like Kerala, which has seen agriculture in decline till recently and negligible growth in manufacturing. A Kerala government survey in 2015 showed that remittances sent by the diaspora (88 per cent of whom live in

the Middle East) support at least 5 million people in the state, which has a population of 31.5 million.

In recent years, there has been a concerted effort to take India-Gulf ties beyond oil, trade and expatriates. The starting point is recognising that while a 'new' India and Gulf have emerged during the last two decades, both will again be different over the next decade.

Assuming that the Indian economy grows at the predicted rate of more than seven per cent and the Gulf economies diversify and readjust their economic fundamentals amid low oil prices, India-Gulf ties are headed for interesting economic times.

Following are some pointers from post-2000 Gulf-India developments that could be construed as strategic.

In the aftermath of September 11, 2001, when the GCC countries adopted a 'Look East' policy, which included India. In putting aside religious ideology and dealing with India as they did with Pakistan, the GCC states conveyed that economic sense is common sense. The late King Abdullah's visit to India in 2006, the first by a Saudi head of state in 60 years, contributed positively to India's image and served as an acknowledgement that the Gulf is also taking note of India's interest in the region.

In the security realm, the 2010 Riyadh Declaration and 2015 Abu Dhabi Declaration strategically elevated the partnership to the next level. The impact of these, in terms of hard security, may take a while to evolve, but in terms of soft security, there is evidence of increased Indian cooperation with the United Arab Emirates and Saudi Arabia in counterterrorism statements and operations.

In terms of hard security, the India-Qatar defence cooperation pact stops "just short of stationing (Indian) troops" in Qatar. This and the India-Oman defence cooperation agreement, also signed in 2008,

are templates for future security cooperation. Indian Prime Minister Narendra Modi's visit to the United Arab Emirates (UAE) in 2015, the first by an Indian premier in 33 years, followed up by visits of Abu Dhabi Crown Prince Sheikh Mohammed bin Zayed Al Nahyan to India in 2016 and 2017 are of greater political-strategic value to New Delhi's new 'Think West' policy. This is positive because while the GCC countries pursued a 'Look East' policy over the last 15 years, Indian diplomacy has been busier improving relations with Western countries than with neighbors closer home.

THROUGH MOST OF HISTORY, GOODS FLOWED FROM INDIA TOWARD ARABIA. ARABIA HAD LITTLE TO EXPORT TO INDIA EXCEPT THE MONEY THAT WAS USED TO BUY SPICES AND OTHER GOODS FOUND IN INDIA.

Secondly, strategic economic engagement may manifest, for example, in how the proposed \$75 billion UAE-India Investment Fund is operationalised. Again, for example, investment in the food storage sector could be linked to infrastructure projects, as opposed to the GCC countries' idea of buying cultivable agricultural land to ensure food security.

In the security arena, one needs to link India-GCC strategic ties to the shift away from the GCC's reliance on the decades-old US-centric protection net. Some Indian scholars, have called for exploring possibilities for a new collective security architecture for the Gulf, which would involve both Asian and Western powers, including the United States.

The failure of the United States to limit the chaos in Iraq, the nuclear deal with Iran which compromised the GCC countries' perceived security concerns and the inaction in Syria

has heightened the region's fatigue with the United States. It is true that though the GCC's ties with Asia are expanding, no other international actor can replace the United States even if it is a weak superpower in the short or even medium-term future. But this could change in the longer term. Simultaneously, a sense of US fatigue with the region is also prevalent. This policy, endorsed by the new US President, Donald Trump, reflects the desire to focus on domestic issues.

But India's quest to advance its strategic interests in the Gulf faces major deterrents. First, Saudi-Iran animosity has created schisms within the GCC as can be seen recently with Saudi Arabia, UAE and Bahrain cutting all ties with Qatar and Oman with Kuwait taking a neutral position. Thus, though the Gulf countries are ready to explore alternatives, the fear of Iran and the lack of credible alternatives make them stick with the United States.

India could look beyond anti-piracy and anti-terror cooperation, by diversifying defence cooperation, including investment in defense manufacturing, facilitating interaction between armed forces; organising visits to Indian defence colleges, and laying groundwork for joint exercises. Another might be for both sides to contemplate more defence pacts of the India-Qatar kind. Yet another might be for India to begin conducting naval exercises of the kind involving Oman with other GCC countries. This would help showcase India's naval strength.

The dynamics of oil, trade, and expatriates have sustained historic ties between India and the Gulf. The way forward hinges on strategic, political, economic, and security dimensions. With several factors contributing to the rediscovery of the India-Gulf relationship, we are in for interesting times.

Hansel Berboza is Head, M&A, Cards and E-Banking Business at Bank of Muscat.

Emerging strong in Africa, Middle East

Africa, the Middle East, Cyprus, Egypt and Oman were just some of the destinations of choice for Indian companies among the emerging markets.

Dabur buys South African firms



Indian FMCG firm Dabur has acquired two South African companies in the personal care and hair care segment.

In a Bombay Stock Exchange (BSE) filing, the company said the company's step down wholly-owned subsidiary Dabur South Africa has entered into a share purchase agreement to acquire D&A Cosmetics Proprietary Ltd and Atlanta Body & Health Products Proprietary Ltd.

The deal size is estimated at ₹25 crore (\$4mn).

D&A Cosmetics has a presence in the personal care, hair care and creams segment and Atlanta Body & Health Products is engaged in the business of sales and distribution of the Long and Lasting brand products for salons in South Africa.

In November last year, Dabur had announced the acquisition of the personal care, hair care and creams businesses of CTL Group, which marked its foray in the South African personal care market.

Dabur is one of the early entrants in Africa's personal care market, but South Africa is a relatively new territory.

Future Group eyes Middle East

India's Future Group is eyeing the international market for fashion and consumer products through a joint venture with the Oman-based Khimji Ramdas (KR) Group.

It plans to open around 18 exclusive 'FBB' stores in the Middle East in the next few years. The 50-50 joint venture will be called KR Future Fashions with an investment of around Rs 75 crore each (\$12mn).



Future Group CEO Kishore Biyani said: "We will open the first FBB store early next year in Oman. We plan to open five-six stores next year initially, and about 18 stores in the region in the next few years.

"The strategic partnership is a step towards making FBB a global fashion brand. We are optimistic that the combination of our fashion knowhow and KR's local in-market expertise will get us closer to our goal of getting FBB to the helm of the top 10 preferred international fashion brands."

Cyprus woos Indian investment



Cyprus President Nicos Anastasiades encouraged Indian investors to look towards projects in his country in an address to the Cyprus-India Business Forum in Mumbai this week.

Anastasiades said his presence at the forum reaffirmed "in the strongest possible terms the strong will of the government and the people of Cyprus for even closer bonds with the Republic of India"

The recently signed double tax avoidance treaty, which came into force in India as of April 2017, and which removed Cyprus as a "Notified Jurisdiction Area", will contribute to further strengthening the economic ties between Cyprus and India.

"I would encourage foreign investors, including Indian investors, to invest in projects in Cyprus, which the presidency can promote through its fast track mechanism for receiving the relevant licenses within short and specific time-frames," the President said.

From Mumbai, Anastasiades travelled to New Delhi to meet with Indian government leadership.

Indian petrochem firm eyes Egypt



India's largest investor in Egypt's petro-chemical business, TCI Sanmar, is planning to increase its investments to \$1.5 billion.

It already has investments of around \$1.2 billion in the region and aims to increase production of Poly Vinyl Chloride (PVC) from 200,000 metric tonnes to 400,000 metric tonnes, company chairman P.S. Jayaraman said.

TCI Sanmar is one of the biggest producers of petrochemicals in the Middle East and exports 50 per cent of its production in Egypt.

The company is planning to expand its investment and produce 135,000 metric tonnes of calcium chloride.

TCI Sanmar provides the local Middle Eastern markets with its products and exporting its products of caustic soda to Southern Europe, Asia, Middle East and Northern Africa.

Pidilite gears up for Ethiopia



India's Pidilite Industries is setting up an adhesive manufacturing unit in Ethiopia, which will be operational by the next financial year.

