

# INDIA GLOBAL BUSINESS

UK Edition



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The UK Edition of 'India Global Business' focuses on India's potential diplomatic heft within the Commonwealth as the organisation marks Commonwealth Day 2020. An analysis of the long-term impact of the coronavirus crisis on the Indian economy and in-depth features across different sectors make up the rest of the package.

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# India's voice matters in the Commonwealth

**C**ommonwealth Day 2020 once again throws the spotlight on this 54-nation organisation of countries with a historical connect with the British Empire. At the last Commonwealth Heads of Government Meeting (CHOGM) in 2018, Indian Prime Minister Narendra Modi had committed India to the capacity building of small island developing states as a particular area of interest.

He doubled India's annual contribution to the Commonwealth Fund for Technical Cooperation (CFTC) – from £1 million to £2 million – and to the Commonwealth Small States Offices in New York and Geneva to enhance the common pot of funds available for these countries. The Commonwealth Secretariat has been able to make good use of these funds to address the needs of its small state members. Some early discussions are also reportedly in play for India to donate to the Commonwealth Secretariat directly towards its goal of assisting these states. Such funding, possibly around \$20 million annually, would not particularly dent India's budgets but would have the immense diplomatic play of India being seen as the single-largest donor to the Commonwealth.

India had also unleashed some so-called cricket diplomacy with a "Peace at the Crease" initiative for the youth of Commonwealth countries to train in India, which has also gathered momentum over the past couple of years.

As preparations for CHOGM 2020 get underway for Kigali in June, where Rwanda will take over the two-year Chair-in-Office from the UK, it is the right time for India to take its Commonwealth diplomacy to the next level.

## Oil price crash positive for India

**T**he Indian economy just received a leg up from a most unexpected source – a crash in global crude oil prices to \$30-35 per barrel. Since India imports about 1.5 billion barrels of oil per annum, every \$1 per barrel decline leads to savings of \$1.5 billion. At current prices, India can expect to save \$15.20 billion on its oil import bill. This will help keep the fiscal deficit, current account deficit and inflation in check and lower input costs for a host of industries. This should provide an impetus to the country's growth trajectory.

In even better news for large oil consumers – India is the world's third largest – Goldman Sachs expects crude prices to drop further to about \$20 per barrel. This will result in more substantial savings

on India's oil import bill and bring cheer to mandarins in the Indian Ministry of Finance.

But if the low crude price regime continues for long, it could impact India in multiple and unpredictable ways. A low-price regime will render the US shale oil sector unviable and cause large-scale defaults of bank loans and financial papers in the US and in Western Europe. This, in turn, could cause panic in financial markets and cause an outflow of money from emerging markets like India to safe havens such as the US.

Further, if the fall in prices persists, it could also lead to a rethink by Saudi Arabia and the UAE on their plans to invest \$100 billion each in India's infrastructure sector.

But in the short to medium term, the effect will be overwhelmingly positive.



## Skill India Mission important for FDI

**I**ndian Prime Minister Narendra Modi's pet flagship scheme, Skill India Mission, is the world's largest programme to impact vocational skills is still a work in progress. Following reviews that showed less than satisfactory outcomes, the government decided to make some alterations to the fundamental architecture of the scheme – mainly by replacing subsidies with incentives to facilitate private sector participation.

Any initiative to train, and in many cases reskill, a workforce of 500 million people will always face teething problems; that is a given. What is encouraging is that the government is willing to learn the right lessons from past experiences and take corrective actions. This is very important as the skilling programme is crucial for the Modi government's Make in India programme, which envisages positioning India as a factory to the world, a la China, and critical to the more immediate plan to attract a significant portion of the potential hundreds of billions of dollars' worth of FDI that has already begun looking for a new home following the move by western, Japanese and South Korean companies scout for alternatives to China following the US-China trade war and the outbreak of the coronavirus pandemic.

As several studies have shown, India lacks a sufficiently large base of skilled manpower to support its manufacturing ambitions and Skill India Mission is an opportunity to rapidly bridge the skills gap. It is good that the Government of India has involved the World Bank in rolling out this programme as its presence will provide comfort to foreign investors who might otherwise be skittish about training outcomes and certification procedures in India.



Prince Charles and Commonwealth Secretary-General Baroness Patricia Scotland at the Commonwealth Day Reception 2020 in London.

# A voice that matters in the Commonwealth

by India Inc. Staff

Against the backdrop of Commonwealth Day 2020, India's considerable heft within the 54-member organisation has never been more pronounced.

**T**he Commonwealth is made up of 2.4 billion people, with 60 per cent of that population under the age of 30, reflecting an attractive demographic dividend. Crucially, of those estimated 1.4 billion young people, 1.2 billion are India.

“India is a hugely important member of our Commonwealth. If you look at the power that India represents in this new Commonwealth, it is considerable, not least because India has for many years been seen as a fast-developing country which has rapidly invested not only in the human capital of India but also in technology and innovation,” says Baroness Patricia Scotland, the Secretary General of the Commonwealth Secretariat – the London hub of the 54-member association.

## Highlights

- India's proactive role within the Commonwealth has been gaining ground even as the UK, New Zealand and Australia seem to be pulling in the other direction.
- PM Modi has doubled India's annual contribution to the discretionary Commonwealth Fund for Technical Cooperation to assist smaller member-states.
- Another area where India is making an impact is in its *jugaad* or frugal innovation in tackling global challenges such as climate change.

