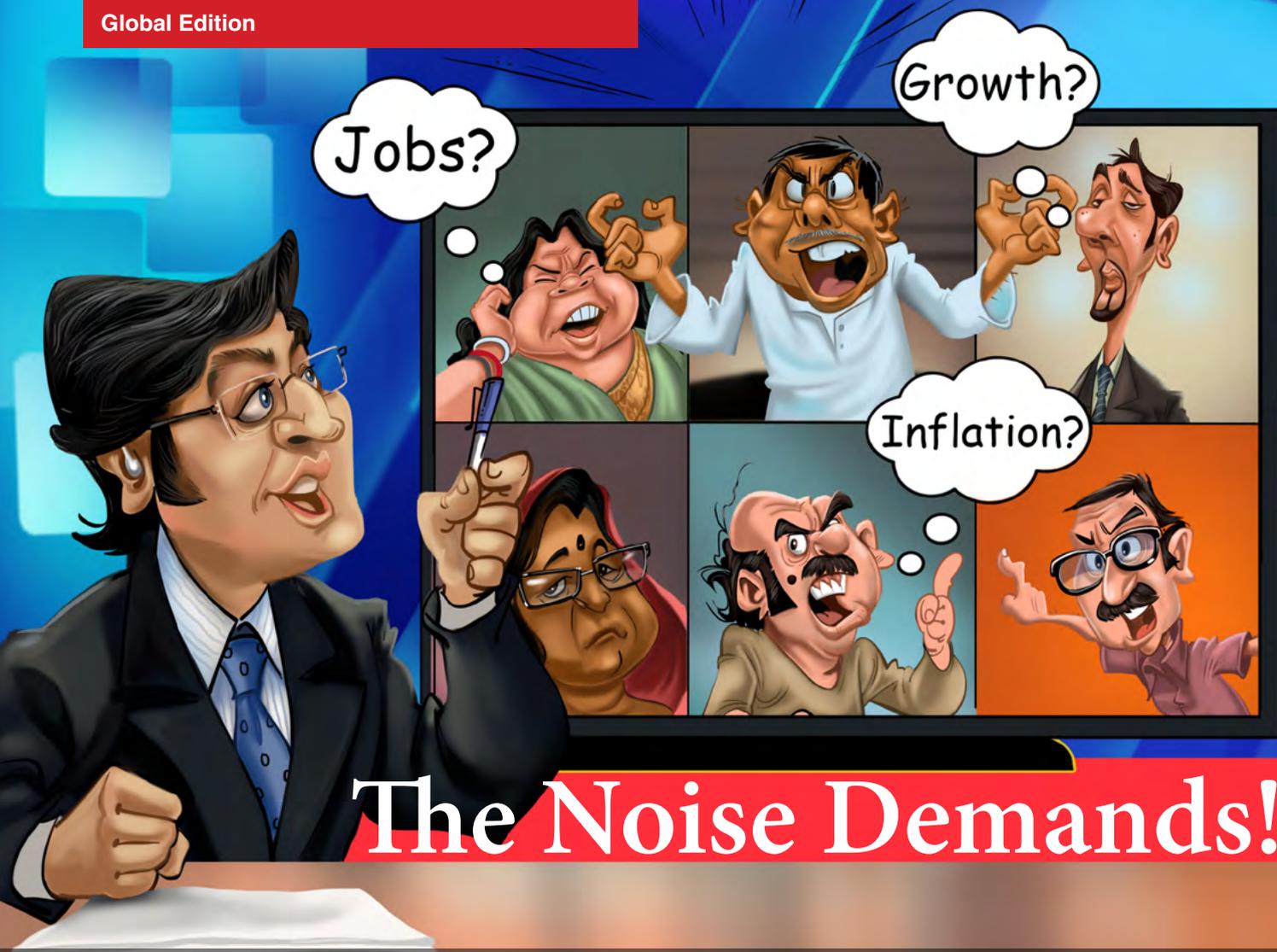


INDIA GLOBAL BUSINESS

Global Edition

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India's new political interest in the Commonwealth

Rahul Roy-Chaudhury

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April 2018 £4.95

www.indiaincgroup.com

ISSN 2516-3930



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The Noise vs The Facts: India Demands

Most people I know find it difficult to form any opinion based on Indian news channels. Switch on any TV channel in any language and you will be bombarded with shrill outbursts of often ill-tempered name calling from every shade of the country's political and intellectual spectrum.

Every channel claims to be the purveyor of "correct" news, accusing, by implication, its rivals of disseminating fake or politically slanted broadcasts.

Hype vs truth

Lost in this battle of hype and high decibels is the truth. Judged dispassionately, how would the four-year-old Modi government's record stack up?

Let us rewind to May 2014 when the BJP-led National Democratic Alliance (NDA) stormed to power. India then was in danger of losing its place in the BRICS, the five emerging nations that experts say will dominate the global economy this century, and was being counted among another less flattering bloc, the Fragile Five, countries whose economies were expected to collapse any time.

Facts & figures

When was the last time you heard anyone say or write that India was on the verge of an economic collapse? Definitely not in the last four years. Instead, you only hear gushing reviews from the World Bank, the IMF, international ratings agencies and the CEOs of Fortune 500 companies.

From being part of the Fragile Five to being the toast of the global financial community is a huge leap in the right direction, you will admit.

"Our research has shown that major macro parameters like manufacturing, capital goods production, non-food credit and consumption are showing signs of recovery," India Ratings chief economist Devendra Pant has said. "India's oil products demand has continued on a positive upswing since September on improving economic activity," S&P Global Platts Analytics has said.

Sector-wise breakdown

Not only that. The eight core sectors – cement, steel, electricity, coal, crude oil, natural gas, refinery products

and fertilisers – expanded 5.3 per cent in February, compared to 0.6 per cent in February last year. This surge was led mainly by the good performance of the refinery, fertiliser and cement industries.

Fertiliser output also increased 5.3 per cent during the month under review, indicating that the much reported distress in the farming sector may be easing.

The latest figures released on Friday do indicate a lower month-on-month growth rate but that, I feel, is part of the regular ebb and flow of any dynamic economy that should not draw our attention away from the general trend, which is pointing north.

Job creation

There is good news on the jobs front as well. After trenchant criticism from several quarters over the alleged jobless growth in the Indian economy, the employment sub-index of the Nikkei India Services Purchasing Managers' Index (PMI) for March 2018 touched its highest level of 52.8 since June 2011, i.e. the best performance in terms of employment creation in almost seven years.

On the socio-economic front, Modi's flagship scheme to provide free gas connections to poor households has made life easier for 30 million families that used firewood as cooking fuel earlier. Consider this: every year, 100,000 people died in India from inhaling firewood smoke in kitchens. It is still too premature to estimate how this figure will change but I am willing to bet my last pound that the figure will show a sharp reduction in future surveys.

Let me add a caveat here: I am not suggesting for a moment that the Indian government has solved all of the country's problems. Several tasks remain works in progress. Some others are yet to be undertaken.

But if you can rise above the din, you will notice what many of my friends in India's media and intellectual circles knowingly gloss over – the India of today is a much better place than it was just four years ago.

Manoj Ladwa

Publisher & CEO, India Inc.

[@manojladwa](#)

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Published by



Incorporating

India Investment Journal

www.indiaincgroup.com

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Advertising & Sponsorship

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PRICE £4.95
PUBLISHED IN LONDON

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RAIN, RAIN, COME AGAIN...

There is a tide in the times of men, which taken at the flood, leads on to fortune, wrote the Bard in 'Julius Caesar'. Most economists and analysts believe that the Indian economy has caught such a tide after alternating between slow growth and false starts over the last seven years.

The conditions look favourable for sustained and higher growth rates – a good Monsoon is forecast, inflation is expected to remain benign, private consumption is picking up, industry is slowly beginning to invest in fresh capacities once again and employment growth is picking up after

a long period of stagnation.

All these positive factors notwithstanding, economists say it is still too early to uncork the bubbly. Rural distress, a result of two droughts and one sub-optimal Monsoon in the last four years, cannot be wished away and neither can the prospect of the rain gods playing truant again. Then, farmer-friendly measures such as higher minimum support prices for 15 major crops could fan food inflation, which, in turn, could lead to a general price rise, and force the Reserve Bank of India (RBI) to raise interest rates. Another caveat is the government's management

of the fiscal deficit. If it fails to meet the fiscal deficit target, the additional borrowings could squeeze the private sector out of the credit market and kill the green shoots that are visible across several crucial sectors.

These red flags aside, careful and patient nurturing of the economy over the last four years by Indian Finance Minister Arun Jaitley and his team seems to have paid off, setting the stage for India to grow faster.

But as always, the Monsoon will be the final arbiter on the fate of India's immediate economic fortunes.



Is India's economic recovery for real this time?

by India Inc. Staff



There are several signs that India's economy is undergoing a sustainable turnaround that promises to take it to a higher growth trajectory. But there are significant risks, including the possibility of a fickle Monsoon that cannot be wished away.

The rain gods, Indian policy-makers, industrialists and human resource managers seem to be coming together on the same page. The green shoots of growth in India's economy seem to be pointing towards a sustained recovery after several false dawns and red herrings over the last four years.

RBI's vote of confidence

In its latest review of the country's monetary policy, the Reserve Bank of India (RBI) predicted a return to high growth rates coupled with moderate inflation rates.

In its first 'Monetary Policy Statement for 2018-19', the six wise men who are part of the Monetary Policy Committee said they expect the Consumer Price Index (CPI), which measures retail inflation, to be in

the 4.7-5.1 per cent range in the first half of the new financial year and 4.4 per cent in the second half. The committee also expects India's headline GDP growth rate to rise to 7.4 per cent in 2018-19 from 6.6 per cent the previous year.

Core sector rebounds

RBI's optimism seems to be borne out by data from the eight major infrastructure sectors that make up more than 40 per cent of India's factory output. Their performance is often treated as a proxy for health of the country's industry.

The eight core sectors – cement, steel, electricity, coal, crude oil, natural gas, refinery products and fertilisers – expanded 5.3 per cent in February, compared to 0.6 per cent in February last year. This surge was

led mainly by the good performance of the refinery, fertiliser and cement industries.

The cement sector grew at a steroid-charged 22.9 per cent, signifying a pick-up in construction and real estate sectors across the country. This is significant as these sectors have forward and backward linkages with more than 250 upstream and downstream industries and a rebound in construction activity has a multiplier effect on the entire economy.

The refinery sector also grew at a robust 7.8 per cent in February against a decline of 2.8 per cent in February 2017. A rise in demand for petroleum products, especially diesel, augurs well for the economy as it indicates an increase in transportation activity, critical to keeping the wheels

of the economy moving.

Fertiliser output also increased 5.3 per cent during the month under review, indicating that the much reported distress in the farming sector may be easing.

Electricity generation also grew at a healthy 4 per cent against 1.2 per cent in the year ago period. This could be due to a rise in factory activity as well as increased demand from first-time consumers who have got connections under the Narendra Modi government's Saubhagya Scheme, which has promised to provide power to every household in India by the end of the year.

Coal and steel production in February, however, grew at a slower pace than in the same month last year.

Auto sales in top gear

In any economy, the sales of passenger vehicles is seen as good indicator of consumer demand while the sales of commercial vehicles is considered a barometer of economic activity and well-being.

The prognosis on both these counts is very positive for the Indian economy. Passenger car sales grew a healthy 9.4 per cent in March 2018, according to figures published in the Indian media.

Market leader Maruti Suzuki sold 147,170 units, a growth of 15.3 per cent over its sales in March 2017. Its sales were boosted by a 21 per cent increase in the sales of its small cars such as Alto and WagonR and a 13.5 per cent rise in the sale of compact cars like Swift, Baleno, Ignis, Celerio, Dzire and Tour S. Maruti Suzuki sales for the entire 2017-18 financial year rose 13.8 per cent to 1.643 million cars.

Hundai Motors, Tata Motors and Mahindra & Mahindra also grew at healthy rates in March as well as the full year. And two-wheelers have grown an average 25 per cent during the last quarter of 2017-18.

In commercial vehicles, Tata

Motors retained its position as market leader, selling 49,174 units in March, a growth of 37 per cent. "The government's push towards infrastructure development, restriction on overloading of trucks, road construction and mining activities boosted demand in the medium and heavy commercial vehicles segment," Girish Wagh, President of Tata Motors' Commercial Vehicle Business Unit, told the media.

RBI'S OPTIMISM SEEMS TO BE BORNE OUT BY DATA FROM THE EIGHT MAJOR INFRASTRUCTURE SECTORS THAT MAKE UP MORE THAN 40 PER CENT OF INDIA'S FACTORY OUTPUT.

Sustainable growth

The financial results for the last quarter of 2017-18 as well as the full year are expected to start coming in from the middle of April and most analysts expect companies to post significantly improved results across sectors with the exception of telecom and pharmaceuticals.

This is because demand, which had been tepid for several quarters, has picked up at last, especially in consumer-facing sectors and in rural India.

One report quoted the head of institutional research at a leading financial services company as saying: "The improved demand is seen sustaining, owing to better rural demand and recovery in the global trade scenario. Further evidence of recovery is seen in the recovery of credit demand and higher government spending.

"Growth in non-food credit has recovered to 11 per cent by mid-March 2018 from 5 per cent a year back. The consumer space, including staples and discretionary (like autos) are expected to witness a fairly healthy performance... There also

appears to be a modest pick-up in the capital goods sector."

Adds Prasad Koparkar, Senior Director, CRISIL Research: "The second half of fiscal 2018 will end at a double digit mark, mainly led by consumption and commodity linked sectors. Volume growth is clearly evident across consumption linked sectors..."

Credit scenario improving

A recent Crisil report on the credit landscape in India points to two distinct trends, both very heartening. While the bad loan crisis has touched 14 per cent of all outstanding loans, the resolution efforts underway will almost certainly lead to an improvement in asset quality on banks' balance sheets.

Even more encouraging is the fact that Crisil upgraded 1,402 companies and downgraded 839 in 2017-18 – reflecting an improvement in the quality of credit.

Then, India Inc raised a record Rs 1.75 lakh crore in equity during the 10 months ended January 31, 2018, indicating that a new cycle of capital expenditure may be underway.

"Crisil-rated companies have shown steady improvement in capital structure and debt protection metrics over the past four years. The median gearing of companies improved to 1.0 time in fiscal 2018 from 1.37 times in fiscal 2015, whereas median interest cover improved to 2.83 times from 2.29 times.

The debt-weighted credit ratio stood at 1.53 times in the second half of fiscal 2018. Credit quality of debt-intensive sectors such as metals (especially non-ferrous), mid-sized EPC (engineering, procurement and construction), and select capital goods improved on account of higher commodity prices and government's focus on infrastructure spending, its report said.