The company's Ethiopian subsidiary, Pidilite Chemical Private Limited Company, will manufacture adhesives in the African country for domestic purposes, Bharat Puri, managing

director of Pidilite Industries, was quoted in Indian media as saying.

The company was already exporting adhesives to Ethiopia from India. The Indian adhesive giant, which owns eight brands including Fevicol, has 12 subsidiaries across the world, besides the one in Ethiopia, and exports to 60 countries.

In the consumer segment, the company operates in seven categories, including sealants and paints. This segment comprises over 80 per cent of the company's net sales. The industrial segment consists of six categories such as leather chemicals and resin.

In 2016, the adhesives and industrial chemical manufacturer entered into a sales and distribution tie-up with US-based WD-40 Company, which makes multi-purpose maintenance chemicals.

Sonalika tractors on China drive



Sonalika International Tractors Ltd, the third-largest producer of tractors in India, has drawn up plans to enter China, the world's biggest tractor market.

Raman Mittal, Executive Director, Sonalika ITL, said that the company will start investing to create a physical foundation in China this year, with manufacturing planned later.

He said: "We aspire to become not small, but a big player in the Chinese market. Like India,

China too is a cost-sensitive market. So, we may have to find strategies to manage costs. Probably, we would make key technologies like powertrain in India keeping that in mind."

During 2016-17, Sonalika sold over 81,500 tractors, increasing its market share from 11.9 per cent to 12.3 per cent. Last year, Sonalika exported 12,241 tractors to 80 different countries, making it the second largest tractor exporter from India.

A new manufacturing plant has been added to its existing facility that is capable of rolling out 384 tractors daily.

Future Group in JV for Oman market



India's Future Group has struck an equal joint venture (JV) with Omani business house Khimji Ramdas to sell its apparels and food in the Gulf nation.

The JV will be called KR Future Fashion Llc and marks the Future Group's first attempt to tap international markets.

Future Group founder and chief executive Kishore Biyani said he wanted to start with a market that has a large Indian diaspora.

"We will be branding the stores fbb as Indians living in GCC (Gulf Cooperation Council Countries) have a base in India and know the brands," said Future Retail COO Rajesh Seth.

Future Group aims to target the diaspora with fbb's low-priced private labels with mass appeal. The idea is partly inspired by British apparel retailer Primark UK, with cheaply priced mass fashion.

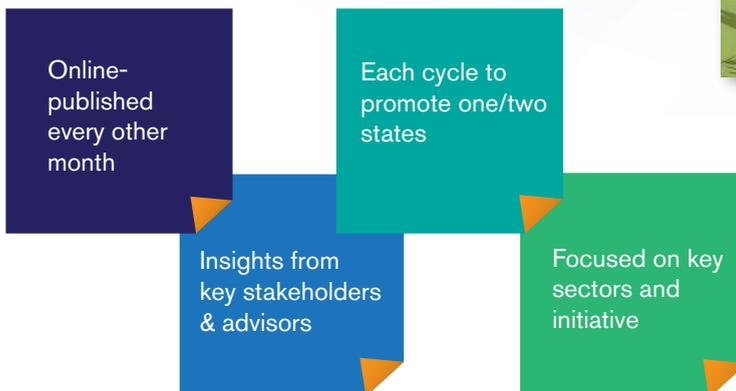
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India moves up emerging markets university rankings



India is among the major success stories of the 'BRICS and Emerging Economies University Rankings 2017', with 27 institutions making the top 300.

The definitive rankings for the emerging economies, compiled annually by 'Times Higher Education', reflects India's efforts to be counted as a viable education hub seem to be paying off.

China is the clear frontrunner with 52 universities in the 'BRICS and Emerging Economies University Rankings 2017' but India was credited with making significant strides.

Phil Baty, editor of the rankings, said: "India is making great strides. Its flagship university, the Indian Institute of Science (IISc), breaks into the top 15 for the first time this year in 14th place, thanks to improved scores for its teaching environment and research influence, while the Indian Institute of Technology Bombay (IIT-B) climbs three places to 26th, its highest ever rank, due to improved scores across all of the five pillars underlying the methodology.

"In fact, India could soon overtake Taiwan as the second most-represented country in the top 200 of the table, behind China. Overall, India has 19 universities in the top 200, up from 16 last year, while Taiwan has 21, down from 24."

Peking and Tsinghua universities in China held on to the two top spots for the fourth year running and China has a further four universities in the top 10. Russia's Lomonosov Moscow State University in Russia, University

'INDIA IS MAKING GREAT STRIDES. ITS FLAGSHIP UNIVERSITY, THE INDIAN INSTITUTE OF SCIENCE (IISC), BREAKS INTO THE TOP 15 FOR THE FIRST TIME THIS YEAR IN 14TH PLACE...'

of Cape Town and University of Science and Technology of China complete the top five rankings.

The other Indian universities to make the cut this year include IIT Delhi and IIT Kanpur at joint 32; IIT Madras at 35; IIT Roorkee at 62; IIT Kharagpur at 71; Jadavpur University at 99; IIT Guwahati at 106; Tata Institute of Fundamental Research at 107; University of Delhi at 109; Panjab University at 135; Tezpur University at 140; Savitribai Phule Pune University at 143; Aligarh Muslim University at 157; University of Calcutta at 179; Sri Venkateswara University at 186; National Institute of Technology Rourkela at 195; and Birla Institute of Technology and Science, Pilani, at 196. The un-ranked 200-300 category include Acharya Nagarjuna University, Amrita University, Andhra University, Osmania University, Amity University, Cochin University of Science and Technology, Maharaji Sayaji Rao

University of Baroda and Manipal University.

While India and China were described as this year's "winners"; the performance of the other BRICS – an acronym for Brazil, Russia, India, China and South Africa – was described as "waning".

"With almost double the number of institutions in this ranking than the

second most-represented country, India, China looks set to continue to dominate the list in the years to come, while other nations will have to run faster just to stand still," Baty added.

There were gains made overall by Turkey (16 institutions ranked, up from nine last year), Egypt (eight versus three last year) and Pakistan (seven versus two last year) in terms of representation. On the other hand,

Thailand (nine versus seven last year), Taiwan (25 versus 24 last year), Hungary (seven versus six last year) and Greece (six versus seven last year) failed to make much progress and lost ground to competitor nations.

Countries represented for the first time in the ranking include Latvia, Tunisia, Bulgaria, Croatia, Northern Cyprus, the Philippines and Sri Lanka.

The Emerging Markets University Tally

Rank 2017	Rank 2016	Institution Name	Country
1	1	Peking University	China
2	2	Tsinghua University	China
3	3	Lomonosov Moscow State University	Russia
4	4	University of Cape Town	South Africa
5	7	University of Science and Technology of China	China
6	17	Fudan University	China
7	10	Shanghai Jiao Tong University	China
8	6	University of the Witwatersrand	South Africa
9	8	Zhejiang University	China
10	5	National Taiwan University	Taiwan
11	14	Nanjing University	China
12	93	Moscow Institute of Physics and Technology	Russia
13	9	University of São Paulo	Brazil
14	16	Indian Institute of Science	India
15	13	Koç University	Turkey
16	NR	Central European University	Hungary
17	19	National Tsing Hua University	Taiwan
18	22	Sabancı University	Turkey
19	26	National Research Nuclear University MePhI	Russia
20	12	National Chiao Tung University	Taiwan
21	26	Wuhan University	China
22	21	National Cheng Kung University (NCKU)	Taiwan
23	15	National Taiwan University of Science and Technology (Taiwan Tech)	Taiwan
24	31	University of Tartu	Estonia
24	52	Tongji University	China
26	29	Indian Institute of Technology Bombay	India
27	NR	ITMO University	Russia
28	24	State University of Campinas	Brazil
29	28	University of Cyprus	Cyprus
30	37	Saint Petersburg State University	Russia

The craze for that foreign degree

by India Inc. Staff



The love for foreign education among upwardly mobile Indians is not new, but with the economy prospering and domestic education not keeping pace with aspirations, it has turned into a near obsession.

Every year, more than 250,000 students venture out of India in search of better education in universities in the US, Europe, South East Asia and Australia. These numbers makes India the country with the highest student mobility in tertiary education after China. It should not necessarily come as a surprise. China and India are by far, the two most populous countries in the world. So the high numbers — over 800,000 Chinese students too try their luck in education outside their country every year — is a factor of demography.