## Small states

In 2018, at the last Commonwealth Heads of Government Meeting (CHOGM) in the UK, which holds the current two-year Chair-in-Office, Indian Prime Minister Narendra Modi had committed India to the capacity building of small island developing states, which is a large membership of Commonwealth, as a particular area of interest.

He doubled India's annual contribution to the Commonwealth Fund for Technical Cooperation (CFTC) – from £1 million to £2 million – and to the Commonwealth Small States Offices in New York and Geneva to enhance that common pot of funds available for these countries.

The Commonwealth Secretariat has been able to make good use of these

**INDIAN PRIME MINISTER NARENDRA MODI HAD COMMITTED INDIA TO THE CAPACITY BUILDING OF SMALL ISLAND DEVELOPING STATES, WHICH IS A LARGE MEMBERSHIP OF COMMONWEALTH, AS A PARTICULAR AREA OF INTEREST.**

funds for these states, which may not always be classed as low-income but can find themselves in dire financial straits due to a sudden climate emergency, such as recent hurricanes in Guyana and Dominica.

Crucially, India has made its Overseas Development Assistance (ODA) available to such countries based on their needs rather than characterisation.

said, adding that it feeds into the great level of inter-operability within the Commonwealth that shares a common language, law and institutions.

Besides its jugaad, India had also unleashed some so-called cricket diplomacy with a “Peace at the Crease” initiative for the youth of Commonwealth countries to be able to get cricket training and that

Some early discussions are also reportedly in play for India to donate to the Commonwealth Secretariat directly towards its goal of assisting the smaller states. Such funding, possibly around \$20 million annually, would not particularly dent its budgets but would have the immense diplomatic play of India being seen as the single-largest donor to the Commonwealth.



**Jugaad**

Another area where India’s contribution is making a particular impact is in its jugaad or frugal innovation in tackling global challenges such as climate change.

Baroness Scotland, who was recently in India on an official visit, said she was fascinated by the new “technically switched on” India, which is inspiring other countries with its innovations.

“Many of the developing states look at that jugaad and see if something can be developed for a dollar-per-citizen in India, that is something which is within my reach also,” she

initiative has also gained momentum over the years.

**New avenues**

Among some of the new plans under discussion include a potential fund named after Sardar Vallabhbhai Patel, India’s first Home Minister credited with implementing the vision of a united independent India. A Sardar Patel Good Governance Innovation Fund, where India could share some of its wisdom and creativity with the rest of the Commonwealth as well as a new peace fund for India to take the lead as a force for peace within the organisation are among some of the more tangible projects in the pipeline.

**Turbulence**

And, India’s proactive role has been particularly pronounced at a time when the UK recently joined New Zealand and Australia to withhold its 2019-20 discretionary contribution to the CFTC over alleged mismanagement.

The Commonwealth Secretariat has denied any irregularities and stressed that all the recommendations of an internal audit report have been implemented.

“The follow up audit, in April, will test and verify this position. We hope that the withheld discretionary funding, which is for the Commonwealth Fund for Technical Cooperation, will then be reinstated, allowing the Commonwealth to continue delivering vital work on behalf of member countries,” the Secretariat said.

However, while the UK has set a



## What is Commonwealth Day?

Commonwealth Day is celebrated in the second week of March every year and brings together representatives of the 54 member countries previously part of the British Empire. In 2020, that day fell on 9 March. The celebrations are led by Queen Elizabeth II as the Head of the Commonwealth and involve multi-faith ceremonies.

This year has been a tumultuous one for the organisation, with its London hub – the Commonwealth Secretariat – battling allegations of mismanagement.

It took a particular hit when the UK government joined Australia and New Zealand to withhold funding from the Commonwealth Fund for Technical Cooperation (CFTC) for the 2019-20 financial year. Besides the UK, Australia and New Zealand, it is India and Canada who are the main financial contributors to the CFTC – a voluntary input used for funding important development projects within the Commonwealth's member countries. According to the Indian Ministry of External Affairs (MEA), India is the fifth-largest contributor to the CFTC, with an annual contribution of around £1 million. India, the largest country within the Commonwealth, has so far kept a distance from the controversy, which has put a question mark over Patricia Scotland's second term in office as the Commonwealth Secretary General – due for renewal in June 2020.



## CHOGM 2020

The Commonwealth Heads of Government Meeting (CHOGM) is an important summit held once every two years, last hosted by the UK as the Chair-in-Office in London in April 2018. Indian Prime Minister Narendra Modi made a high-profile visit to the UK to attend the CHOGM, during which India doubled its contributions to some key Commonwealth bodies to promote the organisation's sustainability agenda.

Besides a focus on support for small island developing nations of the organisation and delivering "demand-driven, rather than donor-driven" assistance to the organisation's smaller member states, India also embarked on some cricket diplomacy by offering young boys and girls from member countries the chance to train in India.

CHOGM 2020, scheduled to be held in Kigali, Rwanda, is also expected to have a high-profile Indian presence.

"number of conditions" before that funding resumes, India as one of the key contributors to the fund has remained conspicuously silent during the controversy.