The quantum of credit has also picked up in recent months, making analysts optimistic that the economic

turnaround will be sustainable. RBI Governor Urjit Patel said: "This is also reflected in a pick-up in credit offtake in recent months. The large mobilisation of resources from the primary capital market should support investment activity further. While the domestic cyclical recovery is underway, the long-term growth potential is also expected to

The employment sub-index, which started moving up in September 2017, peaked in March. The jury is still out on whether this growth in job creation can be sustained over the long term. That's because increase automation and the adoption of artificial intelligence in several sectors will have a negative impact on the net creation of new jobs in the economy.

has not yet come out with its forecast, which is expected in the middle of this month.

Skymet predicted this year's Monsoon to be 100 per cent of the long period average. In India, a Monsoon is considered normal if the rainfall is between 96 per cent and 104 per cent of the long period average,



be reinforced by various structural reforms introduced in the recent past."

Recovery in jobs, at last

There is good news on the jobs front as well. After trenchant criticism from several quarters over the alleged jobless growth in the Indian economy, the employment sub-index of the Nikkei India Services Purchasing Managers' Index (PMI) for March 2018 touched its highest level of 52.8 since June 2011, i.e. the best performance in terms of employment creation in almost seven years.

Any figure above 50 indicates expansion and any figure below 50 points to a contraction in job creation.

However, the impact of the Goods and Services Tax (GST) and the resulting formalisation of the grey economy will lead to the creation of several million new jobs. The precise impact of this development is being closely watched and it will be premature at this stage to draw any conclusions on its impact.

Rain gods expected to smile this year

India's only private weather forecaster Skymet has predicted a normal Monsoon season this year. A caveat will be in order here. India's official weather forecaster, the Indian Meteorological Department (IMD),

which is around 887 mm for the June-September period, which is the duration of the monsoon.

If this forecast is correct – and many experts have said it is too early to make any definitive prediction at this point – it will augur well for the Indian economy, as 60 per cent of India's farms depend on monsoon rains for water in the absence of irrigation facilities.

"It (the Skymet forecast) is a good initial indicator of Monsoon in 2018 but I feel it to be too preliminary to make any firm prediction on how it will affect the agriculture sector or the economy this year. Also, the

distribution of the rainfall holds the key rather than the overall quantum, which we would know only near June and July,” said Madan Sabnavis, Chief Economist at CARE Ratings.

India’s rural economy sustains more than 40 per cent of aggregate consumption in the country and accounts for a significant percentage of demand for steel, cement, two-wheelers, tractors, FMCG products, garments and apparel, footwear, televisions, mobile phones and a host of other products and services. So, a poor Monsoon, which leads to rural distress and a drop in rural purchasing power, affects not only the farming community but also the entire economy as well as India’s fast growing urban population.

Then, a good Monsoon not only improves the prospects of the kharif harvest (in summer), it also recharges reservoirs and groundwater sources critical for the rabi crop (in winter). Almost 70 per cent of India’s annual precipitation comes during the Monsoon between June and September.

Incidentally, in the four years of the Modi government, India has experienced two drought years and a year of sub-optimal rains. Thus, only one year, out of the four, has seen normal rainfall. This could be a major reason for the widely reported farm distress in parts of India.

The forecast of a normal Monsoon will bring cheer to policy-makers, businesses and households alike because it promises a bountiful harvest, which will lead to a moderation in food prices and a resulting fall in inflation rate, which, in turn, may prompt the RBI to cut interest rates. Retail food inflation has been falling in recent months and fell to 3.26 per cent in February.

However, it should be noted that the quantum of rain is only one factor in determining whether a Monsoon is normal or not. A more important factor is its distribution, i.e. whether every part of India receives sufficient rainfall. There have been years in

which despite total rainfall in the normal range, some parts of India have received deficient rainfall while others have experienced floods.

Significant risks still exist

Despite the confluence of so many positive factors, a lot could still go wrong with the Indian economy and expose it to the risk of a slowdown.

The most significant risk is that of inflation, a point highlighted by RBI’s Patel. “The revised formula for MSP as announced in the Union Budget 2018-19 for kharif crops may have an impact on inflation, although the exact magnitude will be known only in the coming months. Secondly, the staggered impact of HRA revisions by various state governments may push headline inflation up,” he said.

THE QUANTUM OF CREDIT HAS ALSO PICKED UP IN RECENT MONTHS, MAKING ANALYSTS OPTIMISTIC THAT THE ECONOMIC TURNAROUND WILL BE SUSTAINABLE.

Then, the RBI chief pointed out, inflation outlook could be adversely impacted if there is any fiscal slippage from the Budget Estimates for 2018-19.

“There are also risks to inflation from fiscal slippages at the level of states on account of higher committed revenue expenditure. Should the Monsoon turn deficient temporarily and/or spatially, it may have a significant bearing on food inflation. Firms polled in the RBI’s Industrial Outlook Survey expect input and output prices to rise. Recent volatility in crude prices has imparted considerable uncertainty to the near-term outlook,” the RBI Governor said.

If any of these factors come into play and the CPI rises, then the MPC will have no choice but to raise interest rates, and quite possibly, snuff out the turnaround currently underway in the economy.

The Monetary Policy document points to some other risks as well. It says: “The deterioration in public finances risks crowding out private financing and investment. Furthermore, even as global growth and trade have been strengthening, rising trade protectionism and financial market volatility could derail the ongoing global recovery.

“In this unsettling global environment, it is especially important that domestic macroeconomic fundamentals are strengthened, deleveraging of distressed corporates and rebuilding of bank balance sheets persisted with, and the risk-sharing markets deepened.”

Watching the swing carefully

When the Modi government came to power in 2014, the Indian economy was in the doldrums, being bracketed with the Fragile Five, which were expected to collapse anytime. As the Prime Minister himself pointed out early in his term, a terminally ill patient cannot exercise in the hope of regaining his health. Bitter medicines and often painful medical processes are necessary to nurse him back to fitness.

Several major structural reforms – including the very disruptive but absolutely necessary demonetisation exercise and the launch of GST – later, the economy has once again reached an inflexion point from which it can take off to a higher growth trajectory.

But as pointed out above, there are several issues that could still derail the growth story. Whether the economy finally shakes off the cumulative lethargy of the last few years will depend partially on administrative factors but critically on nature, more specifically, the Monsoon rains.

It will be little wonder if Modi, Jaitley, Indian and foreign industrialists and the entire global investor community have their eyes peeled on the sky from June to September.

Cyber security storm hits Indian shores

by India Inc. Staff



A former employee of Cambridge Analytica, the UK-based firm at the heart of a global row over data security, has claimed that the company worked extensively in India in his evidence before a UK parliamentary committee investigating the issue of fake news.

Christopher Wylie deposed before the House of Commons Digital, Culture, Media and Sport Committee (DCMS) in London last month, amid an escalating row around alleged Facebook data breaches linked with the controversial firm, which has also been linked with alleged attempts to influence elections in India.

“When you look at Facebook’s biggest market, India is the top in terms of numbers of users. Obviously, that’s a country which is rife with political discord and opportunities for destabilisation,” said Labour MP Paul Farrelly, member of the parliamentary committee, during his questioning.

“They [Cambridge Analytica] worked extensively in India. They have an office in India,” Wylie responded.

“I believe their client was Congress, but I know that they have done all kinds of projects. I don’t remember a national project, but I know regionally. India’s so big that one state can be as big as Britain. But they do have offices there, they do have staff there,” he said.

The whistleblower offered to provide the committee “documentation” on India, which was welcomed by Farrelly, who said India was a country that did not need any added “tensions”.

As a whistleblower in the UK named India’s Opposition party among the clients of a controversial consultancy, the issue of cyber security has taken centre stage in the country.

India connect

Wylie later unveiled some of these documents on Twitter, which named the Janata Dal (United) as a client during the 2010 state elections in Bihar and revealed some caste surveys carried out in Uttar Pradesh by SCL India – the parent company of CA.

“I’ve been getting a lot of requests from Indian journalists, so here are some of SCL’s past projects in India. To the most frequently asked question – yes SCL/CA works in India and has offices there. This is what modern colonialism looks like,” Wylie tweeted.

“YOU HAVE A WEALTHY COMPANY FROM A DEVELOPED NATION GOING INTO AN ECONOMY OR DEMOCRACY THAT’S STILL STRUGGLING TO GET ITS FEET ON THE GROUND – AND TAKING ADVANTAGE OF THAT TO PROFIT FROM THAT”

His message included documents which indicate that SCL India boasted a database of “over 600 districts and 7 lakh villages, which is constantly being updated.” Its reach in India is said to include a head office in Ghaziabad, with nine regional offices in Ahmedabad, Bangalore, Cuttack, Guwahati, Hyderabad, Indore, Kolkata, Patna and Pune.

“SCL India was asked to provide research and strategy for the 2010

State Elections for the Janata Dal (United). SCL undertook a behavioural research programme targeting over 75 per cent of households to assist the client in not only identifying the correct battlegrounds, but also the right audiences, messages and most importantly the right castes to target with their campaigns,” Wylie’s document notes.

It also reveals caste census and caste research campaigns carried out in Uttar Pradesh in 2011-2012 on behalf of a “national party”.

“The research included analysis of caste structure and dynamics within the state leading to conclusions regarding the identification of the party’s core voters as well as likely swing voters,” it claims.

Other aspects of the document cover the company’s work across different states including during the 2003 Rajasthan election for a “major state party”; Madhya Pradesh in 2003 for a “national party” to identify swing voters; a full political survey for a “major party” during the 2007 Uttar Pradesh elections; and managing the campaigns of a number of Lok Sabha candidates for the 2009 national elections.

“Our services help clients to identify and target key groups within the population to effectively influence their behaviour to realise a desired outcome,” the SCL India material claims.

It also highlights some work on countering “recruitment into and support of” violent Jihadism in

the states of Kerala, West Bengal, Assam, Bihar, Jharkhand and UP in 2007, in support of a trans-national programme for countering non-desired behaviour (NDB).

Murky past

During his evidence before the UK Parliament committee, Wylie also revealed that his predecessor, Dan Muresan, Head of Elections at SCL Group, had also been working in India before he died in Kenya under mysterious circumstances. He claimed to have heard stories that Muresan, a Romanian national, may have been poisoned in a hotel room while in the African country.



Paul-Olivier Dehaye, also giving evidence to the committee, added that he had heard reports that Muresan was being paid by an Indian billionaire who wanted Congress to lose elections.

“So, he was pretending to work for one party but was actually paid underhand by someone else,” said Dehaye, co-founder of PersonalData.IO, a service that helps individuals regain control over their personal data. He added that it would be for Indian and Kenyan journalists to get together to investigate the matter further.

Facebook link

Facebook founder Mark Zuckerberg has declined to appear before the UK Parliament committee amid the

ongoing row over data breaches linked to the social media company. A summons letter had been sent to Zuckerberg by Damian Collins, the chair of DCMS. In a response to Collins, Facebook’s head of public policy, Rebecca Stimson, said the company would be putting forward its chief technology officer, Mike Schroepfer, or its chief product officer, Chris Cox.

“Facebook fully recognises the level of public and Parliamentary interest in these issues and support your belief that these issues must be addressed at the most senior levels of the company by those in an authoritative

position to answer your questions,” Stimson said.

“As such Mr Zuckerberg has personally asked one of his deputies to make themselves available to give evidence in person to the Committee,” she said, adding that both men likely to step in report directly to Zuckerberg and are among the longest-serving senior representatives in Facebook’s 15-year history.

The DCMS, which is currently hearing oral evidence as part of its inquiry, was not impressed.

“We will seek to clarify from Facebook whether he [Zuckerberg] is available to give evidence or not, because that wasn’t clear from our correspondence. If he is available to give evidence then we would be happy to do that either in

person or by video link, if that would be more convenient for him,” Collins said in a statement.

Worldwide web

Wylie has accused his former employer, Cambridge Analytica, of gathering the details of 50 million users on Facebook through a personality quiz in 2014. He alleges that because 270,000 people took the quiz, the data of some 50 million users, mainly in the US, was harvested without their explicit consent via their friend networks.

Wylie claims the data was sold to Cambridge Analytica, which then used it to psychologically profile people and deliver material in favour of Donald Trump during the 2016 US presidential elections.

He also criticised Cambridge Analytica for running campaigns in “struggling democracies”, which he called “an example of what modern-day colonialism looks like”.

“You have a wealthy company from a developed nation going into an economy or democracy that’s still struggling to get its feet on the ground – and taking advantage of that to profit from that,” he told MPs.

Cambridge Analytica denies any of the data acquired was used as part of the services it provided to the Trump campaign.

In an undercover report, Cambridge Analytica executives had been caught boasting that they, along with parent company Strategic Communications Laboratories (SCL), had worked in more than 200 elections around the world, including India, Nigeria, Kenya, the Czech Republic and Argentina. The recordings were made during a series of meetings at London hotels between November 2017 and January 2018.

While the House of Commons’ committee investigation into fake news will resume by mid-April, the wider issue of cyber security will continue to play out in each of the individual countries caught up in the scandal.

Defining the contours of a new trade dynamic



The year 2018 has seen an electrified burst of activity in the UK-India corridor. Two months into 2018, and already we have a flurry of Indo-British activities.

healthcare programmes. The timing for the trade mission led by the UK's National Health Service (NHS) England chief, Sir Malcolm Grant, could not have been more apt.

The recent UK-India Createch Summit, which hosted a delegation of 62 UK businesses in Mumbai, saw deals worth £58 million signed in collaborative projects between UK and Indian businesses in sectors across technology, transport, healthcare and more.



The year 2018 so far appears to be the year of strengthening the living bridge flagged by Indian Prime Minister Narendra Modi as key to the bilateral relationship.

The healthcare mission to India is another promising development in the UK-India dynamic, coming on the back of Indian Finance Minister Arun Jaitley's Budget unveiling one of the world's largest

Even British royalty was getting in on the India action, with the British Asian Trust, founded by Prince Charles, celebrating its 10th anniversary of working with South Asian charities with a proposed launch of a new Development Impact Bond for education in India. The Earl of Wessex's visit to India saw a focus on





innovation and technology in healthcare, including the official inauguration of the DICE Health and Wellness accelerator.

On the Indian side, we witnessed some concrete steps to cut red tape and roll out the red carpet to attract more foreign direct investment (FDI). Commerce Minister Suresh Prabhu's visit to London threw India's interest in renewables, clean technology and the Commonwealth as a potential trading bloc into the spotlight. The Indian minister urged UK and Indian businesses to take the lead in transforming an ailing Commonwealth into a trade bloc, promising Indian government support for such an initiative.