The growth in outflow of students from India however is staggering over the last decade and even China pales in comparison. At the start of this millennium, India was not even in

the top five source countries that see maximum mobility of students around the world. The trend gained ground with the emergence of the Indian IT industry in the first half of the first decade and by 2005, India was just behind China accounting for 5.4 per cent of total international students, as per UNESCO. That share has only risen since then. Between 2007 and 2016, at least 6 per cent more students have gone out of India every year on an average. In recent times, the growth has been even more scorching. In 2014, nearly 12 per cent more students went abroad compared to the previous. The very next year, the numbers swelled again by a little less than 20 per cent. In both these years, India outpaced China, albeit on a smaller base.

“For years, India’s numbers have been a bit of a see-saw, but 12 per cent growth in 2014, and an even higher rate of 19.4 per cent in 2015 — this is the second year in a row that India’s [growth] rate has been higher than China,” says Maria Mathai, director of MM Advisory Services that provides advice on international recruitment strategies in India. “In terms of growth rate we have said in the past that India is set to overtake China, and it is certainly on track even though in terms of absolute numbers China will still be far ahead.”

A majority of Indian students who choose to head out for education drop anchor in either of the six countries: the US, UK, Australia, Canada, UAE and New Zealand. Universities in US

are the main attraction accounting for nearly 45 per cent of all students. In fact, almost half of all international students in the US today are either from India or China. The two countries also account for almost a third of all international students in Canada.

The preference of Australia as a destination for higher education has also risen since 2015, when it overtook UK to become the second most preferred destination for Indian students. It is a resurgence of sorts. With its large diasporic population and ample employment opportunities, Australia was always a hot destination but had gone off the boil for a few years since 2009 when a spate of racial attacks grabbed headlines. Another emerging study destination is Germany, which aided by Brexit, is tipped to overtake UK as the most preferred country in Europe.

Countries like Sweden, Denmark, Italy, and Ireland are now also in Indian students' consideration sets. An IIM Bangalore study conducted by Rupa Chanda and Shahana Mukherjee in 2012 says more and more Indian students are looking at countries where "education is considerably cheaper and part-time jobs are easier to secure."

The reasons for the inherent desire to go abroad for studies in upwardly mobile Indians are numerous. India as a country scores terribly low in quality of education and does not offer adequate infrastructure for cutting edge sophisticated research. As per the Quacquarelli Symonds (QS) World University Rankings 2018, only three Indian institutes — Indian Institute of Technology Delhi, Bombay and Indian Institute of Science Bengaluru — figure in the list of top 200 universities in the world. The top 20 has 11 entries from US, four from UK, two each from Singapore and Switzerland and one from Australia. IIT-Delhi, Bombay and IIS Bengaluru were placed 172, 179 and 190 respectively.

Intense competition and an acute paucity of seats are other reasons that nudge students out of the country. The higher education infrastructure in the country has

simply not kept pace with the rising demand from Indian middle class. In 2012, 500,000 students sat the entrance exam for 9,590 seats at the country's premier technical colleges — Indian institutes of technology (IITs). Similarly the premier management institutes — Indian institutes of management (IIMs) — received close to 200,000 applications for 15,500 seats.

The demand-supply mismatch is so acute, it throws up some amusing trends. In 2011, one of India's leading commerce and economics colleges Sri Ram College of Commerce (SRCC) that counts among others finance minister Arun Jaitley as an alumnus, set a minimum cut-off mark for admission at 100 per cent for students with science subjects. After being reduced to becoming a butt of jokes, the college stood its ground citing rising number of students with near perfect scores each year for the same number of seats. In 1987, when a million students took grade 12 exams, SRCC had 800 seats. In 2011, when 10.1 million students appeared for the same exams, the number of seats at the college was still the same.

'THE GROWTH IN OUTFLOW OF STUDENTS FROM INDIA HOWEVER IS STAGGERING OVER THE LAST DECADE AND EVEN CHINA PALES IN COMPARISON.'

"Even those with 90 per cent marks cannot assume they will get into the Indian institution of their choice," says Mathai. "Students leaving India are some of the best brains."

Higher disposable incomes, proliferation of finance schemes for foreign education at low rate of interest and better job prospects after completing education in developed countries are also reasons that aid the outflow of students. Further, even if the student decides to come back for a career in India, a degree from a foreign university gives him a head-

start over an Indian institute.

"An important aspect is the prevalent perception in Asian countries that a foreign degree is more valuable and thus increases chances of better employability," says the 2012 IIM Bangalore study. "Another factor, particularly true for major source countries like China and India is the rising income levels of middle-class families in the last decade, which has made foreign education a feasible alternative. The existing education infrastructure in many of these countries is weak and continues to remain neglected. Consequently, a growing number of students seek better quality education and therefore look to foreign education markets for the same."

Most Indian students go out at the graduate level, and science, technology, engineering and mathematics remain the most popular fields. In the post-graduate level, business administration is the most sought after course though there has been an increasing trend towards research, medical sciences and academics as well.

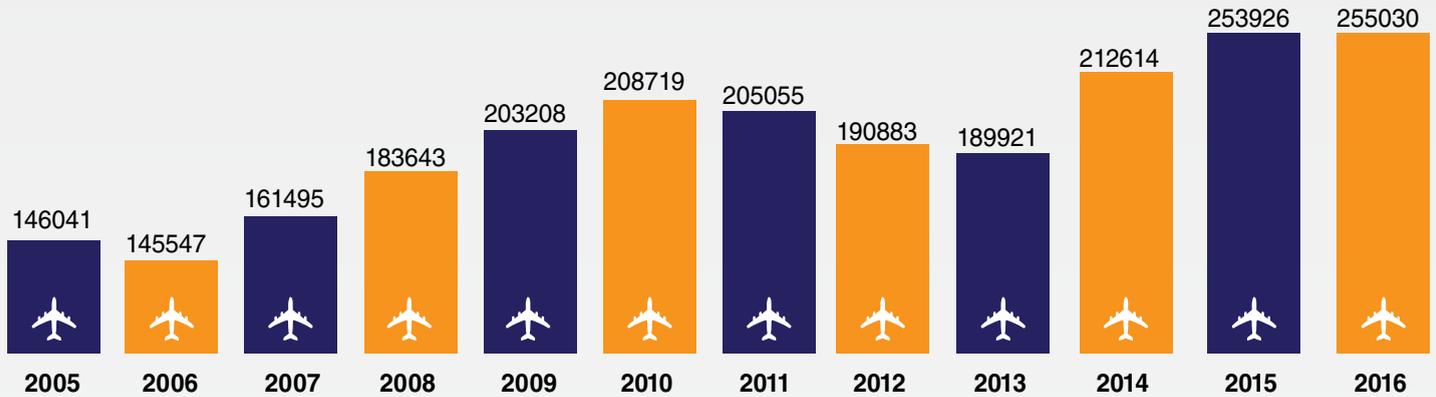
The outflow of students does entail a cost to India's domestic economy in terms of lost revenue. According to a study done by Associated Chamber of Commerce and Industry of India, the estimated hundreds of thousands of Indian students studying abroad costs India as much as \$17 billion a year.

"Studying in a foreign institute maybe a dream but it is not cheap. An IIT student pays an average \$150 monthly fee, while students opting for education in institutions in Australia, Canada, Singapore, the US and UK shell out \$1,500 to \$4,000 in fees every month," says ASSOCHAM Secretary General D.S. Rawat. "That capital goes out of the country. Most students also stay back in their host country."

Clearly, the much-maligned brain drain phenomenon starts early in India. But the lure of emulating names like Indra Nooyi in PepsiCo and Sundar Pichai at Google, is pretty damn hard to beat.