### Kigali 2020

The next CHOGM, to be held in the Rwandan capital of Kigali in June, will determine much of the future course of action. Not only is Baroness Scotland's second four-year term set to be determined by the Heads of Government but also the direction for an organisation with its roots in an erstwhile Empire.

Ashok Malik, the Policy Advisor in India's Ministry of External Affairs (MEA), recently said he was "fairly optimistic" about the next CHOGM.

"We would like to work more with the Commonwealth and within the Commonwealth. We want the Commonwealth to succeed and we're happy to do our bit," he said,

highlighting areas such as technology, innovation, education, capacity and skill building, gender and diversity, youth, sustainability and renewable energy as a particular focus of Prime Minister Modi.

"The Commonwealth has a lot to share from many countries and India has a lot to share and give," he said.

### Global family

And, most recently, it was in the Maldives being readmitted to the fold in February 2020 that India's quiet diplomacy was at play within the grouping. The republic had quit the Commonwealth in 2016 after being threatened with suspension over its human rights record and lack of progress on democratic reform. Its re-application was backed by India in recognition of the reform process underway under President Ibrahim Mohamed Solih.

It forms part of India's focus on

small states and, as the Secretariat categorises it, India's helping hand for members of a family who are vulnerable and in need of assistance.

Baroness Scotland believes the organisation is just like any family, where you may not always get on but you do get together around the table regularly for the greater good.

"The Commonwealth is a neglected gem been handed down through the generations which they have accepted as part of their history but hadn't really understood that this was the foundation for their future. It is starting now to come alive," she declares.

However, that uncomfortable colonial history associated with the Commonwealth is also a reality that casts a shadow and India may just be able to provide the kind of reinvigorating leadership that helps refocus minds.

THE BIG INTERVIEW

# India is poised to become an engine of growth for the world economy

In an exclusive interview with 'India Global Business', Punit Renjen, CEO, Deloitte, discusses why he's so optimistic about India's future.



**T**o quote you, what are some of the reasons behind being "optimistic about India's future" and economy?

Personally, I am very bullish on India's future and economic potential and believe it is on the cusp of an economic transformation – it is poised to become an engine of growth for the world's economy.

And, it's my opinion that the country has the potential to realise its aspiration of achieving a \$5-trillion economy in the near future. Deloitte is pleased to be a part of achieving this aspiration by helping to provide the processes and systems that build and sustain a maturing economy.

I believe that foreign direct investment, for which India is the last large untapped prospective economy, is critical to success. The professional services industry plays a crucial role in this area as foreign companies typically depend on our industry for the trade facilitation and due diligence that contribute to decisions on FDI. In return, foreign investors and their advisors play a key role in selling the India story abroad, providing confidence and reassurance to other investors.

I'm confident that as India continues to address necessary reforms to improve its business climate, those measures will only further bolster its economic growth potential over the long term.

**What is the expected nature and sweep of the 75,000 Indian jobs planned over three years?**

As I mentioned when I was with Prime Minister Modi recently, the potential of India's economic growth coupled with the Fourth Industrial Revolution (Industry 4.0) and our commitment towards sustainability, calls for a lot more professionals on the job. We are committed to providing advisory services, creating jobs, and training the workforce to support the country's economic base. In fact, we have been part



*'Retail FDI In India,' a report by Deloitte, shows that India is poised to be the third-largest consumer retail destination in the world.*

## **FOREIGN DIRECT INVESTMENT, FOR WHICH INDIA IS THE LAST LARGE UNTAPPED PROSPECTIVE ECONOMY, IS CRITICAL TO SUCCESS.**

of India's growth journey for many decades now.

While we plan to bring on around 75,000 new hires over the next number of years, our efforts are also directed towards investing in new service offerings, technology, innovation, and quality enhancements.