India Inc. has designed the UK-India Week 2018 to take matters forward, as part of the wider vision of nurturing bilateral relations through our annual events

The year 2018 so far appears to be the year of strengthening the living bridge flagged by Indian Prime Minister Narendra Modi as key to the bilateral relationship.

India Inc. has designed the UK-India Week 2018 to take matters forward, as part of the wider vision of nurturing bilateral relations through our annual events. This first-of-its-kind series of events in June this year will be aimed at fortifying the living bridge between the UK

and India and transform it into a runway for a smooth take-off of closer ties.

- The UK-India Leadership Conclave 2018 (June 20-21) is designed to open dialogue and debate around the future of the bilateral relationship. Held over two days in a luxurious manor in the English countryside, the conclave will provide the inside track on India and the UK.
- The High Commissioners' Cup (June 19) is an exclusive golf day for the revitalised Commonwealth community to brainstorm and power network amid some light-hearted banter.
- The UK-India Awards 2018 (June 22) are designed to celebrate mutual and individual achievements within the UK-India dynamic.



- The UK-India 100 (June 22) is an exclusive list of key influencers that enrich and make the UK-India relationship tick.

The UK-India Week 2018 brings together a string of A-list, invitation-only events. Use this link to register your interest in time.

Nominations for the UK-India 100 Most Influential in UK-India Relations as well and UK-India Awards 2018 will be closing soon.



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Cyber forces must be beefed up to combat cybercrime

Steve Morgan is Founder and Editor-in-Chief at Cybersecurity Ventures, one of the world's leading researchers and publishers covering the global cyber economy as well as a data bank for cyber security facts, figures, and statistics. In this interview with 'India Global Business', he presents an analysis of what the latest scandal involving global media giants means for the world of data.

Does the data breach scandal involving Facebook and Cambridge Analytica open up a new frontier for the cyber security landscape?

The recent Facebook privacy breach and Cambridge Analytica's involvement is hardly groundbreaking news for cyber security experts in the know. Consumer and corporate data has been pilfered from social media properties for the past decade. But now, with heightened media attention on personal and data privacy, the general public is waking up to the reality of these cyber threats.

In India, major political parties have traded blows over this scandal. Are there particular security areas growing digital

economies like India need to focus on?

At some level the political fighting is good to the extent that it raises the cyber awareness of government officials, business leaders, and consumers. The constant media attention inevitably forces more action.

The more people understand the threat, the more they do something about it.

If there is an area to focus on, it would be personal privacy. Every consumer, and every employee, needs to understand the basics around cyber protecting their identities and data. India should model around the FBI Cyber Division (in the US), which continuously informs citizens on the

latest digital threats, and what to do about them.

What more can, and should, governments do in the field of cyber security?

Governments need to hire more experienced cyber security personnel. There's no time to cross train government workers onto cyber and then expect them to be the experts that are going to help protect businesses and citizens.

In even the most under-developed countries, there is the understanding that governments must help protect their populations – offline and online. To combat street crime, a government must beef up its police forces. And to combat cybercrime, a government

must beef up its cyber forces.

What are the kind of solutions thrown up by Cybersecurity Ventures' recent research?

Our research indicates “security awareness training” and “identity and access management (IAM)” will be two of the fastest growing categories within the cyber security industry. Both of these are directly tied to educating and protecting end-users against the growing threats that are targeting them.

What are some top facts about cyber security that global companies must be equipped with?

Cybercrime costs include damage and destruction of data, stolen money, lost productivity, theft of intellectual property, theft of personal and financial data, embezzlement, fraud, post-attack disruption to the normal course of business, forensic investigation, restoration and deletion of hacked data and systems, and reputational harm.

THE RECENT FACEBOOK PRIVACY BREACH AND CAMBRIDGE ANALYTICA'S INVOLVEMENT IS HARDLY GROUNDBREAKING NEWS FOR CYBER SECURITY EXPERTS IN THE KNOW.

Cybersecurity Ventures predicts global spending on cyber security products and services will exceed \$1 trillion cumulatively over the next five years, from 2017 to 2021. Taken as a whole, it is anticipated 12-15 per cent year-over-year cyber security market growth through 2021.

According to our 'Official 2017 Annual Cybercrime Report', cybercrime will cost the world \$6 trillion annually by 2021, up from \$3 trillion in 2015. This represents the greatest transfer of economic wealth in history,

risks the incentives for innovation and investment, and will be more profitable than the global trade of all major illegal drugs combined.

Cybercrime is creating unprecedented damage to both private and public enterprises, and driving up information and cyber security budgets at small businesses, mid-sized to F500 and G2000 corporations, governments, educational institutions, and

organisations of all types globally.

Cybercrime is expected to triple the number of job openings to 3.5 million unfilled cyber security positions by 2021 – which is up from 1 million in 2014 – and the cyber security unemployment rate will remain at zero per cent.

Cybercrime is the greatest threat to every company in the world, and one of the biggest problems with mankind.

FACTS

Cybercrime damages will cost the world **\$6 trillion** annually by **2021**, up from **\$3 trillion** in **2015**.

Global spending on cyber security products and services will exceed **\$1 trillion** cumulatively from **2017 to 2021**.

There will be **3.5 million** unfilled cyber security jobs globally by **2021**, up from **1 million in 2014**, and the cyber security unemployment rate will remain at zero-percent.

Global ransomware damage costs are predicted to reach **\$11.5 billion** by **2019** – at which time there will be a ransomware attack on a business every **14 seconds** (up from every 40 seconds last year).

Global ransomware damage costs in **2017** were estimated at **\$5 billion**.

India's cyber security landscape throws challenges for the better

by Sivarama Krishnan

GST and demonetisation have helped Digital India bolster its cyber security landscape.



In India, cyber security has come a long way in the past few years and has gained huge importance with the government's thrust on Digital India, e-commerce and mobile payments. Particularly the rollout of the Goods and Services Tax (GST) and demonetisation, which further drove organisations to adopt digitalisation, has played a key role in changing the perception towards cyber security.

Cybercrime on the rise

Of late, businesses in India found themselves as entangled in the ransomware attacks – WannaCry, NotPetya and CryptoLocker – as their global counterparts. The immunity which Indian businesses enjoyed in the less connected economy goes away as the connectivity improves (broadband and 4G) and transactions take place via digital channels. Rise in cybercrime instances particularly financial frauds using bank cards and e-wallets has also been observed. The same reflects in the report shared by Indian Computer Emergency Response Team (CERT-In). The report observes a total number of 44,679, 49,455, 50,362 and 53,081 cyber security incidents during 2014, 2015, 2016 and 2017, respectively. Even as per the data

kept by National Crime Record Bureau (NCRB), a total of 9,622, 11,592 and 12,317 cybercrime cases were registered during the years 2014, 2015 and 2016, respectively. The growing rate of cybercrime and cyber instances denotes that the threat landscape – characterised by malware, ransomware, phishing, espionage, DDoS and spear phishing attacks, among others – is hurting Indian businesses no less than their global peers.

THE IMMUNITY WHICH INDIAN BUSINESSES ENJOYED IN THE LESS CONNECTED ECONOMY GOES AWAY AS THE CONNECTIVITY IMPROVES (BROADBAND AND 4G) AND TRANSACTIONS TAKE PLACE VIA DIGITAL CHANNELS.

These data points are just a tip of the iceberg as several incidents do not even come to the fore and remain unreported. Financial losses caused by cybercrime and breaches are growing exponentially and worrying everyone in the ecosystem.

Reining in the anxiety

The positive side is that businesses here want to fight threats and manage risks, particularly when businesses are shifting to cloud and adopting IoT and other cutting-edge technologies. Staying safe in the cloud environment is tough and demands investments for safe operations. CEOs know this and are realising that any negligence or nonchalance may shatter consumer trust and ruin the entire business. For example, cyber incidents in top credit rating agencies, media & entertainment biggies, healthcare/ insurance institutions, financial institutions, retailers, power grids, IT powerhouses and startups do not go unnoticed in the local CEO community. Their anxiety stands at par with global CEOs and is evidenced in PwC's 21st Global CEO Survey. As per the survey, 40 per cent of CEOs believe that cyber security is an increasingly existential issue and will impact their growth prospects.

Key developments shaping up the landscape

Besides, India's cyber security landscape is shaping up holistically where demand for cyber security solutions is paving way for experiments and innovation. The regulatory environment is also triggering fundamental changes in

the cyber security space. Moreover, the data protection regime is getting aligned to the global one (eg. as it is trying to match the GDPR) as there is increasing focus in India on data privacy and personal data protection after the Supreme Court's ruling in favor of 'right to privacy'. Interestingly, there is focus on AI-based security solutions and customized solutions.

is gradually becoming mature to help organisations stave off threats. Organisations in India have begun to embrace AI-based security solutions and technologies that help them predict and prevent cyber security instances in almost real time. Stakeholders are now rationalising their

for customized solutions and disillusionment with a number of solutions, organisations in India are not shying away from using services or products of a security startup. Many large banks, telecom companies, insurance firms, government organizations and e-commerce firms, among others, do find their security needs underserved with the existing security products and solutions in the market. It is the reason that they are looking up to start-ups to build and implement innovative security solutions that address their needs.

5. **Protection of crown jewels:**

Organisations will refocus on basics including protection of crown jewels. While malware and ransomware attacks continue to grow in scale and enormity, organisations refocus on protecting what is really important. The focus is moving from protecting endpoints to securing organisational data – whether in physical data centres or in the cloud. Encryption, access control, cloud security, and secure DevOps are some of the key initiatives are forming the cyber security landscape.

Because of the focus on digitalisation, cyber security is getting a renewed boost. Demand for customised and innovative solutions is pushing the market forward. However, the lack of skills in cyber security is an area of concern. India rapidly needs cyber-skilled manpower not only for the local tasks but also to emerge as a global powerhouse in the area of cyber security services. The Cyber Security Task Force (CSTF), set up on the call of Prime Minister Narendra Modi, by Nasscom-DSCI also recommends on building 'a trained pool of 1 million certified and skilled cyber security professionals by 2025. While it is an easier said than done, it is achievable.

Sivarama Krishnan is Partner and Cyber Security Expert at PwC India.



1. **Increasing Focus on Privacy and Personal Data Protection:**

Privacy and personal data protection has been under constant focus in recent times after the Supreme Court ruled in favor of 'right to privacy' last year. Due to this ruling, a lot of innovation is set to take place in India in the area of data encryption and key management technologies. Positively, the move will help Indian organisation to work in the EU where one of the strictest data protection laws – General Data Protection Regulation (GDPR) – is coming into effect on May 25, 2018.

2. **Machine Learning and AI:** Machine learning (ML) in cyber security is going through a trough of disillusionment and

expectations and focusing on tangible outcomes using machine learning. At the same time, there is an influx of numerous AI-based cyber security products and services in the market.

3. **Customized security solutions:** As the threat landscape grows in complexity with hackers launching targeted attacks on organisation and their users, there is a gradual realization of the need to add security layers specifically designed for an XYZ company. Organisations are putting in their resources to design customised solutions in-house as well, if the solution providers are not able to provide them.

4. **Security startups are gaining traction:** With growing need



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Cyber security: Building awareness and resilience

by Martyn Thomas



A cyber security expert believes improving global resilience will require all stakeholders to act together at scale and in a coordinated way.

The integration of physical and digital systems creates many opportunities for improved performance and innovation in the systems that support a modern economy, generating economic value and creating social and environment benefits.

Such systems and their underpinning digital technologies – data analytics, artificial intelligence, autonomous systems, advanced connectivity and the Internet of Things (IoT) – will provide myriad opportunities across all sectors of the economy. This has been recognised in the UK government’s Industrial Strategy, with “artificial intelligence and the data-driven economy” named as one of four “Grand Challenges.” Digital technologies will also support the success of the other three grand

challenges: clean growth, mobility and an ageing society.

However, there is growing awareness that integrating physical and digital systems to create complex and interdependent systems increases risk and vulnerability. Physical systems that are digitally connected include industrial control systems used in critical infrastructure, chemical processes, oil refining and other manufacturing processes. Rapid adoption of the Internet of Things – used in consumer applications such as smart home devices or connected health devices, as well as public space and industrial applications – is increasing the level of connectivity, and will continue to do so as more devices are deployed.

Systems may be controlled by

different organisations, with differing objectives that may not be aligned. Systems can also span nations across the globe. For example, multinational companies may monitor sites remotely, or even control them, from a different country.

A report by the Royal Academy of Engineering (RAE), ‘Cyber safety and resilience: strengthening the digital systems that support the modern economy’, describes the new systems and their vulnerabilities, and discusses what actions need to be taken by government, industry, regulators and other stakeholders to improve their cyber safety and resilience.

Systems need to be designed so they can maintain adequate levels of safety during operation, including

in the event of a cyber-attack or accidental event, to protect life and property. They also need to be resilient so that they can prepare for, withstand and recover from deliberate attacks or accidental events. The rapid evolution of technology and changing nature of threats means that existing safety regulations across sectors and domains must be revisited to ensure that they integrate safety, security and resilience. Risk management processes used during the design, operation and maintenance, need to be updated and adopted quickly.

The reality of the threat was illustrated in December 2016 when a power distribution station near Kiev in Ukraine was switched off by a cyberattack, causing the loss of 200MW of capacity and a blackout that lasted an hour. Twelve months earlier, a similar attack had disrupted power to more than 200,000 homes in Western Ukraine.

Many systems are dependent on the electricity system, as shown by a flood at an electricity substation in the city of Lancaster in December 2015. The flood caused a 24-hour blackout over the city affecting more than 100,000 people who lost their electricity supply and also the use of the internet, mobile phones, contactless payment, lifts and petrol pumps. A further example is the failure of the baggage-handling system at Heathrow Airport in May 2017. The problem began with a power outage in a data centre, followed by damage to equipment when power was reinstated in an uncontrolled way, resulting in massive disruption to passengers and cost to British Airways.

Large-scale cyber-attacks that take advantage of interconnectedness, such as Wannacry, impact organisations globally. In the UK, the attack caused huge disruption to the operation of the National Health Service (NHS), resulting in 20,000 cancelled appointments and operations. Restoring data and systems affected by the attack incurred considerable cost. The attack also affected logistics companies and

companies operating industrial control systems even though the malware was not targeted specifically at them. India was quite badly affected: a newspaper report claims that official statistics underestimate the actual impact.



THERE IS GROWING AWARENESS THAT INTEGRATING PHYSICAL AND DIGITAL SYSTEMS TO CREATE COMPLEX AND INTERDEPENDENT SYSTEMS INCREASES RISK AND VULNERABILITY.

Privacy, safety and security risks to individuals have increased as IoT devices and systems have become common in the home, workplace and in public spaces. In the health sector, network-connected healthcare devices include implantable devices like pacemakers, wearable technology for monitoring health or levels of activity and large-scale medical equipment like scanners. The risks associated with connected health devices is growing, especially as disruption to their operation could have a serious impact on patient safety and privacy, but there remains a lack of awareness in the sector of the cyber risks and how to manage them.