FACTFILE: EDUCATION

Number of students going abroad to study

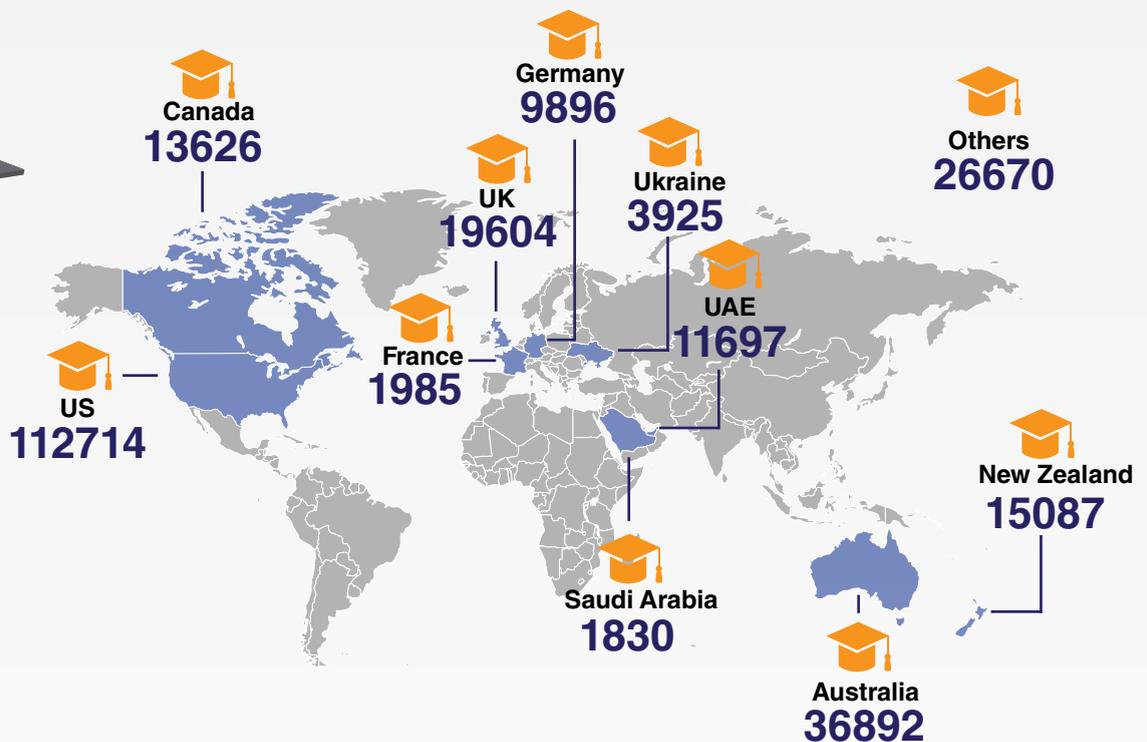


Source: UNESCO



Indian students studying abroad in 2015

Source: UNESCO



Latest Trends

Australia, Canada, New Zealand are becoming popular emerging destinations for students



US President Donald Trump's visa crackdown and the UK's impending Brexit have made them less popular among students



In Europe, while France and Germany remain popular, Scandinavian countries like Norway, Sweden, and Denmark are gaining prominence.



STEM (Science, Technology, Engineering, Maths) and Business Management remain popular subjects for students planning to study abroad.



Law, Social Sciences, Medicine and Nursing, Hospitality Management, Environmental Sciences, Creative Art and Design, Film Studies are becoming increasingly sought after.

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Some spike in Indian exports scenario

Spices and organic products were at the forefront of India's recent exports focus.

Rajesh Exports bags UAE order



Rajesh Exports has bagged an export order worth Rs 1,140 crore (\$178mn) from a UAE-based company, the company said in a BSE filing today.

The jewellery firm said it would execute the order from its Bengaluru facility.

Rajesh Exports Chairman Rajesh Mehta said: "Consistent global recognition would ensure robust growth of the company in terms of revenues and profitability."

With the current order, the company's order book at a consolidated level stands at Rs 36,820 crore (\$5.75bn).

The Bengaluru-headquartered company claims to be the world's largest gold jewellery manufacturer. 'India Global Business' has in-depth coverage on related topics.

India eyes organic products exports

India's exports of organic products, food and non-food, are likely to treble by 2020, following relaxation in quota restrictions allowing farmers to compete in global markets.

According to the Agricultural & Processed Food Products Export Development Authority (APEDA), Indian farmers produced around 1.35 million tonnes of certified organic products in the financial year 2015-16.

This includes food products such as sugarcane, oilseeds, cereals, millets, cotton, pulses, medicinal plants, tea, fruits, spices, vegetables and coffee, among others.



However, exports remained low primarily due to quantitative restrictions. The Directorate General of Foreign Trade (DGFT), had through a notification in April, liberalised the quantitative restrictions on the export of organic products from India, a move that experts believe would boost India's production and exports significantly in future.

Indian spice exports on a high

Indian spices and spice products surged to a record export worth of Rs 17664.61 crore (\$2633.30mn) and a volume of 9,47,790 tonnes in 2016-17.

It registered an increase of 12 per cent in volume, nine per cent in rupee terms and six per cent in dollar terms from a year ago. In 2015-16 export came to 8,43,255 tonnes valued at Rs 16238.23 crore (\$2482.83mn).

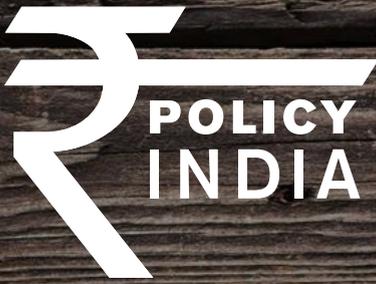


India's Spices Board chairman A. Jayathilak said: "India has surpassed all previous export records and has fulfilled the increasing international demand for its quality spices in the face of tough competition in global markets.

"More satisfying was the fact that the appreciable increase in exports came in the face of strict food safety regulations that now define and determine the international commodity trade."

Chilli continued to be the most demanded spice in 2016-17 with export of 4,00,250 tonnes, registering an increase of 15 per cent in volume and 27 per cent in value.

Cumin was the second-most exported spice, recording an increase of 22 per cent in volume and 28 per cent in value.



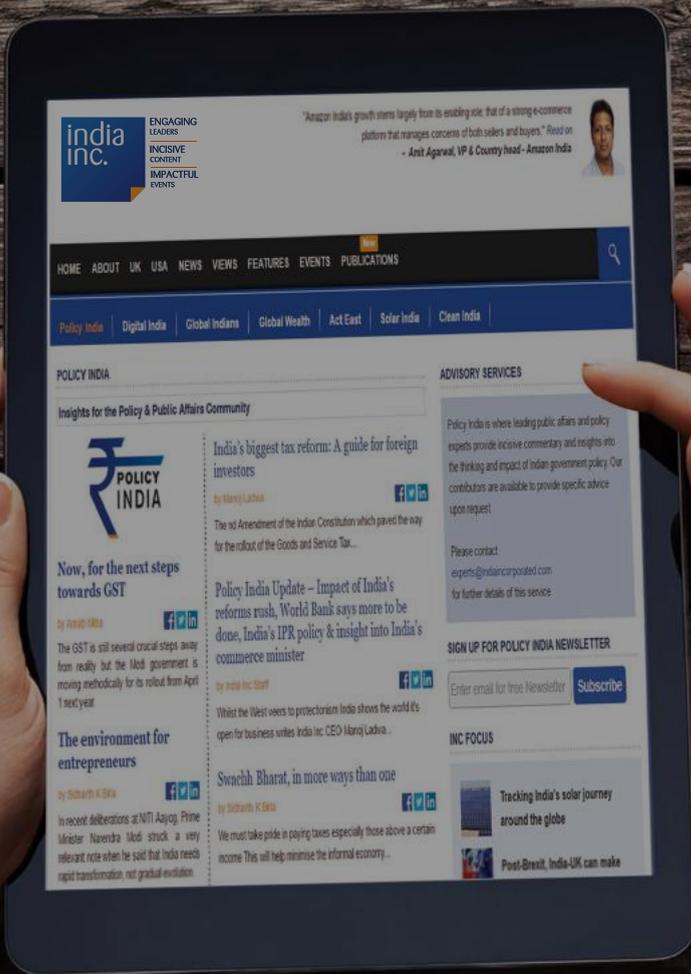
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A professional portrait of Dr. Jyotsna Suri, a woman with long dark hair, wearing a dark grey blazer over a light blue top. She is smiling slightly and has her arms crossed. The background is a soft, out-of-focus gradient of blue and green.