**How have professional services transformed in India over time; what are some of the growth areas?**

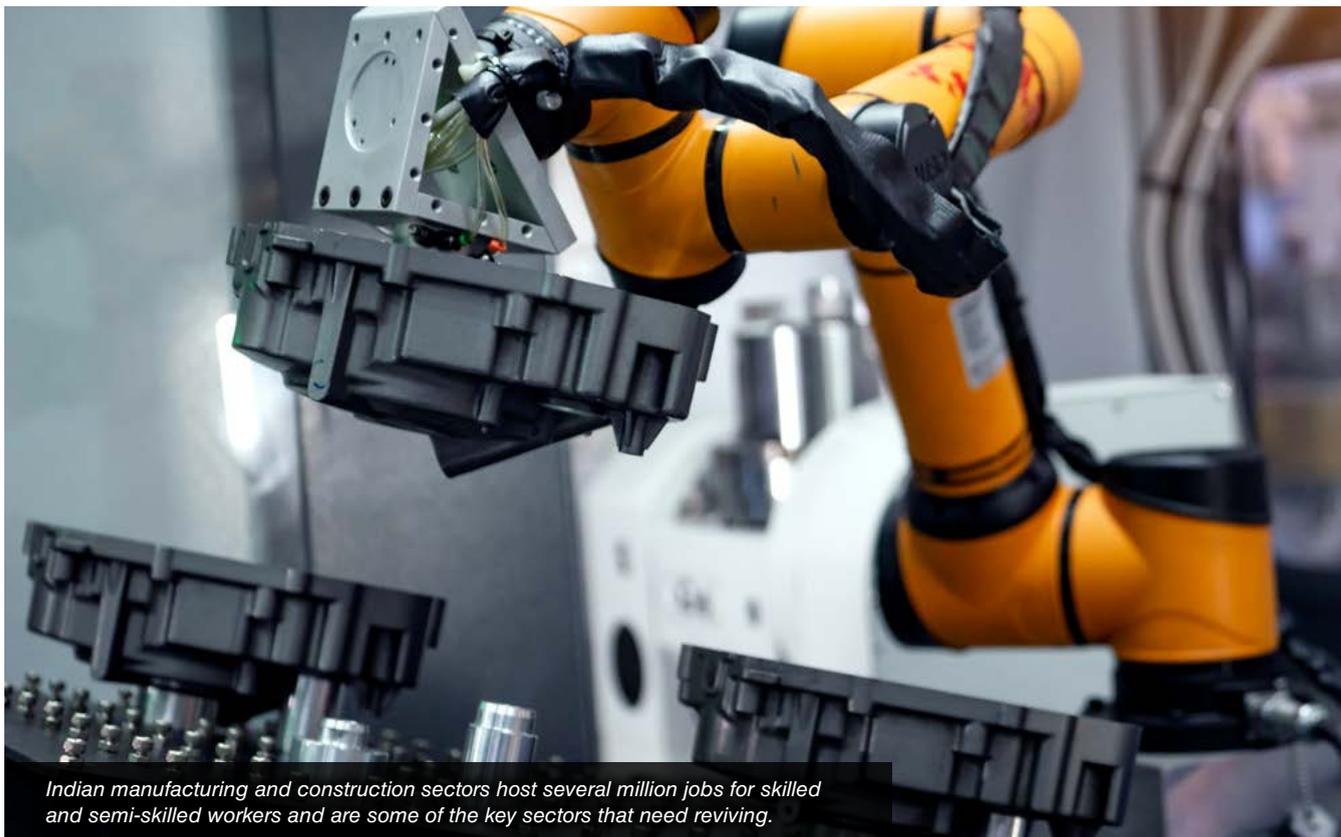
As the professional services industry in India has grown, it has become a major contributor to the economy. I believe our profession will continue to play a big role in helping India achieve its growth ambitions by supporting the foreign direct investment process; assisting governments and regulators in policy framing and economic development activities; advising businesses and identifying growth opportunities; and contributing to community

development. Among them are firms with a global reach that create large-scale employment opportunities and are also some of the biggest exporters of services from India.

I believe, as India contemplates structural changes such as widespread privatisation, global suitors will look to our industry for guidance on these and other factors reshaping the economy.

**What are the key takeaways from Deloitte's latest FDI in Retail report for India?**

Our report lays out a positive outlook as India's strength in the consumer and retail sector continues to show dominance and sustainability. The report found that India's growth is driven by increased disposable income, growing internet access and smartphone usage throughout the country, and a rising number of online shoppers. Furthermore, the number of online shoppers is expected to increase from



*Indian manufacturing and construction sectors host several million jobs for skilled and semi-skilled workers and are some of the key sectors that need reviving.*

15 to 50 per cent by 2026.

As explored in the report, it's a positive development to see the government continuing to provide support by putting in place regulations that act as a platform for companies to tap the consumption potential of India. Recent changes made by the government with respect to the FDI policy in retail, e-commerce, and contract manufacturing provide stimuli to the economy and attract further investments in India.

**What are some of the other sectors to watch out for from an investment perspective?**

India's plan to drive growth back to aspirational levels must have a balanced approach – short-term stimulus measures with structural long-term reforms will build investor confidence and sustain growth momentum.

Among the immediate efforts, I believe the key focus should be to revive the manufacturing and

construction sectors, which host several million jobs for skilled and semi-skilled workers residing, primarily, in rural and semi-urban areas.

**AS INDIA CONTEMPLATES STRUCTURAL CHANGES SUCH AS WIDESPREAD PRIVATISATION, GLOBAL SUITORS WILL LOOK TO OUR INDUSTRY FOR GUIDANCE ON THESE AND OTHER FACTORS RESHAPING THE ECONOMY.**

One of the biggest reasons for consumption slowdown in recent years is poor rural income growth, and job creation in these sectors will create income opportunities and drive consumption. The government already has the ball rolling in this direction by announcing investments in infrastructure. It now has to ensure that the drive gains momentum in the months ahead through quick implementation and regulatory and

environmental clearances.

**Is doing business in India getting easier?**

Yes, because India has successively worked toward improving the business environment in the country through regulatory reforms and assistance. As per the World Bank's Doing Business Report 2020, India moved to the 63rd position from 130th in 2016. This is impressive as the country has improved its ranking by more than 10 spots consecutively for three years.

Yet, there are still actions India can take to continue its progress, including simplifying and integrating legislative approval processes and setting up an independent Ombudsman mechanism at the State level for grievance redress.

As I've mentioned before, I'm confident that as India continues to make necessary reforms to improve its business environment, its economic growth will continue, and its future will know no bounds.

‘The 100 Most Influential in UK India Relations’ is an exclusive list of key influencers that enrich and make the UK-India relationship tick. The list is a result of painstaking research by our expert editorial team and profiles influential people in business, policy, the arts, culture and media.