Many of the vulnerabilities in current systems result from poor quality software, hardware and systems with inadequate security functionality. There is no simple remedy and a combination of measures is required, both regulatory and non-regulatory, proportionate to the criticality of the application. Higher levels of protection are clearly needed for systems that are part of critical national infrastructure or safety-critical systems and the UK Health and Safety Executive has recently

published guidance on Cyber Security for Industrial Automation and Control Systems.

Cyber challenges cut across international boundaries. There is a very strong case for bringing together world experts to help develop measures to improve practice. Hardware and software solutions are shaped by market forces in combination with international regulation, and are dominated by big technology multinationals. As yet, there is no consistent international approach on how best to address the regulatory challenges around cyber security. Governments, regulators, cyber security agencies and industry need to work with their international counterparts to ensure that international standards are sufficiently robust to help deliver safe and resilient systems. Consolidation of national and international knowledge and forums for sharing best practice will help both policymakers and those developing and operating systems.

Improving cyber safety and resilience requires all stakeholders to act together at scale and in a coordinated way, including governments, the engineering profession, operators of critical infrastructure and other systems, and developers of products and components. The evolving nature of the challenges will require continual responsiveness and agility by governments and other stakeholders.

Professor Martyn Thomas is an expert in software engineering and cyber security and Professor of Information Technology at Gresham College and a Visiting Professor in Software Engineering at the Universities of Manchester, Aberystwyth and Bristol. He is a Fellow of the Royal Academy of Engineering and the Institution of Engineering and Technology

The sinister side of technology

by Nitin Dahad



India Inc. technology expert delves into why it is time for policy-makers to address issues around data security.

Over the last few weeks, the sinister side of technology has come to the fore. Cambridge Analytica is alleged to have collected the data of up to 87 million Facebook users worldwide, the majority of which were in the US.

While this data is said to have been used to target and influence voters in the US presidential election and in the Brexit referendum in the UK, it is also thought, according to reports, that Cambridge Analytica's parent firm had offered services to Indian political parties for the 2014 elections to carry out caste research, behavioural polling, and target audience analysis, amongst several projects.

The fact this has happened shouldn't really be a surprise to anyone in the technology industry. Whether you're in London or Bangalore, the tech start-up scene is full of thousands of wannabe entrepreneurs with the latest app, looking to rapidly sign up and grow the number of users of their app? Why? Because the more data they have on their users (in whatever way it is collected, whether it's a game or a consumer lifestyle app), the more valuable it becomes.

It enables them to sell that data to brands, advertisers and sponsors. They're all trying to become the new Facebook or Google.

THE MORE THAT COUNTRIES AROUND THE WORLD, INCLUDING THE INDIAN GOVERNMENT, TALK ABOUT IMPLEMENTING SMART CITIES, THE MORE THE POTENTIAL FOR CYBERATTACKS THAT BRING DOWN CITIES AND NATIONS.

Data value

The data held by companies like Facebook has massive value, since the volume of data enables accurate profiling. In the US and UK, this enabled the political campaign teams to profile voters and precisely target them with specific ads to help influence their vote. It is reported that between Trump and Clinton, some \$81 million was spent on Facebook advertising.

In the tech world, there's a constant debate around data security, and Facebook-Cambridge Analytica is a high-profile example of how data collected by an app can be potentially misused. In Europe, a new data protection law, GDPR, comes into force on May 25 this year, which is supposed to reduce the risk of data misuse. The big US tech companies are already trying to figure out how they will provide a fix that enables them to conform to the new law, though it is reported that Facebook is considering implementing any measures to conform only for European users, leaving those in the rest of the world open at the same level of exposure as before.

It's not the only security risk from technology in the modern world. The more that countries around the world, including the Indian government, talk about implementing Smart Cities, the more the potential for cyberattacks that bring down cities and nations.

Fiction versus non-fiction

They say art imitates life, so if you want to see examples of the risks of the technology we have today, you only need to watch movies like

the 'Bourne Ultimatum' and 'Die Hard 4.0'. You may think the ideas are far-fetched, but these films illustrate technology which is already in widespread use. In the Bourne movie, the ability to track and follow every move of anyone is not just fiction; every smartphone's operating system is traceable, even if they have their phones in flight mode. You only have to witness the revelations made by Edward Snowden, the former intelligence community officer and whistleblower, who made public documents that revealed the US security agencies' and their international intelligence partners' secret mass surveillance programs.

And in the 'Die Hard' franchise, we see the ultimate doomsday scenario that could happen from our quest to implement Smart Cities and the internet of things (IoT). The 'bad guys' are able to take control of traffic systems and cars, power grids, bank accounts and more. This is indeed possible – during the London Olympics for example, traffic management systems were able to control traffic signals to enable VIPs to be sped through congested roads in London, giving them priority when their vehicles were detected in designated lanes. Imagine if the wrong people got hold of the traffic management system, as they do on screen.

Smart Cities

In Smart Cities, everything is supposedly connected for the public good, but in a cyberattack situation the connected networks can also be commandeered by people who have the knowledge to control it for their own benefit.

We just have to remember the WannaCry cyberattack that paralysed the UK NHS system in May 2017. The UK's National Audit Office (NAO) said back then: "It was a relatively unsophisticated attack and could have been prevented by the NHS following basic IT security best practice.

"There are more sophisticated cyber threats out there than WannaCry so the department and the NHS need

to get their act together to ensure the NHS is better protected against future attacks."

India itself is concerned about the rapid progress of digitisation without proper cyber security policies in place. India's Telecom Secretary, Aruna Sundararajan, acknowledged as much at a recent conference in Geneva, and said: "Every nation faces cyber security challenges. Countries like India, where digitisation growth has been exponential, the magnitude and complexity of these challenges become multi-fold. For example, 300 million Indians adopted digital payments in just 6 months."



She added that a sound and comprehensive cyber security policy is a key building block for India's infrastructure. "We are also working to ensure that all layers of digital access are appropriately secured, including the content, transport and device layers."

Future of cloud

More widely in the technology industry globally, the proliferation of connected devices sending and storing data to the cloud has become a concern for both vendors and customers. While attending the Embedded World conference in Nuremberg, Germany, in February, I became aware of a push back from many vendors from relying on the cloud for secure data.

As I wrote in a US-based technology magazine following the conference, with IoT adoption proliferating, manufacturers of IoT devices are sidestepping security fundamentals as they rush to bring products to market. A lack of familiarity with

secure coding concepts is resulting in many vulnerabilities being incorporated into final designs. There is therefore a need for organisations to properly document and test each internet-connected device on their network or face introducing potentially thousands of new attack vectors easily exploitable by cybercriminals. Any device or sensor with an IP address connected to a corporate network may open the doors to a devastating security incident.

In the article, I wrote how chip vendors are increasingly adding more processing and servers at the edge of an IoT network, since their customers are increasingly concerned about storing their secure data in the cloud amid increasing lack of trust in the ability to safeguard sensitive data. In addition, GE Power's Automation and Controls' manager, Vibhoosh Gupta, said to me: "We're bringing intelligence as close to the machine as possible. The cloud might provide an elastic compute environment which is good for things like fleet management. However, for applications requiring real time analytics, the inherent latency resulting from sending data to the cloud means there is no choice but to move to the edge."

To conclude, it is easy for governments to get on the technology bandwagon, talking about the need for IoT, Smart Cities, and the use of artificial intelligence tools and programmes. However, as recent examples have shown, there really needs to be more consideration about policies and regulation that helps safeguard the users that the technology is supposed to provide benefits to. I am not suggesting we should be luddites, but we need more people who understand the technology and its impact involved in the policy-making process, especially those who are independent and not part of big technology companies or their connected think tanks.

*Nitin Dahad, UK-based
Tech Adviser*

Investments flow into India tech, auto

From Japanese to American companies, the Indian technology and automotive sectors attracted FDI in recent weeks.

SoftBank, Alibaba to invest in Paytm

Tokyo-headquartered SoftBank Group is investing \$400 million in India's Paytm E-Commerce Pvt Ltd in a funding round that will value the online retailer at roughly \$1.9 billion, a regulatory filing showed this week.

Chinese conglomerate Alibaba, an existing investor in Paytm E-Commerce, is also putting in \$45 million in the round.

SoftBank, which is among major investors in India's fast-growing e-commerce sector and already owns a stake in Paytm's parent, confirmed investing in Paytm Mall, the brand name under which Paytm E-Commerce operates an online market place.

Amit Sinha, Chief Operating Officer of Paytm Mall, said the company would deploy the latest investment from SoftBank and Alibaba to beef up its technology and build superior logistics among other things.

A filing with India's Registrar of Companies showed SoftBank units will get a 21.1 per cent stake in Paytm E-Commerce after the investment which would come in four tranches.

Alibaba.Com Singapore E-Commerce Pvt Ltd, which currently owns 36.3 per cent of the Indian e-retailer, will remain the single-largest shareholder of Paytm E-Commerce but with a relatively smaller stake of just over 30 per cent after its latest investment is completed in four tranches.

Blackstone buys auto parts maker Comstar

American asset management company Blackstone Group has acquired Chennai-based auto parts maker Comstar Automotive Technologies Pvt. Ltd for about Rs 1,000 crore (\$150 million).

Blackstone acquired the stake from Comstar's controlling shareholders—private equity firm Argyle Street Management and the Chandaria family.

Comstar, a maker of starter motors, starter motor kits and alternators for automotive applications, was founded in 1999 as a subsidiary of Visteon Corp., a unit of Ford Motor Co. in India.

The company was sold to Hong Kong-based Argyle Street Management and the Chandaria family in 2007.

The Chandaria family holds its stake in Comstar through its holding company Leticia Investments. The two firms — Argyle and Leticia — hold equal stakes in the auto parts maker.

Comstar has an installed capacity of over 3.8 million starter motors and 1 million alternators in India and 800,000 starter motors in North America till date. It counts Ford Motor, Volvo, Tata Motors, Ashok Leyland-Nissan, Renault Nissan, Geely, Jaguar, Aston Martin and Mazda as customers.

The company has manufacturing facilities in Chennai and Tecumseh in the US, employing more than 900 people.

Handset brand Tambo to invest in India

Tambo, a handset brand by Agaston Mobile in a joint venture with a Chinese ODM, is planning an investment of Rs 600 crore (\$92 million) in India, out of which the company would be spending Rs 300 crore (\$46 million) for setting up its own factory in Greater Noida in the third quarter.

Tambo will be launching 4 models of smartphones and 6 models of feature phones in April 2018 across India.

Sudhir Kumar, Founder & CEO, Tambo Mobile, said: "We aim to be the most efficient brand out of all the brands that are operating in the market right now. In the initial three months we will have assembly then we will have PCBs manufactured in India."

The company is targeting to be among the top 3 players in India in the entry-level segment by 2018-end. Besides handsets, Tambo will also manufacture accessories including battery, charger and earphones.

On distribution front, the company has adopted a direct distribution model and is aiming for direct distributors above 100,000 in every town. Tambo will be selling its products offline and will not be present online.

The company is also looking to foray into air conditioners after establishing the Tambo brand in India.

Vietnam is critical to balance of power in Asia

by India Inc. Staff



Given the ambivalence of some ASEAN countries to China's rise and Beijing's hardnosed strategy of using its financial heft to buy influence across Asia, it is important for democracies like India and Japan to foster cooperation with Vietnam.

It is not very often that New Delhi hosts the Prime Minister and the President of the same country within a span of five weeks. But that's exactly what Indian Prime Minister Narendra Modi did, inviting Vietnamese Prime Minister Nguyen Xuan Phuc as one of 10 chief guests – all heads of ASEAN governments – for the Republic Day parade on January 26 and then playing host to that country's President, Tran Dai Quang, in the first week of March.

The officially denied reason for this bonhomie is a shared apprehension of China's ambitions in east and south Asia.

"Specific Southeast Asian states are now seeking to diversify their strategic partnerships, beyond a binary choice between Beijing and Washington," leading US think tank, Council on Foreign Relations, said in a note recently, adding that a key element of that strategy is to work with India "as a more forceful counterweight to

China and hedge against a declining United States."

Hanoi, for example, is increasingly looking at New Delhi as a partner on a range of issues, from its dispute with China over the South China Sea to oil exploration, defence cooperation and closer economic ties. India, too, has belatedly entered the game that Great Powers play and made Vietnam the fulcrum of its Act East Policy to expand its economic and geo-strategic footprint across East and South East Asia.

It is a well calibrated diplomatic game and a war of nerves that India has, uncharacteristically, chosen to participate in, but it is quite in line with the bold new foreign policy paradigm set by Modi. For example, in their meeting in March, Modi and Quang agreed to further cooperation in defence and joint exploration efforts in the disputed waters, drawing prompt criticism from China.

Energy security

Closer ties with Vietnam are important for securing India's energy needs. Hanoi has allotted ONGC, India's public sector oil explorer, two oil blocks in the South China Sea, though China opposes these awards, claiming, without any rationale, that the oil reserves fall within its own territory.

ONGC Videsh, the overseas arm of ONGC, has stopped work on one block because of poor prospects of finding oil but had received an extension of one year for the other. India has said more than once that ONGC's exploration efforts are a commercial operation and have nothing to do with China's bilateral dispute with Vietnam but oil exploration in the South China Sea by any country other than China invariably raises Beijing's hackles.

The two countries will look for a trilateral partnership in the oil and gas sector, Modi announced after his meeting with the Vietnamese President.

"We highly value projects, including the cooperation in joint oil and gas exploration in the continental shelf of Vietnam," Quang said.

Freedom of navigation

To broad-base bilateral ties and deepen the relationship, the two countries also agreed to cooperate with each other on nuclear energy, trade and agriculture and work together to ensure a free and open Indo-Pacific.

"We will jointly work for an open, independent and prosperous Indo-Pacific region where sovereignty and international laws are respected and where differences are resolved through talks," Modi said, adding that India believes in freedom of navigation and over flights in the region.

Growing trade relations

Meanwhile, bilateral trade between India and Vietnam has been growing in tandem with the strategic relationship.



According to official data, bilateral trade during January-October 2015 was \$4.28 billion. This included \$2.5 billion of exports from India and \$2.07 billion imports into that country. However, by another method of calculation, the total value of trade between the two countries was more than \$9.2 billion in 2014-15.

During the visit of Nguyen Phu Trong to India in November 2013, the two sides agreed to expand this figure to \$15 billion by 2020.

Solid economic base

The strategic partnership, obviously aimed at preventing any other Asian power from emerging as a regional hegemon, has a strong economic component as well.