HOSPITALITY COMES NATURALLY TO INDIANS

Dr Jyotsna Suri is a stalwart in the Indian hotel industry, who recently expanded her group's footprint to the UK with The Lalit London. 'India Global Business' caught up with this jet-setting Global Indian to get her views on Indian hospitality and its worldwide impact.

Please give your overview on the Indian hotel industry and its growth patterns over recent years.

The Indian hotel industry has been on an upswing in the last few years. The improvement in infrastructure and increase in spending power has resulted in growth of domestic travel as well as influx of inbound travel. Tourism growth has outpaced the GDP growth in the last few years, and this trend is projected to continue.

What does the launch of The Lalit London mean for your group?

The Founding Chairman and the owner of Bharat Hotels, Mr Lalit Suri, yearned for a hotel in London, a city he loved so intensely that it became his final resting place in



WE ARE EXTREMELY PROUD TO BE THE FIRST INDIAN HOSPITALITY CHAIN TO FULLY OWN AND OPERATE A HOTEL IN LONDON UNDER ITS OWN BRAND NAME.

2006. On 19 November 2016, which would have been his 70th birthday, we inaugurated The Lalit London fulfilling his dream. We are extremely proud to be the first Indian hospitality chain to fully own and operate a hotel in London under its own brand name.

Does the launch make London a kind of second home?

London is a global city, an amalgamation of several cultures and nationalities. As a family, we have loved the city. The children have studied in London and it has always been a second home for us. The launch of our hotel connects us to the city and its people even more closely.

What are some of your company's future expansion plans?

The Lalit Suri Hospitality Group has rapidly expanded in the last decade. We have more than doubled our portfolio – from six to 13 hotels, with

12 in India and one in London. We recently launched The Lalit Suri Hospitality School to nurture fresh talent in the industry. The Lalit Ahmedabad is due to be launched in 2018 making it our 14th hotel.

What sets Indian hotels apart in the global hospitality space?

Both traditionally and culturally, hospitality comes naturally to Indians. The uniqueness of greeting our guest with a 'Namaskar', belief in 'Atithi Devo Bhava' [guest is god] and 'service with a smile' are the dynamics that drives the Indian hotels in the global hospitality environment.

What is the expected segment of growth for the industry?

With the infrastructural development and increase in travel domain, there are ample opportunities for all categories – luxury and mid-segment.

As a former FICCI president, how would you characterise the Indian economy's industry-friendliness?

The improving infrastructure, transparency and clarity in government policies have made the Indian economy as the fastest growing economy in the world today, with a GDP growth rate at more than 7 per cent (overtaking China).

As per IMF, the sluggishness caused by demonetisation will gradually dissipate and the Indian economy would surge to 7.7 per cent by the next financial year. The ease of doing business is one of the important initiatives run by the government, which has led to India move up in ranking from 142 (2015) to 130 (2017).

Dr Jyotsna Suri is Chair & MD, Bharat Hotels Ltd

UK GENERAL ELECTION 2017: THE POLITICS OF THE DIASPORA

TOUGH FIGHT

ALOK SHARMA

First Elected Year: May 2010
Constituency: Reading West, Berkshire
Majority in 2015: 6,650 (13.7%)
The Indian Connection: He was born in Agra and grew up in Earley and Whitley Wood in England.



2017 Outcome

Wins by
2,876

CONSERVATIVE PARTY



Priti Patel

First Elected Year: May 2010
Constituency: Witham, Essex
Majority in 2015: 19,554 (41.5%)
The Indian Connection: Her parents were Ugandan immigrants of Gujarati-origin who came to Hertfordshire, England, in the 1960s.

2017 Outcome

Wins by
18,646



Shailesh Vara

First Elected Year: May 2005
Constituency: North West Cambridgeshire, East Anglia
Majority in 2015: 19,795 (32.4%)
The Indian Connection: Born in Uganda to Gujarati immigrants, Vara's family moved to Britain in 1964 when he was four years old.

2017 Outcome

Wins by
18,008



Rishi Sunak

First Elected Year: May 2015
Constituency: Richmond (Yorks), North Yorkshire
Majority in 2015: 19,550 (36.2%)
The Indian Connection: He was born in England but his grandparents emigrated first to East Africa and then to Britain in 1960. Sunak is the son-in-law of Infosys co-founder Narayana Murthy.

2017 Outcome

Wins by
23,108



Suella Fernandes

First Elected Year: May 2015
Constituency: Fareham, Hampshire
Majority in 2015: 22,262 (40.7%)
The Indian Connection: This Goan-origin politician was born in London to parents who migrated to Britain in the 1960s from Kenya and Mauritius.

2017 Outcome

Wins by
21,555

Several Global Indians were in the fray in this year's snap General Election in the UK on June 8. Here is a snapshot of their India connect and how they fared this time.

TOUGH FIGHT



VALERIE VAZ

2017 Outcome

**Wins by
8,892**

NEW ENTRANTS



**PREET KAUR
GILL**

2017 Outcome

**Wins by
6,917**



**TANMANJEET
SINGH DHESE**

2017 Outcome

**Wins by
16,998**

LABOUR PARTY

2017 Outcome

**Wins by
22,428**

Keith Vaz

First Elected Year: June 1987

Constituency: Leicester East, Midlands

Majority in 2015: 18,352 (38.2%)

The Indian Connection: He was born in Aden, Yemen, to Goan parents. He moved to England in 1965 with his family.



2017 Outcome

**Wins by
22,090**

Virendra Sharma

First Elected Year: July 2007

Constituency: Ealing Southall, Greater London

Majority in 2015: 18,760 (43.3%)

The Indian Connection: He was born in Punjab and moved to Hanwell, west London, in 1968.



2017 Outcome

**Wins by
15,603**

Seema Malhotra

First Elected Year: December 2011 by-election

Constituency: Feltham and Heston, Greater London

Majority in 2015: 11,463 (23.2%)

The Indian Connection: She was born in London to Indian-origin parents.



2017 Outcome

**Wins by
16,027**

Lisa Nandy

First Elected Year: May 2010

Constituency: Wigan, Greater Manchester

Majority in 2015: 14,236 (31.4%)

The Indian Connection: She was born in Manchester to parents from Bengal.



AN INDIAN IN TEL AVIV



Tel Aviv is the financial hub of Israel on the Mediterranean coastline. As the country's tech hub, the city is known for its zest for life and as the place that never sleeps. Narendra Modi will become the first Indian Prime Minister to visit this city in July.

Top 5 Business Hotels in Tel Aviv

1 65 Hotel

www.atlas.co.il/65-hotel-tel-aviv/
65 Rothschild Boulevard, Tel Aviv, 6578512
65hotel@atlashotels.co.il
+97237677677
+97237677678

2 The Rothschild 71

www.the-rothschild.com
71 Rothschild Boulevard, Tel Aviv, Israel
Info@the-rothschild.com
+972 3 6290555
+972 3 6290444

3 Lily & Bloom Boutique Hotel

<http://lilyandbloom.com>
48 lilienblum street, Tel Aviv 6513455, Israel
hotel@lilyandbloom.com
+972-72-2484848
+972-72-2795451

4 Brown TLV Urban Hotel

www.browntlv.com
25 Kalisher street, Tel Aviv, Israel 6516505
hotel@browntlv.com
+972-3-7170200
+972-3-7170240

5 Carlton Tel Aviv

www.carlton.co.il
10 Eliezer Peri Street, Tel Aviv, 6357325
972 3 5201818
972 3 5201818

Top attractions



Best Times to Visit Tel Aviv

The best times to visit Tel Aviv are March through **April and September** through November.

The spring months of March-April are ideal for summer loving travellers, not too crowded as the city is yet to receive a throng of tourists.

Spring and Fall mark this city's "**sweet**" tourism spots, boasting pleasant temperatures and affordable prices.

Between **September to November** is Autumn and the city bids adieu to most of its visitors. Tariffs for hotels located in prime areas or with beach fronts reduce considerably.

However, if you are heading to Tel Aviv for a beach vacation, then **May to August** (summer months) is the best time. Make reservations two months in advance since this is the peak tourist season.

Public Transportation

Buses

The main public bus company that operates in greater Tel Aviv is Dan. Tickets and passes can be purchased on the bus, or at central bus stations.