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# COVID-19 to change how we live, work and govern ourselves

by Manoj Ladwa




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COVID-19 will force businesses and governments to fundamentally rethink. This will have fast, drastic and permanent implications for society, writes India Inc. Founder and CEO Manoj Ladwa.

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**G**erman Chancellor Angela Merkel said the other day that it is possible that around 80 per cent of the German population will suffer from COVID-19 in the coming weeks. Similarly, the UK government has predicted that up to a fifth of its workforce will be off work during the peak of the crisis. Germany is the engine of Europe. The UK, and especially the City of London, is the financial capital of the world. Both these economic powerhouses are now encouraging businesses to consider working from home. In fact, it is likely that at some point soon, this will become mandatory.

Working from home has been a growing trend in recent years, especially in western economies. It has been almost a natural result of better internet connectivity, the erosion of gender stereotypes, with men taking on more household

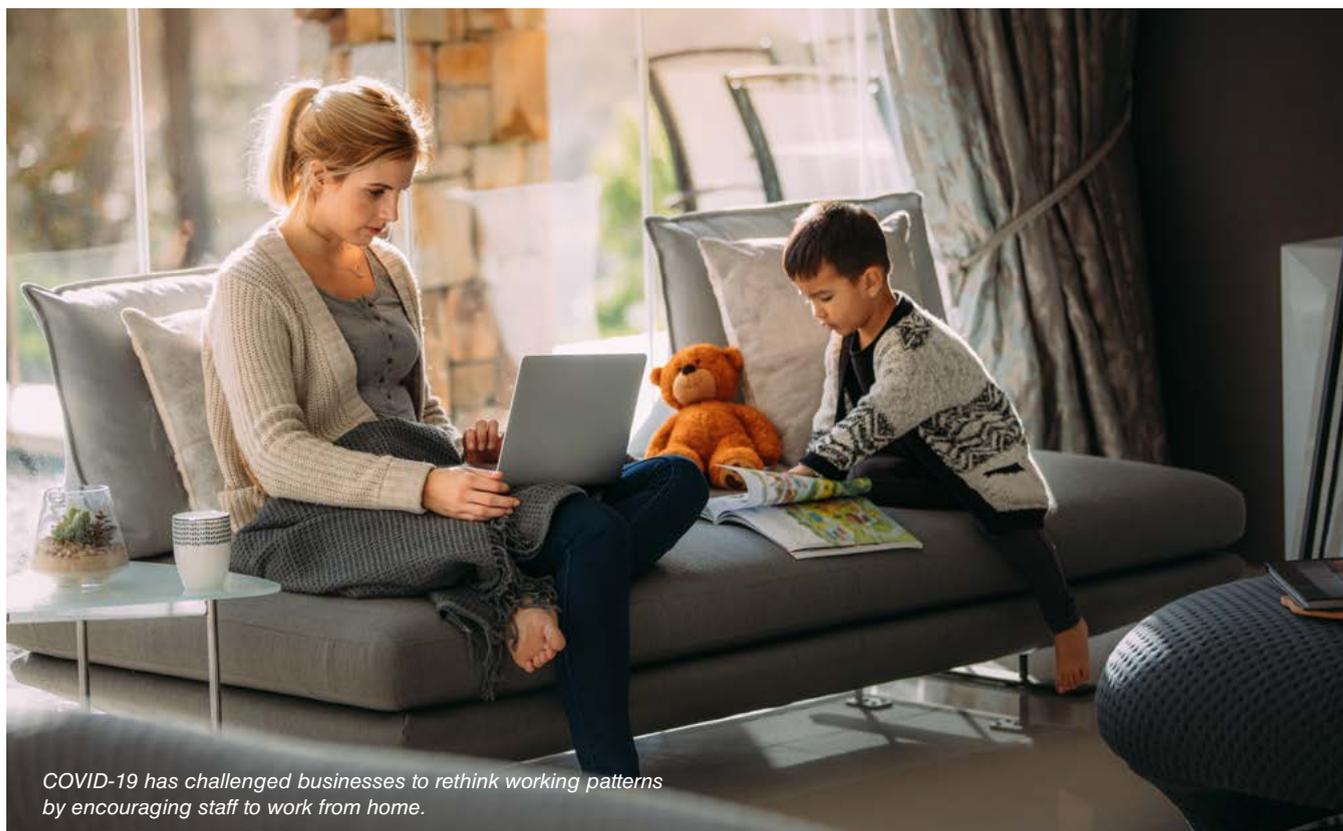
## Highlights

- COVID-19 is forcing companies to fundamentally rethink work patterns and environments, and encourage staff to work from home.
- Companies are looking at virtual meetings as a temporary solution, but it could lead to a spurt in more blended virtual and real-world experiences in the future.
- With the prospect of parliaments and courts around the world having to close, the opportunity for e-governance solutions is very real.

responsibilities including childcare, and a general desire of better work-life balance through flexible working.

But these trends have been broadly organic. COVID-19 is, however, forcing companies to fundamentally rethink and, in many cases, will fast forward what would otherwise have been a natural progression in human behaviour.

For instance, the insurance sector has traditionally been ahead of each curve of a modernising workforce having embraced outsourcing and home working well before most other sectors. Many companies have been experimenting with the next frontier in fintech, which include artificial intelligence (AI) and machine learning (ML). With COVID-19, and a bleak few months (at least) ahead, there could not have been a better time for the age-old English proverb 'Necessity is



*COVID-19 has challenged businesses to rethink working patterns by encouraging staff to work from home.*

the mother of invention' to see a turbo boosting of AI and ML initiatives.