The Modi Cabinet had earlier approved a \$80-million project development fund to facilitate and increase the entry and presence of Indian companies in the CLMV sub-group within Asean, which have preferential access pacts with China, European Union and the US and so, can act as gateways for India Inc into these markets. As the acronym suggests, the four countries are Cambodia, Laos, Myanmar and Vietnam, with the last playing a disproportionately large role within this group for India.

Indian companies eye new frontier

At a time when Indian companies are struggling with sluggish consumption at home and rising competition abroad, markets like Vietnam offer hope.

Indian companies are executing projects worth almost a billion dollars in Vietnam in the oil and gas, minerals, sugar, agro-chemicals, IT and agricultural processing sectors.

Taking advantage of the close ties between the two countries many leading Indian business houses such as the Tatas, Reliance Industries, Aditya Birla Group, ONGC Videsh, Tech Mahindra, Godrej, NIIT and Ranbaxy, among several others, have set up operations in Vietnam.

Vietnam is a former centrally planned economy that is transitioning to a market economy. And agriculture remains the dominant vocation in that country. So, Indian companies are ideally suited to become partners in Vietnam's progress.

Gaps that need attention

Experts have said this important geo-economic relationship will lead to the creation of more synergies if the two sides paid more attention to participation in the global value chain, in which about 60 per cent of all global trade is in intermediate goods. This is an area in which both India and Vietnam are punching well below their potential. If India's industrial conglomerates leverage Vietnam's raw material supplies and the preferential access that its membership of ASEAN gives in many markets, it would be highly beneficial for both countries especially in sectors such as apparel, footwear, electronic goods and petrochemicals.

Then, there is inadequate cooperation

between the services sectors of the two countries. Like India, the services sector in Vietnam is the largest component of the economy, accounting for about 42 per cent of its economy. Vietnam's services exports are at about \$13 billion compared to India's services exports of more than \$160 billion. Given this make-up of the economy, there exists massive potential for India to contribute to the expansion of Vietnam's services sector, especially education, information technology, communications, financial services, logistics, tourism and audio visual services.

There is also huge scope for cooperation between the small and medium businesses of the two countries as SMEs are the backbone of any economy and the main employment generator in most countries. The quest to integrate into the global supply chain should ideally be driven by the SME sectors of the two countries.

Entry point into ASEAN

The Tiger economies of South East Asia, who provide the main ballast to the ASEAN grouping, are industrially far ahead of other member states such as Vietnam. This presents Indian companies an opportunity to build beachheads in Vietnam and use these to expand their presence in the more advanced countries within this group.

Closer defence ties

The most important component in bilateral ties between India and Vietnam is, however, strategic in nature. In an attempt to counter the Chinese strategy of boxing India into a corner, New Delhi is steadily cranking up military and strategic ties with Beijing's neighbours.

For example, India is negotiating the sale of Akash surface-to-air missiles to Vietnam. This follows Modi's recent offer of a \$500 million line of credit to buy Made in India defence platforms.

The Indian premier will, thus, kill two birds with one stone – by selling missiles to China's neighbour he

will send out a message to Beijing that India is no pushover; at the same time, he gets to dramatically showcase the success of his flagship Make in India initiative.

Earlier, India had given Vietnam another \$100 million line of credit to buy naval patrol boats from Larsen & Toubro. Besides, and much to China's chagrin, India is training Vietnamese pilots to operate the Sukhoi 30 fighter planes, which China also has, as well as Kilo-class submarines. Both these platforms are of Russian origin.

CLOSER TIES WITH VIETNAM ARE IMPORTANT FOR SECURING INDIA'S ENERGY NEEDS.

Brahmos for Vietnam

Vietnam is said to be keen on acquiring the Brahmos supersonic cruise missile to bolster its defences against China. There is no doubt that the induction of this missile, the fastest cruise missile in the world, will significantly beef up its defence capabilities.

But Brahmos is a joint venture between India and Russia and New Delhi needs Moscow's nod before it can sell it to a third country. Given that Russia is almost reduced to the role of China's junior partner, such an approval is unlikely to materialise.

Akash as a substitute

Hanoi wants to buy Akash missiles from India and also wants an agreement for transfer of technology and local production in that country. India, on the other hand, wants a more graded approach, starting with off the shelf sales of the missile.

Talks are also on for the sale of Varunastra anti-submarine torpedoes to the country that former Defence Minister Manohar Parrikar had described as a "close friend"

Comprehensive strategic partnership

The tight clinch between New Delhi

and Hanoi comes in the backdrop of the two countries elevating their "strategic partnership," which they established in 2007, to a "comprehensive strategic partnership" during Modi's visit to that country last year.

Business as a sub-set of geopolitics

The rapid scale-up in economic ties notwithstanding, analysts acknowledge that these have to be built on the bedrock of the geopolitical interests that bind the two nations.

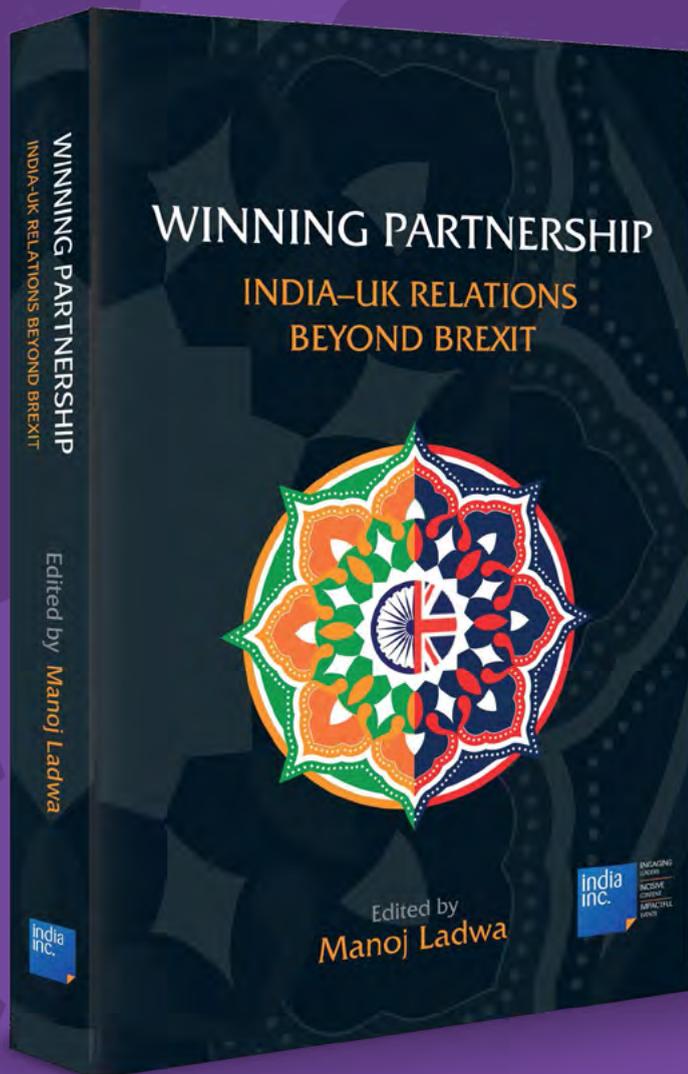
China is clearly rattled by this new found closeness between Hanoi and New Delhi. 'The Global Times' newspaper, which the Chinese government often uses to disseminate views it cannot officially express, has questioned this relationship several times, most recently when India announced it would set up a satellite tracking and imaging centre in southern Vietnam.

This will be a civilian facility and will have scientific, agricultural and environmental applications but it can also be used for tracking Chinese military moves.

Important cog in the Asian wheel

With the US now seen as an unreliable and unpredictable ally by many Asian countries, the balance of power within Asia – with Japan, India, Australia and the US as net security providers – is poised delicately. While China is using its massive financial heft to push its neo-colonial Belt and Road Initiative, which are driving small countries into a debt trap, a lot will depend on how countries like India and Japan handle countries like Vietnam, the Arab monarchies of the Middle East and some of the larger ASEAN countries.

Vietnam has a long history of hostility with China and is the only Asian country to give it a bloody nose militarily in the last half a century. That is what makes it such an important player in the new Great Game that is unfolding in the Asian theatre.



“A LANDMARK BOOK”



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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.



Act East: Investing in the Northeast of India

by India Inc. Staff



India has finally woken up to tap the immense potential of its far-flung Northeast states but it would take time before it becomes the darling of foreign investors.

Ask any average citizen on the road in mainland India the names and capital cities of the eight Northeastern states of the country and there is a high likelihood they would fumble and embarrass themselves. A popular joke in the northern parts of the country is that only an aspirant of the IAS or PCS — two main forms of civil services in the country — would know the answer to such a basic question as this.

It is symbolic of the ignorance of the people in the country about this part of the nation as also the neglect by successive central governments to assimilate the Northeast into the mainstream of social consciousness. Last year in February, it led to a frustrated P.B. Acharya, the governor of Arunachal Pradesh, the farthest of

all the Northeastern states, to quip that Indians know more about US than the Northeast.

THE REGION HAS HYDROPOWER POTENTIAL ESTIMATED AT NEARLY 50,000MW, NATURAL GAS RESERVES OF 190 BILLION CUBIC METRES, COAL RESERVES OF OVER 900 MILLION TONNES AND OIL RESERVES OF OVER 500 MILLION TONNES.

The Northeast region accounts for

nearly 8 per cent of India's land mass, little less than 4 per cent of the country's population but contributes just 2.5 per cent of India's GDP. This imbalance has resulted in the region not getting the benefit of being part of the world's fastest-growing economy and has remained in the fringes. Foreign investment in the region has been negligible over the years even though there have been various attempts made in the past, especially with geographically closer South Asian economies like Thailand, Indonesia and Malaysia.

FDI inflows

As per the data available with the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industries, while FDI in India has been recording a steady



FDI equity inflows worth \$4.19bn (April 2000 to December 2017)

The Gross State Domestic Product (GSDP) expanded at a Compounded Annual Growth Rate (CAGR) of **11.05 per cent** between **2011-12** and **2016-17** at **\$2.93bn**.

Sikkim is the first fully certified organic state in the country, and is the top producer of large cardamom, contributing over **80 per cent** to India's total production.

Large presence of domestic pharma industry with companies like Cipla, Sun Pharma, Zydus Cadila, Alembic, IPCA, Alkem Lab, Intas Pharma, Torrent Pharmaceuticals, Unichem.

KEY INDUSTRIES



growth over the years, investments in the Northeast and Jammu and Kashmir have been negligible compared to other parts of the country.

During the period from April 2000 to December 2017, overall FDI in India touched \$532,552 million but

investments in the entire Northeast was only \$4856.67 million during that period — less than 1 per cent of the total pie. To put it another way, the share of these eight states combined was only marginally better than Jammu and Kashmir, which did not receive any FDI during that period. Endowed with rich mineral resources,

the low interest from foreign investors is ironical. The region has hydropower potential estimated at nearly 50,000 MW, natural gas reserves of 190 billion cubic metres, coal reserves of over 900 million tonnes and oil reserves of over 500 million tonnes. Further it also has huge reserves of limestone, a key raw material in the



Between **2011-12** and **2016-17**, **GSDP** expanded at a **CAGR** of **6.81 per cent** to **\$4.59bn**.

The state is focusing on developing water harvesting and distribution infrastructure to increase the level of mechanisation in the horticulture sector.

KEY INDUSTRIES



THE NORTHEAST REGION ACCOUNTS FOR NEARLY 8 PER CENT OF INDIA'S LAND MASS, LITTLE LESS THAN 4 PER CENT OF THE COUNTRY'S POPULATION BUT CONTRIBUTES JUST 2.5 PER CENT OF INDIA'S GDP.

production of cement, of around 5000 million tonnes.

Unstable history

The main challenge towards the development of the region can be traced to the distrust among the people with the policy-makers at the Centre largely due to years of neglect and exploitation. The region has been a hotbed of insurgency and terrorism that has led to an unstable political climate. Mining activity has subsequently suffered as a result. In Meghalaya for example, extraction of uranium and coal has been a problem while in Nagaland, where huge reserves of oil have been spotted, the local tribals of the state are suspicious of the ill effects of any large-scale mining in the region to the local flora and fauna.

These are the main reasons for the failure of various overtures by the local political establishment to attract foreign capital from neighbouring Association of Southeast Asian Nations (ASEAN) countries. In the recent past, a series of meetings were held with Thailand and several delegations from the Northeast visited that country. Similarly, delegations

from Thailand were also hosted in the Northeast with the expectation that high volume of investments to the region. But the efforts have failed to bring the desired results.

Changes afoot

There has, however, been a perceptible change in the way these states are perceived by the central government in the last few years. If not central to any administrative action, these states now figure more in government discussions and there has been a significant thrust towards development in this region.

Last month, the government announced the new North East Industrial Development Scheme (NEIDS) 2017 for the region to replace the already defunct North East Industrial Investment Policy 2007. To be implemented with retrospective effect from April 1 last year, it provides for sops like exemption and subsidies for an investor to the maximum of Rs 200 crore (\$30 million) per new industrial unit for a period of five years, reimbursement of 58 per cent income tax and 58 per cent CGST and IGST, provision for transport subsidy,

central capital investment incentive for access to credit, central interest incentives, central comprehensive insurance incentives and employment incentive. With a corpus of Rs 3,000 crore (\$460 million), this is the most comprehensive scheme ever to spur growth and investment in the region.

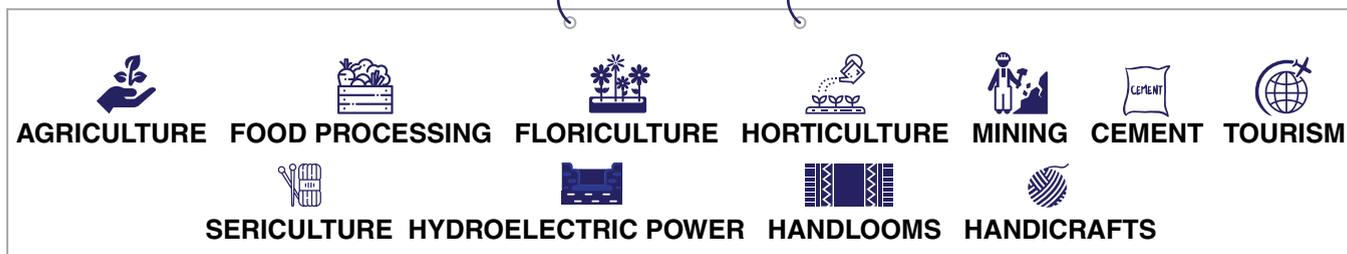
The central government's much-touted Act East policy includes a big push towards road and railway infrastructure and some of it is already visible on the ground. The present administration had converted over 900 kilometers of railway tracks into broad gauge including one that connects Tripura to the rest of the country. Two new trains, including a Rajdhani, have also been launched between Agartala, the capital of Tripura and Delhi. Two years ago the then railways minister Suresh Prabhu laid the foundation for the Rs 2,315 crore (\$356 million), 88-km Dhansiri-Kohima railway track, connecting Kohima to the national railway network. Similarly, projects connecting Imphal, Aizawl and Shillong have been launched while more than 20 trains have been introduced in the region. A deal with neighbouring Bangladesh has also been signed to



Between 2011-12 and 2016-17, GSDP expanded at a CAGR of **6.81 per cent to \$4.59bn.**

The state is focusing on developing water harvesting and distribution infrastructure to increase the level of mechanisation in the horticulture sector.