Service Taxis

Service taxis, called "Moniyot Sherut" in Hebrew, run along the main roads in the city and throughout the country. Sheruts are in essence mini-vans that operate as shared taxis; they are generally yellow, with numbers on the windshield indicating their route, and they can transport about 10-12 people at a time.



Taxis

Local and inter-city taxi services are available to and from any point in the country. The fares for inter-city taxi services are standard fares set by the Ministry of Transport. It is recommended to verify the fare prior to entering the taxi.



Night Lines

The Night Lines are public transportation lines that run from residential areas to entertainment centers and back during nighttime. The Night Lines' fare is the same as regular public transportations and can be paid via all credible payment means including discounts, tickets, all-in-one passes and monthly subscriptions.



Trains

Tel Aviv-Yafo has four train stations, all of which are located along the Ayalon Highway. All trains to Tel Aviv-Yafo stop in all four stations. A new high-speed line between Tel Aviv and Jerusalem has recently started operating, with expected travel time of only 28 minutes.



Tourist Info

- There are money exchange offices all over the city with no commissions, but there are banks which sometimes do take commissions. At the airport, the money exchange is **open 24 hours** a day. There are also plenty ATMs to withdraw money and you can pay by credit card in most places.
- No specific immunization is required for travel to Israel. However, you should make sure that all your vaccinations are up-to-date and your children have been immunised according the recommended schedule in your country of origin.
- If you wish to drive a car in Israel, you must hold a valid international driver's license. Driving in Israel is on the right-hand side of the road, and most signage is in Hebrew, English and Arabic. While driving, do not use a hand-held phone as it is against the law.
- It is forbidden to import the following items into Israel without a licence issued in advance: plants, firearms, raw meat, raw materials, counterfeit currency or documents, knife or penknife not intended for professional use.
- Tips of 10% are standard at Israeli restaurants. Cab drivers do not expect to be tipped.
- The Shabbat, or Sabbath, is the local day of rest and observed from sundown on Friday to Saturday night. All public offices are closed on Shabbat, as are banks, most stores and businesses. Buses and trains cease services, but restaurants and bars are open as normal.
- Banks are open Sunday through Friday mornings from **0830h to 1200h**. They offer additional hours Sunday, Tuesday and Thursday from **1600h to 1800h**.





Currency:

**1 Israeli New Shekel
= 18.22 INR**
(As on 31 May, 2017)

The New Israeli Shekel (NIS), comprising 100 Agorot, is the local currency.

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Getting to Tel Aviv

- From India, El Al Israel Airlines operates between 3 to 4 flights per week, flying direct from **Mumbai's Chhatrapati Shivaji International Airport (BOM)** to **Tel Aviv's Ben Gurion Airport (TLV)**.
- Aeroflot Russian Airlines operates daily flights from **Delhi's Indira Gandhi International Airport (DEL)** to **Tel Aviv's Ben Gurion Airport (TLV)** via Moscow.
- Major flight operators from India to Tel Aviv:** Jet Airways, Lufthansa, Air India, Turkish Airlines, Ethiopian Airlines, British Airways, Air France, Alitalia, ASKY Airlines, KLM Royal Dutch, Swiss International Air Lines, Qatar Airways, Brussels Airlines, Kuwait Airways
- Air India is planning to introduce non-stop flights between **New Delhi** to **Tel Aviv** three times a week soon.

Visa Information



The Embassy of Israel has opened their Visa Application Centres operated by Israel Visa Services in New Delhi, Mumbai and Bangalore.

The Israel Visa Application Centre would accept applications for A2 (Student), B1 (Employment / Work), B2 (Business / Tourist) Visa categories.

Tech Hub:



Tel Aviv ranks third in the world as the destination of choice for high net worth individuals as a result of its booming economy, growing tech scene, and overall superb weather.



Known as one of the world's most innovative cities, its start-up scene is rivalled only by California's Silicon Valley. The city is home to more than 1,500 companies (mostly tech) that employ 43,000 workers.



To help attract international start-ups, Tel Aviv offers incentive packages to entrepreneurs abroad. This includes temporary accommodation and workspace, as well as consulting and legal advice.



Tel Aviv was ranked one of the two most innovative cities in the world by the 'Wall Street Journal', and one of the top three tourist destinations by 'Lonely Planet'.

Accolades:



National Geographic has deemed Tel Aviv the **ninth best beach** city in the world.



In October 2016, readers of the luxury magazine '**Condé Nast Traveler**' voted Tel Aviv **No. 17** among the 40 best cities in the world.



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Go Global is a one of its kind mega Expo and Conference for Indian companies who wish to expand their business internationally. The event will be staged in New Delhi in 2017. It is being organised by London based Global Trade & Investment Events Limited, in association with India Global Business magazine and India's apex business body, the Confederation of Indian Industry.

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Pressing on with a Raw zeal

Anuj Rakan is the founder and Managing Director of Raw Pressery, India's first cold-pressed juice company. From an idea born out of his kitchen to being on the cusp of taking India's raw and unprocessed products global, the 37-year-old shares his journey with 'India Global Business'.

What in your view makes Raw Pressery a start-up success?

While experimenting on creating an honestly healthy beverage, I focused on simplicity and applied the philosophy of All Good, No Bad. The team and I have been driven by this philosophy to bridge the gap between healthy and tasty by making products that we as consumers would choose to buy.

At Raw Pressery, we focus on listening to the consumers needs and preferences and delivering products that meet those needs. Our approach has always been led by demand versus flooding the market with supply driven alternatives. Our philosophy extends into who we are as a brand and foremost as people. We believe in keeping it RAW and hiding nothing from the customer. Success for us is not defined in

number crunched excel sheets but for the positive consumer experiences we get with each bottle of RAW.

INDIA IS THE LARGEST CONSUMER OF FRESH JUICES IN THE WORLD. THE FRUIT BASED BEVERAGE CATEGORY IS THE FASTEST GROWING WITH A CAGR OF OVER 30 PER CENT IN THE PAST DECADE.

What are some pitfalls start-ups should be wary of when setting up in India?

It is important to understand your market inside out before stepping into any new ventures. Another important learning is to be prepared for failures

as they are best learning experiences. Your product is always at the core of any business hence it needs to be 100 per cent honest and sincere for your customer to recognise and appreciate it.

What makes the Indian market ripe for brands like yours?

India is the largest consumer of fresh juices in the world. The fruit based beverage category is the fastest growing with a CAGR of over 30 per cent in the past decade. The rising number of health conscious customers actively boosts the cold pressed juice segment.

With attributes like no preservatives, chemicals, colours, added sugar or water, cold pressed juices have become the preferred choice of discerning customers across the country. On the other hand, a 5 per cent annual decline in the carbonated

beverage segment maps a new consumer journey from “cola to cold pressed.” These trends bare testimony to the fact, that cold pressed juice and clean label innovations are here to stay for the long run.

What are the company's global plans?

Raw Pressery has grown from strength to strength, expanding business to achieve its goal to be India's largest clean label food & beverage company. We are currently available in 10 cities – Mumbai, Pune, Delhi, Gurgaon, Bengaluru, Hyderabad, Chennai Chandigarh, Kochi and Ahmedabad. The brand has been receiving consistent enquiries from the Middle East and wishes to expand to the territory in the near future.

The food & beverage market is blossoming with opportunities. We are the only company in Asia employing advanced cold pressurisation with High Pressure Processing to maintain shelf life, producing about 5,000 litres of juice a day. With the coming in of the new state-of-the-art pressery in Panvel, we have enhanced production capacity by optimally. This has enabled us to scale up distribution, increasing the foot print to 10 cities, reaching the consumer at 1,200 points of sale by the end of FY16, covering modern trade, institutions and direct-to-home channels. Making eating healthy easier for the Indian audiences, we plan to foray into the fresh food and packaged nutriment. We wish to further establish Micro Cold Presseries across our laid out geographies, each equipped with the best of produce and technology to give our discerning customer a truly phygital experience, integrating online and offline. These establishments will allow a consumer to place an order digitally and see their beverage of choice getting made, in real time.

On a personal note, what have been some of your high points in the Raw Pressery journey?