The consequences may be great for consumers, as we have seen in the case of the emergence of some really exciting Challenger Banks. But home working or not, historically, super well-paid professions such as actuarial science, could stand to lose the most and much faster.

Similarly, the exhibitions business will take a huge hit. I understand that one leading UK-based exhibitions and conferencing company, which was about to be taken over by a US private equity firm for a staggering multiple, is now suddenly fighting for its very survival. Some of the fast-thinking events companies are seeing this as an opportunity to launch virtual conferences and enhance delegate experiences through the better use of virtual reality. This will probably only be a temporary fix, but may also lead to a spurt in new, more blended virtual and real-world experiences in this sector.

I foresee a big opportunity for radical and permanent change in the education and healthcare sectors

with more impetus for e-learning and people getting used to accessing healthcare through medtech enabled services. This could have obvious cost-saving benefits and a spurt to these industries.

**COVID-19 IS FORCING COMPANIES TO FUNDAMENTALLY RETHINK AND, IN MANY CASES, WILL FAST FORWARD WHAT WOULD OTHERWISE HAVE BEEN A NATURAL PROGRESSION IN HUMAN BEHAVIOUR.**

With the prospect of parliaments and courts around the world having to close, the opportunity for e-governance solutions is very real and, in my view, very doable. Cyber security platforms will obviously have to raise their game, but the opportunity for more democratisation of governance is immense. The UK government, for instance, will need to rethink quickly whether it wishes to invest billions in new buildings in the

north of England to address regional imbalance, or take a quantum leap of faith and invest in better IT literacy and create e-work opportunities in its regions as an alternative model.

COVID-19 is also challenging businesses with some obvious and not so obvious issues in workforce welfare. The obvious is protecting the health of their staff as best they can, ensuring all health precautions are strictly followed, including the rather awkward 'no handshakes' policy. But what is less obvious is the possible mental health issues that will arise as a result of people being forced to work in isolation, and perhaps without supervision, for protracted periods of time. The risk of technology being the fabled double-edged sword as both an enabler and a divider is high.

There will always be jobs that we can't do or won't do remotely. What COVID-19 does is bring into fast focus what our society of the future could look like. I expect by the end of these horrid few months, we will be much more comfortable with the virtual and the real co-existing, and in doing so will have changed forever the way we live, work, govern, and also play!

# India as a rule-maker, not rule-taker

by India Inc. Staff

**India Inc. Founder and CEO Manoj Ladwa explains why other countries can no longer limit India's place in the world.**



“I don't see a rise of a belief in one's nation and a confidence in one's nation's ambitions as a rejection in any way, shape, or form of a multilateral agenda,” stated Manoj Ladwa, Founder & CEO, India Inc., speaking as an elite panellist at the third WION Global Summit held in Dubai last week.

Ladwa's comments were made during the opening session of the summit titled 'India and the Emerging World: Nationalism, Multilateralism and Creative Diplomacy.'

The discussion featured other eminent panellists such as Ram Madhav, National General Secretary, BJP and Member, Board of

## Some key points made at 'India and the Emerging World: Nationalism, Multilateralism and Creative Diplomacy' session:

- It is in India's interests to pursue a multilateral agenda as well as pursue reform of the institutions which have been failing it.
- Now is the time for India to stake its claim – not as a rule-taker, but as a rule-maker.
- Other countries can no longer limit India's place in the world and that's where India has to ensure that the dialogue continues.

Governors, India Foundation, General Joginder Singh (Retd), former Chief of Amy Staff, India and Air Chief Marshal Pradeep Vasant Naik (Retd), former Chief of Air Staff, India.

“We do need multilateralism,” espoused Ladwa. “We need cooperation on global issues such as climate change, terror and now Coronavirus. So, I think the best way for India to ensure that its nationalism and its national pride is in no way in conflict with the international community is to continue to articulate and, firstly, have self-confidence.

“India's nationalism is not the nationalism of the European past. It is not the brand of nationalism that other countries have espoused. It is the nationalism which is deeply rooted in its culture which subscribes to the age-old view that the world is one family. It is also in India's interests to pursue a multilateral agenda and to pursue reform of the institutions which have been failing us.”

Throwing light upon Britain's separation from the European Union thanks to Brexit, Ladwa argued that, “Britain has recognised that there is a world outside of the European Union and the EU had failed to recognise that these national aspirations must be taken into account as it also evolves. Fundamentally, the EU is not a bad institution, but it has failed to reform. The UN has failed to reform, the World Bank and the IMF have been in a ping pong match between the US and Europe as far as its leadership is concerned. This is the time that India needs to stake its claim – not as a rule-taker, but as a rule-maker.”

Opening the discussion was Ram Madhav, commenting on nationalistic politics taking centre stage not just in India, but the entire world.

**"AS FAR AS INDIA IS CONCERNED, WE HAVE ALWAYS LOOKED AT NATIONALISM FROM THE LARGER, OR MORE BENEFICIAL, OR BENEVOLENT DEFINITION."**



Reminding the audience of the cruel dictatorial regimes of Hitler and Mussolini during World War 2, Madhav stated that, "Nationalism today has started finding its own importance, its own relevance in global thinking. As far as India is concerned, we have always looked at nationalism from the larger, or more beneficial, or benevolent definition. It is for the good of every citizen in your own country, or nation. While as a nation, we will work for the larger good of the world."