KEY INDUSTRIES





develop a rail link between Tripura and the port city of Chittagong, which would speed up flow of products, especially grains, to the region.

A similar thrust is also visible on development of roads and airways

in the region. More than 3,800 km of national highways with an investment of Rs 32,000 crore (\$5 billion) has been sanctioned in the region in the past three years while nearly 1,200 km of roads have been constructed.

Infrastructure promise

“We aim for a transformation by transportation through investment in infrastructure in the region,” Prime Minister Narendra Modi said in Mizoram in December last year. “We will be investing another Rs 60,000



Between **2005-06** and **2015-16**, **GSDP** reached **\$5.2bn** growing at a **CAGR** of **11.48 per cent**.

One of the most favoured tourist destinations in the region. Number of foreign tourists visiting the state grew at a **CAGR** of **46.28 per cent** from **2010-11** to **2015-16**.

KEY INDUSTRIES

						
NATURAL GAS	FOOD PROCESSING	RUBBER	TEA	BAMBOO	HANDLOOM	HANDICRAFTS
						
	SERICULTURE		TOURISM			



MANIPUR

Between 2011-12 and 2017-18, **GSDP** growth rate of the state is expected to reach **10.21 per cent**. At current prices, the total **GSDP** of Manipur was about **\$3.32bn (2016-17)**.

State has immense hydropower potential, which has been given a top priority by the government. The industry has been opened for private investors.

KEY INDUSTRIES



crore (\$9 billion) under Special Accelerated Road Development Programme in the North-East and Rs 30,000 crore (\$4.5 billion) under Bharatmala in the next two to three years to build a network of high-ways and roads in the Northeast Region. We are committed to bring all the State Capitals of North East Region on the Rail map.”

The commissioning of the 60MW Tuirial hydropower power project in Mizoram, the first major central government project to be commissioned in the state, also made it the third power-surplus state in the region after Sikkim and Tripura. The

project is expected to produce 251 million units of electricity annually.

THE NORTHEAST REGION ACCOUNTS FOR NEARLY 8 PER CENT OF INDIA'S LAND MASS, LITTLE LESS THAN 4 PER CENT OF THE COUNTRY'S POPULATION BUT CONTRIBUTES JUST 2.5 PER CENT OF INDIA'S GDP.

Airport infrastructure is also being upgraded and connectivity to the

rest of the country by air is being strengthened. The Airports Authority of India (AAI) has allocated Rs 3,400 crore (\$520 million) for the upgradation of airports in the Northeast region. Projects worth Rs 934 crore (\$145 million) have already been completed. Some of these projects include re-carpeting of the runway at Silchar and Lilabari airports and an aviation manpower training institute; development of Rupsi airport; a new integrated airport and an engineering workshop at Agartala; expansion and revamp of existing terminal building and runway at Dimapur; installation of an instrument

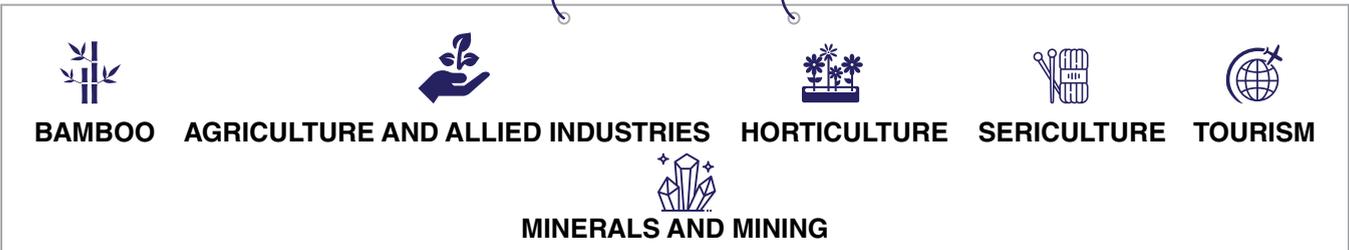
NAGALAND



Between 2011-12 and 2016-17, GSDP of Nagaland was about \$3.28bn, increasing at a CAGR of around 9.61 per cent.

The handicraft and handloom sector in Nagaland has enormous growth potential due to the abundant availability of skilled labour and raw materials.

KEY INDUSTRIES



ARUNACHAL PRADESH



Between **2011-12** and **2017-18**, **GSDP \$3.76bn**, growing at a **CAGR of 11.93 per cent**.

Tourist arrivals in the state reached **414,000** in **2016-17**.

In **2016-17**, the state produced **45** metric tonnes of raw silk.

KEY INDUSTRIES



ARTS AND CRAFTS



WEAVING



CANE AND BAMBOO



CARPET WEAVING



WOOD CARVING



ORNAMENTS



TOURISM



HORTICULTURE

landing system (ILS) at the Shillong airport; and operationalisation and development of the Tura airport.

The centerpiece of the government's Act East policy in terms of infrastructure is the 1,360-km-long India-Myanmar-Thailand trilateral highway, which is to be completed in 2020. The highway would bring ASEAN countries even closer to the region boosting the region's economy.

The government hopes the infrastructure development will ultimately pay dividends by way of increased trade between the region and the ASEAN countries. At the

recently concluded global investor's summit in Assam, 263 pacts were signed with a cumulative slated investment of Rs 79,000 crore (\$12 billion). Investors from countries as diverse as Bangladesh, Bhutan, Canada, Cambodia, Czech Republic, Germany, Israel, Japan, South Korea, Laos, Myanmar, Thailand, Netherland, Saudi Arabia, England, USA and Vietnam had participated in the summit.

Even through diplomatic channels, efforts have been made to whip up interest in the region. Last September, India signed a memorandum of understanding with Japan for the

latter to extend a Rs 2,239 crore (\$344 million) loan for the North East Road Network Connectivity Improvement Project to improve the National Highway (NH) 40 and construct a bypass on NH54 in the region.

Achieving the overall vision of making the Northeast the gateway to South East Asia is still somewhat off but baby steps have been taken towards that end. Albeit on a much smaller base, some of the states in the region are already among the fastest-growing in terms of GDP around the country. A bit more luck, and foreign investors will surely follow.

ASSAM



At current prices, GSDP of Assam is \$30.72bn (2015-16). Average annual GSDP growth rate from 2004-05 to 2015-16 was 9 per cent.

Third-largest producer of petroleum and natural gas in the country with ample reserves of limestone.

KEY INDUSTRIES



TEA



COAL



OIL AND GAS



LIMESTONE AND CEMENT



AGRICULTURE



HORTICULTURE



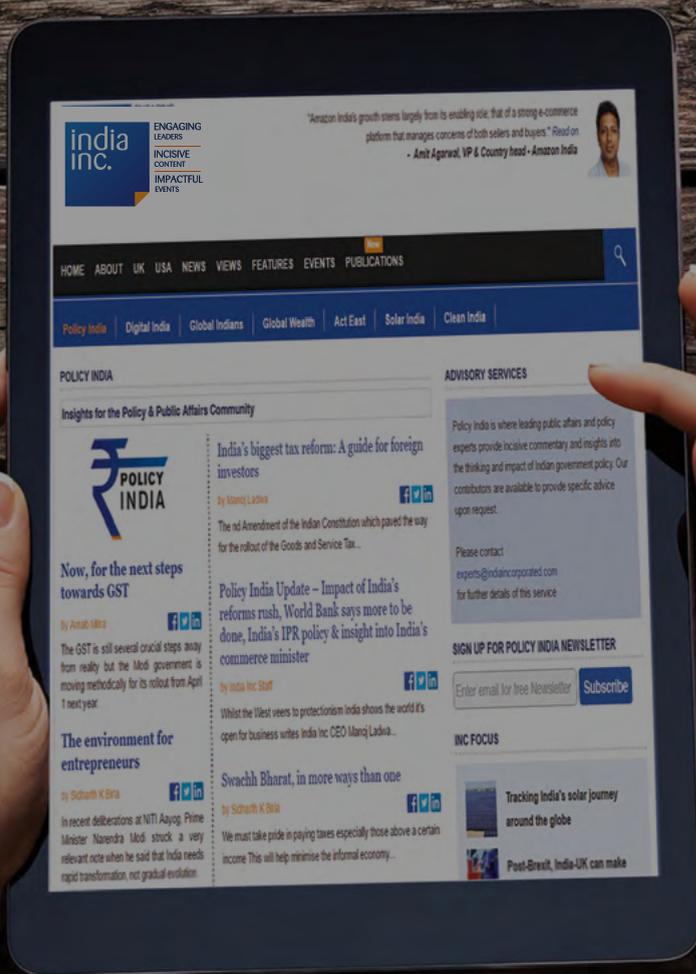
TOURISM



FOOD PROCESSING

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M&As and JVs mark Indian companies' global footprint

India's steel and automotive industries were in the limelight with acquisitions and joint ventures.

JSW Steel acquires US-based Acero Junction



Indian steelmaker JSW Steel Ltd has agreed to acquire US-based steel mill owner Acero Junction Holdings Inc. for up to \$80.85 million (Rs 527 crore) in cash to expand its North America operations.

The acquisition will help JSW Steel establish its presence in Ohio, US, and gain deeper access to the North American steel market, the company said in a stock-exchange filing last week.

The deal comes barely days after the company said it would invest \$500 million in its Texas unit, which it had acquired in 2007.

The transaction for Acero is likely to close in 60 days' time, subject to fulfilment of certain conditions precedent, the filing said.

Acero Junction Holdings was set up in July 2016 and recorded revenue of \$44.27 million until the end of December 2017. It owns 100 per cent of Acero Junction Inc., which runs a steel mill that produces hot-rolled coils. The company supplies hot-rolled bands to coil processors, cold-rolled strip producers, pipe and tubers, original equipment manufacturers and steel service centres across North America.

The company expects North America's demand for hot rolled bands to grow to 28 million tons.

M&M to form JV with Ideal Motors

Indian car manufacturing corporation Mahindra & Mahindra said it will form a joint venture with Sri Lanka's Ideal Motors to assemble vehicles in the island nation.

The company will hold 35 per cent of the share capital in the joint venture (JV), with the remaining proposed to be held by Ideal or any of its affiliates, M&M said in a regulatory filing.

The new company will be formed for the purpose of assembling vehicles in Sri Lanka and M&M's investment will not be more than 25 crore Sri Lankan rupees. The deal is subject to requisite RBI approvals, it added.

The company did not elaborate what type of vehicles would be assembled through the new joint venture.

The homegrown auto major has a range of utility vehicles and SUV besides being a major player in tractor segment.

Zensar to acquire Cynosure for \$33mn

Pune-headquartered information technology service provider Zensar said it will acquire US-based Cynosure for about \$33 million, a move that will help the Indian firm strengthen its play in the insurance vertical.

Cynosure focuses on providing Guidewire platform implementation services to Property and Casualty (P&C) insurance carriers and clocked revenues of about \$20 million in 2017.

Sandeep Kishore, CEO and MD, Zensar, said the addition of Cynosure will help them strengthen their insurance vertical that accounts for about 15 per cent of their business.

The acquisition will be funded by a mix of internal accruals and external debt.



As part of the deal, the entire share capital of Cynosure Interface Solutions (Cynosure India) will be acquired for an amount not exceeding Rs 13 crore (\$2 million).

Zensar Technologies Inc, a wholly owned subsidiary of Zensar, will acquire the entire share capital of Cynosure Inc for approximately \$31 million and deferred payments, subject to meeting the performance targets over the 24 months post-closing.

Following the acquisition, Cynosure will continue to be managed by the founders led by its CEO and co-founder Sid Wadhwa. The management and team of Cynosure in the US and Bengaluru, India comprising of over 150 people, will become a part of Zensar's insurance vertical.

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The UK-India Leadership Conclave 2018 (June 20-21) is produced to open dialogue and debate around the future of the bilateral relationship. Held over two days in a luxurious manor in the English countryside, the conclave will provide the inside track on India and the UK.



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India's new political interest in the Commonwealth

by Rahul Roy-Chaudhury

Our strategic expert offers an overview of India's participation in the Commonwealth Heads of Government Meeting (CHOGM) on April 19-20.



India's new political interest in the Commonwealth is evident by the participation of Prime Minister Narendra Modi at the 25th Commonwealth Heads of Government Meeting (CHOGM) in London on 19-20 April 2018, marking the first Indian prime ministerial presence in a Commonwealth Summit after nearly a decade. This is expected to lead to a larger, and possibly leadership, role in the Commonwealth for India in both multilateral and bilateral terms.

In the past, the Commonwealth has evoked a mixed reaction within India. Although India's first Prime Minister, Jawaharlal Nehru, played a key role in the creation of the modern Commonwealth in 1949, Indian policy-makers over the years have considered it as a relic of empire and steeped in colonial legacy. As a result, the interest taken in the Commonwealth by Indian governments has been sporadic and generally lukewarm. In 1983, then Prime Minister Indira Gandhi hosted CHOGM in New Delhi

and until 2009, Indian prime ministers have enthusiastically attended the biennial CHOGM summits.

Yet, for the past eight-and-a-half years, Indian prime ministers have been absent for a variety of bilateral reasons, not necessarily related to the Commonwealth as a whole. In 2011, India sent its then Vice-President Hamid Ansari to the 22nd CHOGM in Perth, Australia, due to an ongoing dispute with Australia over uranium supplies to India; in 2013, due to pressure from then Prime Minister Manmohan Singh's southern political allies over human rights violations by the Sri Lankan government, then Foreign Minister Salman Khurshid represented India at the 23rd CHOGM in Colombo, Sri Lanka; and in 2015, External Affairs Minister Sushma Swaraj represented India at Malta due to Prime Minister Modi's "prior scheduling commitments." The presence of senior Indian officials in the Commonwealth Secretariat, including Kamalesh Sharma as Secretary General for two four-year terms from April 2008-March 2016, did not much change India's attitude towards the Commonwealth.