RAW Pressery has achieved a



number of milestones that have become its stepping stones to success and have helped it to position itself as India's largest cold pressed juice brand. Born in the kitchen, the company started production in June 2013 after the team had spent countless hours juicing and consulting with farmers. The company took baby steps towards achieving growth and began home delivery deploying the Dabbawalla network across Mumbai and Pune. In April 2014, the company entered into a partnership with modern retail outlets, Foodhall and Godrej Nature's Basket for direct selling of products.

The same year, RAW Pressery bagged the first ever round of funding from Sequoia Capital. The year 2015 witnessed achievement of two major landmarks in the company's journey; it achieved notable growth with the expansion of retail and direct-to-home presence across Mumbai, Delhi and Bengaluru. Also, the company set up its first High Pressure Processing Machine in Asia in its Pressery at Panvel in August.

In January 2016, the company extended its special beverage portfolio launching four new categories– (Benefits, Basics,

Boosters and Soups) and 19 new juices. The company spread its roots in five more cities across nearly 800 points of sale and more than 400 quick service restaurant outlets. Recently, Bollywood star Jacqueline Fernandez joined the RAW Pressery family as an investor, believing in its “cleaner and healthier future”.

What attracted Sequoia & now celebrity investors to the brand?

In today's world, Raw is a rarity. Our food is becoming unnatural, our juices synthetic, our conversations processed. At Raw we believe everything is best in its raw, untainted and unprocessed form. Our recipes are simple and straight forward just as nature intended. Our partnerships are honest and fair without a fine print. Our world honest, authentic and free of pretence. We believe Raw is a way to be. And nothing else. It has been this manifesto that has attracted one and all alike to our product range and to us as people.

Anuj Rakyen is the founder and Managing Director of Raw Pressery

Can corporate governance be measured?

by Anne Molyneux

A leading consultant in the field delves into India's move towards embracing good corporate governance.

Good corporate governance is becoming a priority across the world. An OECD report to G20 finance ministers and central bank governors in 2015 begins as follows: "Good corporate governance is not an end in itself. It is a means to create market confidence and business integrity, which in turn is essential for companies that need access to equity capital for long-term investment."

Experts across the world increasingly feel that good corporate governance practices can instill confidence among international investors and boost economic activity. India is home to some of the world's largest companies – as one of the fastest growing economies in the world, there is a growing commitment to improve corporate governance standards. There is of course still a long way to go. And for many, governance remains a distant goal.

Developed Markets take Corporate Governance Standards in Earnest

To take corporate governance seriously, appropriate benchmarks and measurement approaches need to be adopted consistently. Scorecards have been in use since 2001 and are becoming more popular.

INDIA IS HOME TO SOME OF THE WORLD'S LARGEST COMPANIES – AS ONE OF THE FASTEST GROWING ECONOMIES IN THE WORLD, THERE IS A GROWING COMMITMENT TO IMPROVE CORPORATE GOVERNANCE STANDARDS.

A scorecard can gauge adherence to governance standards, provide corporate governance peer reviews and can act as a motivator for companies to improve practices. A study named 'Code Compliance Study 2016' on German companies by Professor Rapp, Strenger and Wolff of the HHL University, Germany, found that the acceptance rate of Corporate Governance was a healthy 96.1 per cent in the previous calendar year.

In 2009, finance ministers from Association of Southeast Asian Nations, a regional organisation comprising 10 Southeast Asian states promoting intergovernmental cooperation, endorsed the ASEAN Capital Market Forum implementation plan. The plan promotes development of an integrated capital market. A scorecard has since then been used across the region to raise governance standards and build confidence in

ASEAN markets. The results can be seen below:

Scorecards are used as a basis to introduce special indices on stock exchanges, such as the Novo Mercado in Brazil and the Shanghai Stock Exchange index in China. These are segments for the trading of shares issued by companies that commit themselves voluntarily to adopt corporate governance practices in addition to those that are required by law. In Germany, a country known for sound governance, annual

and data on corporate governance issues, was the technical partner responsible for drafting the Scorecard questionnaire and methodology.

Despite robust governance frameworks, there is no certainty that companies will adopt best practices. A scorecard is often based on publicly available information and cannot predict the extent to which documented practices are followed in every circumstance. There is also a possibility that a company may change its behaviour following

improve decision-making and risk-management in companies, but ensure proper accountability, giving confidence to creditors.

This is amply demonstrated by a 2015 CFA survey of asset managers, conducted by CFA institute, a global association of investment professionals that sets the standard for excellence in the industry. The survey revealed that 73 per cent of investment professionals worldwide take environmental, social, and corporate governance issues into account when making investment decisions. In Canada, for instance, 80 per cent of institutional investors review governance issues during every investment. Credit Suisse uses a proprietary scorecard while taking investment decisions.

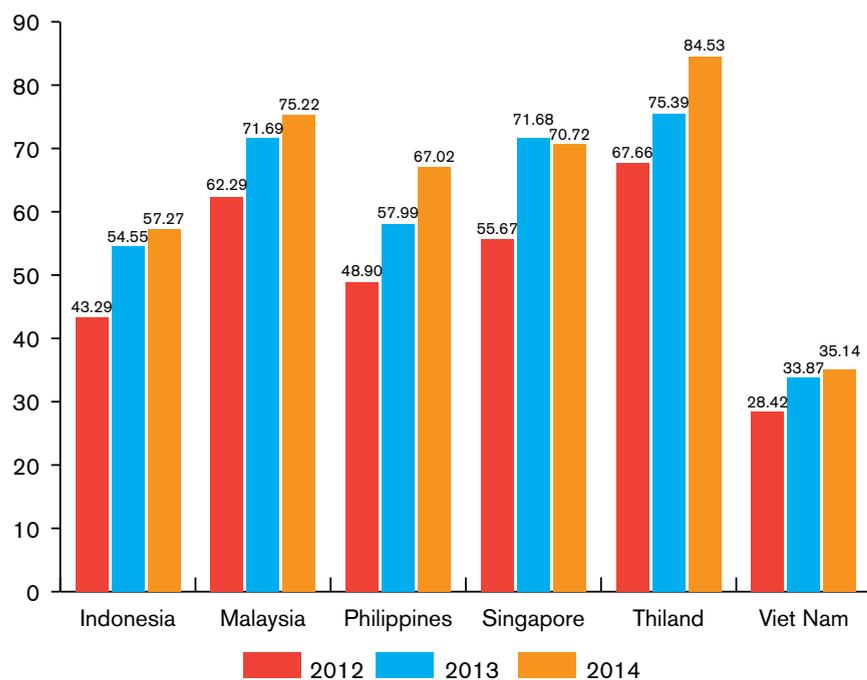
Growing use of the scorecard by Indian companies to evaluate their corporate governance will help instill confidence among global investors considering investments in India.

Conclusion

A scorecard and its success depends on its acceptance in the market. The onus is on each of the private sector companies especially those who value it in letter and in spirit.

Globally, the positive impact of scorecards in holistic development of markets and enhancing the credibility is a strong reason for furthering its adoption in many of the emerging markets.

Anne Molyneux is a Consultant with IFC, a member of the World Bank Group. She is an adviser on corporate governance, financial sector regulation and reform and institutional capacity building. She also represents the International Corporate Governance Network, with membership across 50 countries.



assessments of the DAX and MDAX companies (the two German stock exchanges having listing of top 30 & 50 companies respectively) are undertaken and are used to improve corporate governance.

Lessons learned through the successful experiences across other markets with scorecards, helped IFC to begin a similar exercise in India. Recently, IFC assisted the Bombay Stock Exchange in launching India's first Corporate Governance Scorecard. Institutional Investor Advisory Services (IIAS), an Indian advisory firm that provides independent opinion, research

a change in internal or external factors. No corporate governance assessment can really reveal the internal commitment of the board and management to improve governance standards. However, there is little doubt that a scorecard proves to be a useful guide for the working of a company.

Good Governance is Good Business

Investor interest in scorecards is high as investors believe that good governance brings real benefits to companies that is passed on to shareholders. Scorecards not only

How India grabbed the Green Oscars edge



Winner Sanjay Gubbi at the 2017 Whitley Awards with the Princess Royal

Two Indian projects made the cut among six worldwide winners of this year's prestigious Whitley Awards, dubbed the Green Oscars for their celebration of animal and bird conservation in developing countries.