On India's firm response to Pakistan, whether it be via surgical strikes, or Balakot, feeding into the nationalistic narrative and thus elevating India's stature globally, Air Chief Marshal Naik stated that, "The most important factor is that within existing rules, there are certain countries who hijack these rules for their own benefit. This throws the whole scenario into chaos. As far as the question of national security is concerned, we are in a global village – therefore, wars are going to be short because the international community is going to step in and ensure that. If one wants to ensure limited gains, then these wars are also going to be more lethal

where the first casualty after human life will be the economy."

Highlighting India's fine balance of protecting national interest while also upholding multilateralism at a time when politics tends to translate into protectionist policies, Ladwa reminded the audience that, "Each year, when the subscriptions of the United Nations are due, India is one of a handful of countries that pays on time and in full. Many countries fail to do that. India has expressed its intent that it respects global institutions and it wants to be a part of it. Asserting its national identity is in no way a statement that India undermines international institutions. But, on closer examination, it is the international institutions that must reform quickly."

Ladwa also put into perspective the recent diplomatic stress points between Turkey-India and India-Malaysia vis-a-vis the Indian government's direction on the Kashmir issue.

"The Kashmir issue is a non-issue," he stated firmly. "What the world actually wants is for India's economy

to grow and India to take its rightful place in the world thereby becoming a part of the role-making process. Indians will account for one-fourth of the global workforce within 15-20 years. Other countries can no longer limit India's place in the world and that's where India has to ensure that the dialogue continues."

The moment, according to Ladwa, has come where, "We must ensure level playing fields between nations – the haves and the have-nots must have an equal stake in the game. That value-based world order is the central point through which we will be able to counter not only China but other ideologies and nations that have a divergent view to something that we hold very closely."

Diplomats, journalists and activists engaged in vigorous discussion across key topics during the day-long summit. Among them were deliberations on subjects such as 'At the Frontline of Climate Change: Climate Wake-up Call and Signals of Hope' and 'Balancing and Recalibrating Pakistan's Diplomatic Strategy: Economy, Security and Internal Political Stability'.



*India's nascent mobile electronics manufacturing sector will be hit the most by the coronavirus outbreak as India imports over 75 per cent of all components from China.*

## Coronavirus outbreak: Short-term pain, long-term gain likely for India

by Arnab Mitra

As summer approaches in both China and India, the chances of the virus outbreak dissipating will brighten. Like all challenges, it will bring significant opportunities.

Investors are feeling skittish and stock markets are getting roiled in the wake of the coronavirus outbreak in China and its spread across the world, including India. But like all challenges, it also brings in its wake significant opportunities. Beyond the short-term pain and medium-term disruptions in supply chains and production schedules, there could also be major gains for India over the longer term.

### Disruptions likely over short to medium term

The Indian industry has only just begun to feel the first hint of pain from the coronavirus crisis. In particular, it will hit India's nascent mobile phone and electronics manufacturing sector as the country imports almost 75

### Highlights

- India's mobile phone and electronics manufacturing sectors have been impacted by the coronavirus outbreak as almost 75 per cent of all components needed by these industries come from China.
- The continuing decline in global crude prices due to the outbreak will help India keep both the fiscal and current account deficits in check.
- Several western and Japanese firms are looking at India to move their global production lines away from China.

per cent of all components needed by these industries from China. Foxconn's plans of ramping up the production of Apple products in India and the plans of South Korean MNC Samsung and its Chinese rivals Xiaomi, Huawei, Vivo and others to expand their Indian operations could be hit in the short to medium term as they will have to cut production if they stop receiving components from China as a result of any disruptions in Wuhan, the epicentre of the coronavirus outbreak, which is also the main centre in China for the production of mobile phones.

India's pharmaceuticals sector, which leads the world in the production of cheap generic medicines, could also be impacted as it receives significant

## THE SHARP AND CONTINUING DECLINE IN GLOBAL CRUDE PRICES WILL HELP INDIAN FINANCE MINISTER NIRMALA SITHARAMAN KEEP BOTH THE FISCAL AND CURRENT ACCOUNT DEFICITS IN CHECK.



*The price of India's basket of crude oil has fallen from \$68 per barrel to \$50 per barrel.*

amounts of intermediates, critical for the production of drugs, from China.

The tourism and aviation sector have already been affected by large-scale cancellations of both inbound and outbound tourism packages. Automobiles, chemicals, infrastructure and films, which either import large amounts of Chinese inputs or depend on Chinese investments or count China as a large market, will also feel the pinch if the crisis lingers.

The good news: as summer approaches in both China and India, the chances of the coronavirus outbreak dissipating will brighten.

### Falling oil prices to benefit India

There has already been one immediate gain for India from the coronavirus outbreak. The price of India's basket of crude oil has fallen from \$68 per barrel to \$50 per barrel. Since India imports 80 per cent of its hydrocarbon requirements and every \$1 change in oil prices increases or decreases India's import bill by

\$1 billion, the sharp and continuing decline in global crude prices will help Indian Finance Minister Nirmala Sitharaman keep both the fiscal and current account deficits in check. This will also benefit the Indian industry as transport costs and the input costs of a range of products will also come down.