New political interest

However, Narendra Modi's Bharatiya Janata Party (BJP) government is beginning to take a new political interest in the Commonwealth. This is being shaped through the

lowering of the rhetoric of the Commonwealth as an institution with a colonial legacy and the raising of India's prospective leadership role within the Commonwealth. This appears to be due to five factors:

First, the membership of the Commonwealth, virtually spanning the entire globe.

The Commonwealth comprises 53 states located in Africa, Asia, the Caribbean and the Americas, Europe and the Pacific. For a rising great power like India, with its growing economic interests resulting in an activist global foreign policy, membership and prospective leadership of the Commonwealth helps enhance its bilateral ties with individual countries. This is especially important as India's foreign and security policy priorities include its neighbourhood (as well as the Indian Ocean) and the African and Indo-Pacific regions. Of the 53 Commonwealth states, 19 are located in Africa and 12 are littoral or island states of the Indian Ocean.

Second, the growing importance of small states for India's foreign policy.

A high proportion of Commonwealth members, about 60 per cent, are small states. Of the 53 members, 31 states have populations under 1.5 million. In some of these states spread across the globe, India has no diplomatic presence; diplomatic contact with these states usually

takes place at the United Nations in New York. These small states tend to greatly value membership of the Commonwealth.

In discussion with the author, Amitav Banerji, a senior former Commonwealth Secretariat official, noted that "India has traditionally undervalued the potential of its relations with the smaller states of the Commonwealth. Collectively, they provide significant opportunities for India's foreign and economic policies." The Modi government now perceives considerable value in reaching out to these states on the basis of Commonwealth membership. This could also help it in the future secure votes during key UN or other multilateral fora contests India is involved in.

Third, growing preference for South-South cooperation. In view of the shift in global economics and politics towards the East and the South, many Commonwealth states prefer to deal with emerging economies. India has the largest economy in the Commonwealth after the UK; indeed, later this year/early next year, India is expected to overtake the UK as the fifth-largest economy in the world and the largest in the Commonwealth. India is also currently the fastest-growing large economy in the world. Many developing member-countries, especially the smaller states, are therefore now interested in South-South development cooperation rather than the traditional North-South model.

Fourth, Commonwealth-wide presence of Indian diaspora. For the Modi government, the Indian diaspora is an important cultural, and potentially political, priority for its foreign policy, in contrast to previous governments. The fact that there are diaspora Indian communities in virtually every Commonwealth country further underscores the importance of the Commonwealth.

Finally, China is not and will never be a member of the Commonwealth. Over the last few

years, China has risen dramatically as India's principal foreign and security challenge. The recent military stand-off on the Doklam plateau exacerbated bilateral tensions. Although the optics in India's relations towards China have recently changed to encompass a lowering of rhetoric in preparation for Modi's visit to China in June for the Shanghai Cooperation Organisation (SCO) Summit, India has real concerns over its territorial dispute with China and China's expanding influence in South Asia and the Indian Ocean. China's absence in the Commonwealth provides diplomatic opportunities for India to raise its profile within the forum.



FOR A RISING GREAT POWER LIKE INDIA, WITH ITS GROWING ECONOMIC INTERESTS RESULTING IN AN ACTIVIST GLOBAL FOREIGN POLICY, MEMBERSHIP AND PROSPECTIVE LEADERSHIP OF THE COMMONWEALTH HELPS ENHANCE ITS BILATERAL TIES WITH INDIVIDUAL COUNTRIES.

However, there is some concern that Pakistan, an increasingly active member of the Commonwealth with whom India has tense relations, may seek to curb any Indian leadership role in the forum at the behest of its close ally China.

UK role

At the same time, it is clear that the traditional leader of the Commonwealth and this year's summit host, the UK, is keen for India to take on a new leadership role within the Commonwealth. The 25th Commonwealth summit was originally to be hosted by the South Pacific island state of Vanuatu at the end of 2017, but was shifted to the UK after the devastation it suffered from tropical Cyclone Pam in March 2016. The UK will therefore be the Commonwealth Chair-in-Office until the next CHOGM, expected in 2020.

The assumption of a leadership role by India is expected to improve India-UK bilateral ties, hit by the uncertainties of Brexit. The UK sees India as one of its leading economic partners in the world post-Brexit. The first visit of Theresa May as Prime Minister outside the EU was to India in early November 2016. This also signifies an important power shift between the two countries – whereas earlier the UK was more important to India than India was to the UK, today the reverse is true, namely, that India has become more important to the UK than the UK is to India.

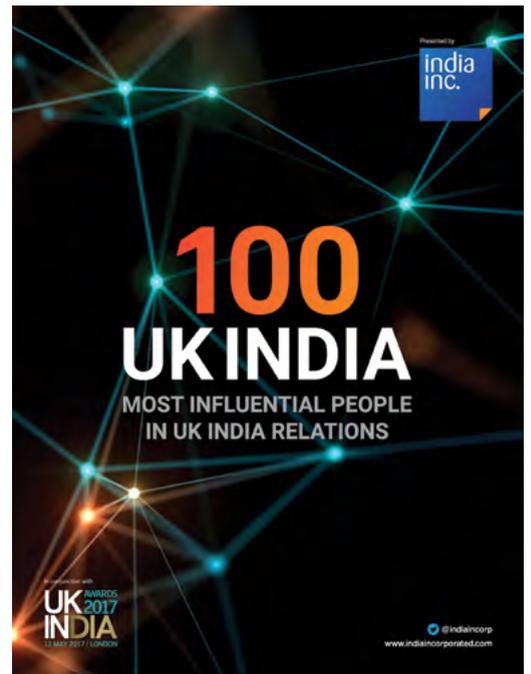
Conclusion

India's new political interest in the Commonwealth is encouraging. This provides a focus on the Commonwealth looking towards the future, not the past. India has clear opportunities to enhance its global role and maximise its bilateral relations within the multilateral framework of the Commonwealth. At the same time, it will seek to focus on enhancing trade and investment in a multilateral Commonwealth-wide context. But, it remains to be seen how India positions itself at the London CHOGM and what kind of new leadership role it assumes in a multilateral organisation in whose creation it played a key role.

Rahul Roy-Chaudhury is Senior Fellow for South Asia at the International Institute for Strategic Studies (IISS), London.

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Spain and India have a lot in common

by Juan del Alcazar

Fiscal incentives and an investor-friendly climate make Spain an attractive investment destination in Europe, according to a senior Spanish official.

India and Spain are two countries separated by more than 7,900 km, both are from different continents, speak different languages and, people may think, there is nothing in common between them.

This is absolutely wrong. Spain and India have more things in common than general knowledge may presume. First of all, from a social perspective we share a strong family structure and identity. We are very open people seeking a joyful existence and we share enormous values of friendship and support. From the cultural perspective, both countries have a millenary history that has led to a diverse, multicultural society. Even Flamenco, our most famous traditional dance and music, is believed to have its origin in Rajasthan!

Our common values are a driver to partnership, joint fruitful business and success. But let us not deceive ourselves, there is still much more to do to not miss the huge opportunity that enhanced and deeper relations between our countries could bring us: from the synergies between our industries to the huge potential that bilateral trade and investment offers to boost growth and development.

Economic advantage

To avert a risk of repeating well-known facts, I will not provide a brief here about our tourist hotspots and trendy places, the memorable festivals or our delicious cuisine – all of which make 82 million tourists visit Spain every year. On the contrary, I would like to take advantage of this opportunity to share with you some information on the Spanish economy

and its attractiveness for foreign investors.

The Spanish economy suffered a prolonged and profound crisis between 2007 and 2012. Today, there is a wide consensus that the crisis is over and the best example of this is that Spain has been growing in the last three years well above the Euro area average.

Spanish GDP grew by 3.1 per cent in 2017 and is expected to outperform the larger developed countries and remain robust over the next few years, as it is now underpinned by a profound package of structural reforms.

During the last six years, the government of Spain has implemented the largest reform

agenda approved in the history of our democracy. Our financial system has been restructured and is now leaner and better capitalised: from 50 banks in 2009, there are only 12 at present. A deep labour reform was passed in 2012, fostering labour flexibility and productivity at company level. An energy reform, an education reform, the Single Market Law (enabling a convergent nationwide product/service regulation across all regions), the Law on Fostering entrepreneurship and business environment, the Reform of the public administration, the liberalisation of the retail sector... You name it!

Growth model

All this political effort has borne fruit, enabling the Spanish economy to regain confidence in international markets and fostering its efficiency, flexibility and ability to compete. Spain now has a more balanced growth model, where the private sector pushes the economy forward while public deficit has been reduced by 6 percentage points of GDP since 2011.

GDP growth is no longer linked to current account deficits as in previous growth cycles. Spain has passed from being net borrower of roughly 10 per cent of GDP to becoming a net lender with a financing capacity of almost 2 per cent of GDP. This means growth in Spain is now more stable and sustained over time.

This trend is also being reflected in the labour market. Spain has generated 26.4 per cent of the total employment in the Euro area since 2014, with 2,000,000 jobs being created and the unemployment rate reduced.

Companies are managing to rapidly expand their businesses and their staff, thanks in part to the increasing activity abroad. Spanish exports of goods have risen by 35 per cent in the last six years, reaching the highest-ever figure on record. Spanish exports of goods and services related to GDP in 2015 are higher than in the United Kingdom, Italy or France.

Spain is aware that the 12,500

multinationals based in Spain represent around 43 per cent of total exports and international companies are a priority for the Spanish government. Thus, we are offering new entrants a red carpet to do business in Spain.

Investment attractiveness

Spain is one of the countries with the fewest regulatory restrictions on foreign investment, according to the FDI Regulatory Restrictiveness Index ranking issued by the Organisation for Economic Cooperation and Development (OECD).

Spain is also appealing to foreign companies because it offers state-of-the-art infrastructure, which includes the third-largest High-Speed Rail Network in the world, after China and Japan, and the largest EU Highway Network. Not to mention that three out of 10 of the largest container ports in Europe are located in Spain, taking advantage of our strategic location for maritime transport and logistics between the Mediterranean Sea and the Atlantic Ocean.

Regarding the internal market, Spain provides access to the 500+ European unique market (i.e. access to the Intra-European duty-free market, free movement of goods and services, capital and persons and, among 19 countries, and a single currency: the EURO).

In addition, Spain offers a great platform to access Latin and South America. Spain is the world's second-largest investor in Latin America and we share common historical, cultural and linguistic roots. Spanish companies have invested in strategic sectors in Latin America and are leaders in different segments, while multinational companies are increasingly choosing Spain as a convenient location for their Latin American headquarters.

Fiscal incentives

Another attractive reason to invest in Spain is that the country offers very favourable fiscal incentives for R&D, compared to all OECD countries. Companies in Spain receive on

average 0.35 Euro of tax relief per Euro invested in R&D.

But even if you cannot benefit from the R&D promotion policies, in Spain you will find a much lower tax pressure than in the EU on average (34.4 per cent vs. more than 40 per cent). The general corporate income tax rate is 25 per cent, but can be reduced up to 20 per cent for small and medium enterprises (SMEs). In any case, there is a reduced corporate tax rate for newly created companies at 15 per cent for the first two years that the company is generating profit. Also worth noting is that Spain has Double Taxation Agreements with 93 countries, including India.

These incentives are not restricted to taxation. Regional and central governments may offer investors financial aid, such as non-refundable subsidies, subsidies for the repayment of loans, of up to 35 per cent (10-20 per cent more for SMEs) based on the selected regional location for productive investments. Finally, I would like to highlight a new regime aimed at facilitating the grant of resident and work visas for entrepreneurs and investors. In the case of start-ups, not only is there no investment threshold, but also programmes such as Rising Start-up in Spain to help set up a new company and make it a success.

Additionally another good reason to select Spain for investments is that you won't be alone. Indian investment in Spain has been growing and presently stands over \$900 million, with about 50 Indian companies having a presence in the country. In some cities in Spain, there are large communities of Indian nationals and everywhere you will find an open-hearted society willing to make your life easier.

Juan del Alcazar is the Economic & Commercial Counsellor, Economic & Commercial Office, Consulate General of Spain in Mumbai.



India's inclusivity challenge is to provide productive jobs

Professor Kunal Sen is the Joint Research Director, Effective States and Inclusive Development (ESID) Research Centre, at the University of Manchester. He is at the forefront of research into inclusive economic development, principally focusing on India but also on East Asia and Sub-Saharan Africa. In this interview, the economist tells 'India Global Business' why he chose to focus his research on India's economic growth story.

What made you choose to study India's economy?

My research, which I have been working on for probably the last 15-20 years, has essentially been about understanding India's economic growth. I have observed how India has transformed itself from a very slow-growing to a very fast-growing economy – the most recent estimates suggest that India is the fastest-growing large economy in the world. As an economist, I have been trying to understand this, particularly the political economic issues. I think that I have been able to explain in my work why this has been the case – why India, which had been doing pretty badly in terms of economic development, managed to do much better in the 1990s.

What would you say are the biggest challenges for inclusive development in India?

The biggest challenge for India and other countries in the Global South is to provide productive jobs for young people as they move into the labour market after school. More people are getting an education, but they need to get jobs that pay well.

The challenge for India particularly, going through a demographic transition, is that there are a lot of young people entering the job market who aren't going to get the best jobs in the city. For example, information technology pays very well, but there aren't lots of those types of jobs around. The challenge of inclusivity is to provide productive jobs for those

young people who may not have the best degrees but have skills and schooling, and are keen to progress in life.

That's a challenge for India but also for many other countries in the developing world.

How does your research reflect on India's ties with the UK?

In my work, I'm very interested in foreign direct investment and trade. India has been investing quite a bit in the UK. There are several large Indian companies investing, such as Jaguar Land Rover (JLR), but also many others in pharmaceuticals, IT and so on. That is something that certainly has potential to enhance bilateral ties.

The UK has historically been a major investor in India. In both directions, this outward investment can enhance the ties. My strong view has always been that economic ties help in many other dimensions, such as political and social ties.

What specific benefits do you see in the Manchester-India Partnership?

Historically, India had a very strong link to Manchester. Manchester was the centre for the cotton industry, and a lot of cotton came from India. When the textile mills went away, that industrial activity ceased, but the historical legacy remains.

It's important to recover this – India was very important to Manchester for a long period of time, and Manchester was very important to India. I hope that the Manchester-India Partnership finds a way to engage the two once more, but through the new industries. India has expertise in the IT, technological and pharmaceutical industries, while Manchester has the environment for businesses to come and set up their operations here. And it never ceases to surprise me when I go back to India how many doctors, engineers, professionals in science and medicine were trained in Manchester. I believe partnerships like this can help us build on that link.

How is Brexit likely to impact the India-UK dynamic across sectors?

I think Brexit will have mixed effects on the India-UK dynamic. An India-EU trade agreement has been discussed now for several years but has simply not moved at all, due to various reasons. For example, there are sensitivities on the European Union (EU) side around labour standards, while India has wanted access to the services sector in the EU.