Two Indian activists were singled out for their work in preserving birds and animals in the country's remote areas and won the annual Whitley Awards.

Sanjay Gubbi won the award worth £35,000 for his work to protect Karnataka's tiger corridors and Purnima Barman was recognised for creating an all-female network to save the Greater Adjutant stork, known in India as Hargila, and its wetland habitat in Assam. They are among six global winners of the award shortlisted from 166 entries, each of whom receives a prize worth £35,000 pounds in project funding over one year.

"This is a life-changing event for my team. It is a dream of every conservationist to win this award and the prize money will go a long way in expanding our Hargila Army network,"

said Barman, who got attracted to the project while she worked on her PhD in Kamrup district of Assam.

'THE AWARDS ARE ABOUT RECOGNISING PROGRESS, WINNING THOSE SMALL BATTLES WHICH CUMULATIVELY EQUATE TO CHANGE AT THE NATIONAL LEVEL.'

The Hargila storks are large scavenger birds with a global population of just 1,200, 75 per cent of which are found in Assam. Through her NGO Aaranyak, Barman has mobilised her all-female local network towards sustainable livelihoods

through weaving traditional Assamese scarves and saris that are then sold to raise funds for the conservation project.

"With this award money, we plan to scale up this work, encouraging households in the region to take pride in the species and protect the birds and their nesting trees," she said.

Fellow awardee, Sanjay Gubbi, quit his job as an electrical engineer to work with nature and wildlife. In 2012, working closely with the Karnataka government, he secured the largest expansion of protected areas for the conservation of tigers in his state.

"Karnataka is home to the highest number of Bengal tigers in India and in 2015 the figure stood between 10 and 15. Our hope is to take it up to 100 over the next few years but this can only be done through working

with the community,” he said.

With his award money, Gubbi hopes to reduce deforestation in two

Widmann from the Philippines for her project of partnering with prisoners to safeguard the critically endangered Philippine cockatoo; Ian Little from

With her £35,000, Purnima Burman will:

- Work with 10,000 villagers, schools and government to increase the greater adjutant population; protect nesting sites and rescue fallen chicks
- Expand the Hargila Army, engaging 300 women with conservation and helping them to pursue sustainable livelihood and education opportunities
- Seek legal protection of wetland habitat home to the largest nesting colony of greater adjutants
- Use research findings to make recommendations for more

Why it matters:

- Over 50 wetlands occur in the project site acting as a life-support system for other species
- Storks receive relatively little conservation attention
- Improving the livelihoods of 1,000 people and giving marginalised women a voice

With his £35,000, Sanjay Gubbi will:

- Scale up distribution of forest-friendly stoves to decrease pressure on tiger corridors and benefit over 1,000 families
- Empower young people through skill development and training to help them become employed in professions that are not reliant on forest resources
- Mobilise support for conservation through outreach campaigns
- Enable people affected by livestock and crop depredation to access government support

Why it matters:

- There are fewer than 4,000 wild tigers worldwide with approximately 50 per cent living in India
- Over 100,000 people depend on protected areas for their daily needs and livelihoods
- Using alternative energy stoves will reduce smoke inhalation – a major cause of respiratory disease



Winner Purnima Barman at the 2017 Whitley Awards

important wildlife sanctuaries which connect several protected areas and act as corridors for tigers, allowing them to move between territories. The community focus will be around the provision of fuel-efficient stoves to reduce the reliance on firewood collection from the habitat of the tigers and save lives all round.

“The awards are about recognising progress, winning those small battles which cumulatively equate to change at the national level. In addition to the financial benefit of winning the award, winners receive professional communications training to turn scientists into ambassadors,” said Edward Whitley, founder of the Whitley Fund for Nature, which set up the awards 24 years ago.

The other winners of this year’s awards include Indira Lacerna-

South Africa for working on restoring grassland biodiversity; Alexander Blanco from Venezuela for conserving the Venezuelan Harpy Eagles; and Ximena Velez-Liendo from Bolivia for working on the co-existence of Andean bears and farmers in the Bolivian mountains.

The Whitley Fund for Nature is a UK-based charity that works to highlight grassroots leaders in nature conservation across the developing world. The winners were felicitated at a special ceremony at the Royal Geographic Society in London in May and received their awards from Princess Anne, HRH The Princess Royal, who is a patron of the charity.

The £210,000 prize money, which is divided between the winners, is donated by the World Wide Fund UK (WWF-UK).

Will Modi's charm melt Trump?

The Indian PM's visit to Washington will be crucial to determine how much the US President is in a mood to listen.

The Indian political leadership has, since Independence, rooted for a multi-polar world. Now, with Donald Trump's US voluntarily pulling back from its role as world's peace keeper of last resort, India is close to being granted its 70-year-old wish.

But, in keeping with the old Indian proverb that more troubles are caused by wishes that are granted than by wishes that aren't, the new US stance is posing new challenges to the Narendra Modi government.

As he heads to the US for his first meeting with the new US President, he will try to gauge Trump's views on a number of issues that he has invested considerable political capital on even as he tries to build a personal rapport with him as his equations with his predecessor Barack Obama and former British Prime Minister David Cameron.

Under Modi, India has overcome much of the "hesitations of history" and built a solid edifice of cooperation based on mutual interests on the foundations laid by Atal Bihari Vajpayee and Manmohan Singh. But do the conditions on which the new warmth is premised still hold under Trump?

The most important concern for the Indian Prime Minister will be the anti-outsourcing stance of the new US government. The reduction of H1B visas, which many Indian IT companies use to send tech workers to the US, is just a small sub-set of the larger problem.

Outsourced contracts from large and medium US corporations are the lifeblood of India's \$150-billion IT sector. Any unreasonable restrictions on outsourcing will not only compromise the competitiveness

of American companies, it will also adversely impact job creation in India. Modi will discuss this with Trump but is the US President in a mood to listen? Can Modi's fabled charm and instinctive Gujarati deal-making genius bring his host around? The answer is not clear yet.

Then, the new US administration has questioned some of the basic assumptions that marked America's leadership of the free world since the end of the Second World War. He has challenged the very basis of the so-called Washington Consensus, which was based on a mix of free trade and liberal democracy with a large part of the military costs of maintaining the global order being underwritten by the US taxpayer.

THE MOST IMPORTANT CONCERN FOR THE INDIAN PRIME MINISTER WILL BE THE ANTI-OUTSOURCING STANCE OF THE NEW US GOVERNMENT.

But Trump believes that the spread of free trade and unprecedented global prosperity has come at the cost of the ordinary American. He has also declared that allies and like-minded countries should bear a larger share of the cost of maintaining order around the world.

Modi, like many other Asian leaders such as Japanese Prime Minister Shinzo Abe and a few others, have invested considerable domestic political and international diplomatic capital on ensuring that Asia remains a multi-polar zone of peace even as China has increasingly flexed its new found military muscle, derived from its

economic heft, to try and redesign the Asian security architecture to its own advantage.

Abe's vision of an Arc of Democracy, stretching from South Korea and Japan in the Far East to India, with many ASEAN countries in between, standing up to the new hegemon in the region is completely in sync with the US's "Pivot to the East." But that is a legacy of the Obama years.

There are now very real fears that the very transactional US President may prefer to cut a trade deal that brings jobs to America with China in return for tacitly accepting that Asia is Beijing's sphere of influence.

Then, over the past few years, India and the US have engaged in several sector-specific dialogues to deepen the bilateral relationship and promote greater security in Asia. In fact, India holds more such dialogues with the US than with any other country. There is no clarity yet on the Trump administration's thinking on those issues.

But the Indian Prime Minister has, first as the Chief Minister of Gujarat and then as head of the Indian government, shown an ability to think on his feet and come up with out of the box proposals that lead to win-win outcomes.

He has also displayed a unique ability to strike a warm personal rapport with a diverse set of world leaders such as Obama, Abe, Cameron, Russian President Vladimir Putin and even his Pakistani counterpart Nawaz Sharif. Can he do the same with a maverick like Trump?

A large chunk of India's foreign policy matrix could well hang on that thin thread.



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