That agreement has been going nowhere, which suggests that Brexit

might give the UK a good chance to have its own bilateral agreement with India. The UK is more pragmatic about some of the issues that India is particularly concerned about – for example, the UK has many Indian professionals working in its IT sector.



THE CHALLENGE FOR INDIA PARTICULARLY, GOING THROUGH A DEMOGRAPHIC TRANSITION, IS THAT THERE ARE A LOT OF YOUNG PEOPLE ENTERING THE JOB MARKET WHO AREN'T GOING TO GET THE BEST JOBS IN THE CITY.

The potential opportunities for trade and services between India and the UK would be one positive. The other positive might be, and this remains uncertain, that if the UK moves away from the EU common market, there might be more opportunity for skilled migration of Indian service professionals from India to the UK.

Having said that, some economists believe that Brexit could lead to a fairly sharp downturn in the UK's economy for some time, which could make the UK less attractive to skilled professionals and students.

Therefore, there are potential positives and negatives for the India-UK dynamic.

Tell us about ESID's collaboration with the Institute of Economic Growth in India.

The Institute has been a partner from the very beginning of ESID in 2010-11. It organised a workshop that brought together our global partners and really shaped how we approach our research. Links such as these are central to our work on economic growth.

One important thing that Indian partners can provide is local knowledge, ownership and insights that universities elsewhere in the world might find difficult to access. That is one aspect of it. But another is the

policy reach. Local partnerships really help to translate the research into policy. That is one way in which our links with the Institute of Economic Growth in India have really helped – they take the research to local policy-makers. They can show us how to do this, which is really valuable. They have the knowledge, expertise and experience in this that may be lacking in other countries.

How does being a global Indian impact your professional life?

I completed my under-graduate and Master's in India, then studied for my PhD in the US, before heading back to India. After working in Australia and New Zealand, I took up a job at the University of East Anglia before moving to Manchester in 2006. Being a global Indian allows you to understand your own country much better. As I work many miles away, I can understand its problems and challenges, and understand it in a 'big picture' way. For instance, I am able to see that the problems and challenges India has are not that different from those experienced in other parts of the world.

How do we advance on #PressforProgress?

by Lord Loomba

The Founder of Loomba Foundation explains why he is championing gender parity across all sectors around the Press for Progress theme of this year's International Women's Day.

The recent World Economic Forum's 2017 'Global Gender Gap' report has exposed shocking results stating that gender parity is over 200 years away. There has never been a more important time to take this issue up and keep motivated for #PressforProgress. And while we know that gender parity won't happen overnight, one could remain optimistic about the growing global movement of advocacy, activism and support.

It was for this reason that I participated in an important debate initiated by Baroness Williams of Trafford at House of Lords on March 8, marked as International Women's Day to drive gender equality forward and utilise the momentum of mass media coverage to push for change globally, in all countries, at all levels and within all spheres of life.

Over the years we have been talking about gender inequality, the pay gap, domestic violence, human trafficking, modern-day slavery and sexual abuse against women and girls in areas of conflict by the powerful against the powerless. These are all uncivilised and barbaric practices that we are grappling with even in the 21st century.

A report published by the United Nations last year stated that gender inequality persists worldwide, depriving women and girls of their basic rights and opportunities. One of the key areas that a lack of progress affects is the United Nations Sustainable Development Goals (SDGs) that our government are firmly committed to delivering, both at home and around the world. To ensure that we deliver on SDGs, there is a need for more than just the Department for International

Development (DfID) covering these points: there needs to be some coming together between the various organs of government to facilitate a cohesive process that keeps the commitment on track both at home and abroad.

The Independent Commission on Aid Impact monitors DfID's work and highlights areas of concern or where aims are not met. However, surely for something as important as the SDGs, which affect both home and abroad, there should be some form of consolidated approach from all departments in government. This is particularly so for goal No. 5, which aims to: "achieve gender equality and empower all women and girls".

It has nine target areas. One area of huge concern, which affects many women, girls and widows, is violence against women and girls, including

widows. The target is to “eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.”

Though the fight continues to educate and empower women and girls, the issue of widowhood remains underrepresented and unaddressed. Millions of widows suffer social marginalisation, higher susceptibility to disease, the loss of their livelihood or their children and the threat of death, to name a few of the experiences that women and girls across the world must endure as a result of a tragic event over which they have no control—the death of their husbands. Sadly, widows are victims of double discrimination: they are women and they are widows.

These grave injustices are most prominent in the developing world, thus becoming a critical absence in the development agenda. These women and girls have been excluded not only from their own families and societies but from the agendas of development experts and practitioners across the world who devote their careers to ensuring that no one is left behind. Many of these women and their dependants live a vicious cycle of poverty. They are unseen and most certainly left behind.

We have made great strides in alleviating poverty since the inception of the United Nations Millennium Development Goals (MDGs) but not so much with stopping some of the terrible things that happen to women, either in conflict or often in the security of their own home. There needs to be a step change in attitudes; we need to do more at an earlier stage. While we are focusing on the education of girls, 64 million of whom, it is well documented, are not in education globally, perhaps we should turn some of our attention to educating boys and ensuring that the

message gets to them at an early age about what is and is not acceptable behaviour.



A Loomba Foundation project

THE TARGET IS TO ELIMINATE ALL FORMS OF VIOLENCE AGAINST ALL WOMEN AND GIRLS IN THE PUBLIC AND PRIVATE SPHERES, INCLUDING TRAFFICKING AND SEXUAL AND OTHER TYPES OF EXPLOITATION.

It is really and truly only by bringing the other half of the population on board that we will make real progress. The UN, in collaboration with the EU, has initiated the Spotlight Initiative, which aims to eliminate all forms of violence against women and girls, shining a light on these issues in order to make change happen. I asked the House of Lords if this is something that DfID is also involved in?

To press for progress is a huge challenge, considering how slow the real progress has actually been. Last month, to commemorate 100 years since the first Act of Parliament to allow certain women the vote, many

peers in the Lords, myself included, lamented the slow progress that we are making to ensure that women's voices are sufficiently heard at the highest level. As we noted in that debate, women still have not gained equality in this House and the other place.

With the recent revelations about pay inequality at the BBC, it would appear that we are only paying lip service to real gender equality. If we are to truly make progress, we need to set an example—if we cannot do it ourselves, how can we ask others to do it? We really must get our own house in order first and ensure that there is gender equality here to improve matters for women and for their complete participation in the democratic process.

Alongside this, we must bring in better education for boys, so that they fully understand and take on board the message, to allow real change and make real progress.

I have questioned the government on steps it would take to stop paying lip service and do deeds, to press for progress for gender equality here and abroad. If we are to truly make progress, we need to set an example. If we cannot do it ourselves, how can we ask others to do it?

We really must ensure that there is gender equality here in the UK, to improve matters for women and for their complete participation in the democratic process.

Lord Loomba is Founder and Chairman Trustee of the Loomba Foundation, a UN accredited global charitable organisation which campaigns for the rights of widows and their children around the world



UK-US tie-up creates largest Indian genomics project

by India Inc. Staff

A new multi-year collaboration between a UK-based genomics data platform and an American genetics company is set to create the world's largest project of its kind to study Indian populations.

Global Gene Corp believes its tie-up with US-headquartered Regeneron Genetics Center (RGC), a wholly-owned subsidiary of New York based Regeneron Pharmaceuticals Inc, is aimed at finding innovative diagnosis and therapies for rare diseases.

"We believe that genomics will help India to achieve a paradigm shift in healthcare," said Deepak Bagla, Managing Director and CEO of Invest India, the country's investment promotion and facilitation agency which is supporting Cambridge-headquartered Global Gene Corp to build world-class capabilities in Mumbai and Ahmedabad.

Invest India said the latest collaboration marks a step forward in the Indian government's "Healthcare for All" plans, particularly with the Ayushman Bharat initiative announced by Prime Minister Narendra Modi.

"Genomic technology is important to achieve this mission. This investment by Global Gene Corp and Regeneron will create infrastructure, jobs and opportunity for the future in India," Bagla noted.

Genetic revolution

Genetic evidence has revolutionised scientific discovery and drug development in recent years by providing clear links between certain

genes and disease. Sumit Jamuar, Chairman and CEO of Global Gene Corp, explained that this "genomics revolution" is crucial to the delivery of improved healthcare for all. His company is working to solve the problem of genomic data bias – where 81 per cent of genomics data comes from Caucasian populations of European ancestry; India with 1.3 billion people represents 20 per cent of the world's population, yet its population contributes less than 1 per cent of genomic data and insights.

"We are proud that we are collaborating to create the largest programme in India to generate genomic understanding of populations in the Indian sub-continent. We

are delighted to be partnering with the RGC as we have a shared commitment to improve the lives of patients,” Jamuar said.

The new tie-up with RGC will sequence the exomes of people from the Indian subcontinent in order to gain insights into allelic (alternative forms of genes) architecture and specified diseases. Genomic sequencing data generated by the RGC will be paired with de-identified medical records from consenting patients to examine links between human genetic variations and disease in these populations.

“A deeper understanding of the genetic architecture and disease burden in populations throughout the Indian sub-continent will enable the identification of novel genes associated with many rare and common diseases, potentially facilitating therapeutic development, diagnosis and delivery of precision medicine,” said Alan Shuldiner, Managing Director, Vice-president and head of Founder and Special Populations at RGC.

He believes the centre’s “extraordinary highthroughput automated gene sequencing and data analysis capabilities” present a great opportunity in India and other under-explored populations.

Facts & figures

According to figures collated by the companies, currently an estimated 90 per cent of potential medicines entering clinical trials fail to demonstrate the necessary efficacy and safety, and never reach patients. Many of these failures are due to incomplete understanding of the link between the biological target of a drug and human disease. By contrast, medicines developed with human genetic evidence have had substantially higher success rates and patient care has benefited.

Exome sequencing records every letter in the DNA of the exome, the 1-2 per cent (30 to 40 million basepair letters) of the genome that encodes all known proteins and that is believed



Sumit Jamuar, CEO - Global Gene Corp

to have the most direct relevance for therapeutic development and understanding of inherited disease.

THE NEW TIE-UP WILL SEQUENCE THE EXOMES OF PEOPLE FROM THE INDIAN SUBCONTINENT IN ORDER TO GAIN INSIGHTS INTO SPECIFIED DISEASES.

Global Gene Corp was set up with a vision to democratise healthcare through genomics. It is focused on building a longitudinal, genomics data foundation and insights for under-explored patient populations in Asia, Middle East, Latin America and Africa. The company’s research and development facility is located in the Wellcome Genome Campus in Cambridge, UK, with offices in Boston, Singapore and India.

The goal

Most of the worldwide genomic data available to researchers is from people of European heritage. India is home to 1.3 billion people and represents 20 per cent of the world’s population, yet less than 1 per cent of the world’s genomic data comes from the subcontinent.

Studying Indian genomes could uncover unique genetic risk factors for diseases and explain why some ailments occur more or less often in Indian populations than in westerners. It could also help identify new or better drugs.

While the exact number of Indian genomes to be sequenced over the next few years remains unknown, the new project is devised on the scale of Genomics England, which aims to sequence 100,000 people’s genomes in the UK. The DNA sequences generated from the Indian effort will be paired with people’s medical records to look for genetic links to disease.

India can lead the way for data security

New Indian data protection law should set the standards for the rest of the world.

Even as Indian politicians engage in a no-holds-barred fight over security of personal data in the custody of the government and political parties, a far more serious discussion is underway — away from the arc lights — on ensuring and enhancing the security of private data in India.

The political debate is partisan and ill-tempered and analysing it here will serve little purpose. Instead, we take a closer look at the issues involved and try to arrive at the best option for India.

At a time when protectionism in the US is reducing outsourcing opportunities across the world and particularly in India, the importance of ensuring data protection and privacy is gaining importance very rapidly. Since comparative advantage ceases to exist in a truly globalised world, companies are left with only their intellectual property as an advantage over their competitors.

And it is here that many large US and European companies have genuine concerns about the quality of data security and levels of privacy protection in India compared to the level of protection afforded by the UK's Data Protection Act, for example. According to a Forrester Research Survey of 2013, 64 per cent of 99 large companies said they did not outsource really sensitive work across national borders out of privacy and data protection concerns.

And this, in turn, means a lost opportunity worth potentially hundreds of billions of dollars for banking, insurance and healthcare companies in the West and outsourced service providers in India.

Privacy has been a buzz word in India ever since the Narendra Modi government decided to make Aadhaar linkage mandatory for access to a host of government services. Aadhaar

is a unique identity number issued to all Indian residents based on their biometric and demographic details, somewhat akin to the US social security number.

With billions of bits of individual data points being shared with government and other agencies, it follows that laws must be put in place to govern the use of this data and protect it from misuse.



WITH BILLIONS OF BITS OF INDIVIDUAL DATA POINTS BEING SHARED WITH GOVERNMENT AND OTHER AGENCIES, IT FOLLOWS THAT LAWS MUST BE PUT IN PLACE TO GOVERN THE USE OF THIS DATA AND PROTECT IT FROM MISUSE.

At present, data protection in India is governed by the Information Technology Amended Act (ITAA) 2008 rather than specific and comprehensive data protection legislation. The provisions of this Act are considered loosely worded and fail to define sensitive data and as such leaves too many loopholes open.

The European Union (EU) is considered to have the most comprehensive data protection laws in the world. The protection of personal data is a fundamental right in the EU under Article 8 of the Charter of the Fundamental Rights of

the European Union. The law states that in case of cross-border flow of information, an individual's privacy and freedom should be maintained at all levels by processing such data in member states. Its Directive 95/46/EU on data protection says any individual whose data has been leaked is entitled to be paid compensation by the data controller.

The government has appointed a committee headed by Justice B.N. Srikrishna to suggest ways of framing such rules. The panel is expected to present its report in May, newspaper reports suggest. We must hope that this is not a missed opportunity.

India can claim the high moral ground by benchmarking its proposed privacy and data protection law against the EU regulation. This will give comfort to global investors in the US and the EU and encourage the outsourcing of work that has hitherto been considered too sensitive for cross-border transmission and processing.

The Indian Supreme Court, in a far-reaching judgment on August 24, 2017, has already declared privacy a fundamental right. So, any new law on data security will have to take this into account.

These two elements — the EU privacy template and the Supreme Court ruling — can form the basis of an Indian data protection regime that sets the standards globally. India must also give importance to implementation and monitoring, using cutting edge systems and highly trained personnel.

But given the Indian Prime Minister's instinctive grasp over technology and his single-minded devotion to make India the flag-bearer of all the right things, there is hope that the law, whenever it comes, will satisfy even the most trenchant critics. That can only be good for India, its citizens, and global business.



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