### Huge FDI pipeline

A UBS report released in February said a number of western and Japanese companies that want to move part of their global production lines away from China as a result of the US-China trade war and the coronavirus scare are looking at India as an alternative.

The report, based on a survey of 450 top executives between December 2019 and January 2020, found that 76 per cent are considering shifting their factories away from China.

"India continues to be among the top destinations in Asia for manufacturing shift. Trade data confirms market share gains for India in exports to the

US, for tariff-imposed products," the UBS report said.

In particular, Sitharaman's announcement of a tax cut to 15 per cent (17.02 per cent with surcharge and cess) for new manufacturing units has gone down very well with these multinationals. Now, if India can quickly provide some long-term assurances on easing rigid labour laws and the availability of land, it could receive as much as \$175 billion of FDI in its manufacturing over the next 18-24 months.

The telecom industry, which is already seeing a large shift in production lines to India could be the immediate gainer. If some electronics majors also shift base to India, it could lead to the birth, over a slightly longer time frame, of the semiconductor industry in India.

So, like all dark clouds, the coronavirus outbreak could also be hiding a silver lining.

# Are Indian start-ups geared for the Coronavirus pandemic?



by Dr Param Shah

While the virus is predicted to cause economic slowdown and huge losses, some Indian start-ups are seeing this as an opportunity for new products and ideas.

The Coronavirus that is rampaging across the entire country of China, and at this stage, the world, is having a damaging impact on the global economy and businesses. To date, this pandemic has affected 110 countries with total reported cases standing at over a hundred thousand people and has taken the lives of close to 4,000 people. China is said to be an indispensable part of the global businesses and the ripple effect might be rough and lasting.

## Impact of Coronavirus on the global economy

COVID-19 has rattled the global economy. It is being expected that this virus outbreak may slow down global economic growth by 0.2-0.3 per cent in the year 2020. The economic fallout could include recessions in the US, Europe and Japan, the slowest growth on record in China, and a total of \$2.7 trillion in lost output – equivalent to the entire GDP of the UK.

Its effects are now evident on supply chains, along with shutting down the access towards a lucrative consumer market. Even the global stock markets have become extremely volatile and the world is now bracing for an unwanted and unplanned economic slowdown. The impact of this crisis is observed across several supply chains and different industries such as luxury, food, tourism, entertainment, automobiles, clothing and technology.

## Impact on Indian start-ups

While the established and the large



## Highlights

- The impact of Coronavirus is seen across several supply chains and different industries such as luxury, food, tourism, entertainment, automobiles, clothing and technology.
- Cancellation of major trade fairs globally is causing worries to B2B start-ups who rely heavily on trade fairs for lead generation.
- While these setbacks dampen spirits in the ecosystem, some Indian start-ups are seeing this as an opportunity.

organisations are well prepared to handle the financial effects of the coronavirus, it is the small and medium-scale enterprises, as well as the start-ups who might face some significant challenges.

Though India is yet at early stages with the spread of the virus, the impact is clearly visible among the Indian start-ups. Oyo is set to let go about 5,000 people in the wake of the coronavirus outbreak. This is almost 17 per cent of its workforce. Sequoia Capital sent a letter to the founders of its portfolio companies warning that the coronavirus was the 'black swan of 2020' and that they should 'brace themselves for turbulence' by managing their cash well and also prepare plans for supply chain disruptions. With fears of market



*The outbreak has provided a silver lining for some Indian start-ups, like those making surgical masks.*

## **THIS VIRUS OUTBREAK MAY SLOW DOWN GLOBAL ECONOMIC GROWTH BY 0.2-0.3 PER CENT IN THE YEAR 2020.**

downturns similar to 2001 and 2009, Sequoia Capital also warned that they could have a harder time fundraising.

Cancellation of major trade fairs globally is causing worries to B2B start-ups who rely heavily on trade fairs for lead generation. They are estimating that the effects of the slowdown will be visible from Q3 of 2020.

Co-working spaces are also focusing on preventive care to stop infections. Many tech start-ups have already announced work-from-home plans for employees.

While these setbacks dampen spirits

in the ecosystem, some Indian start-ups are seeing this as an opportunity. With the spread of the virus, there has been an acute shortage of surgical masks. Delhi based start-up Nanoclean grabbed this as an opportunity to launch its new product, Nasomask. Since the launch of the new product, the company has done 10 times its usual business. The Nasomask is a N95/FFP2 grade facemask and is specifically designed to protect against contagious viruses.

It is still too early to gauge the complete impact of the outbreak of coronavirus on businesses. However, several companies have accepted the fact that the virus is affecting

their business in varying degrees. Once the infection is controlled from spreading, it would be an uphill task for businesses to restructure and bring back the momentum.

*Dr Param Shah is Director – UK of the Federation of Indian Chambers of Commerce & Industry (FICCI).*

*Disclaimer: The views expressed herein constitute the sole prerogative of the author. They neither imply nor suggest the orientation, views, current thinking or position of FICCI. FICCI is not responsible for the accuracy of any of the information supplied by the author.*

# Cross-border joint ventures on the rise

Indian companies in the fintech and manufacturing space are forming global partnerships to diversify their offerings.

## Capgemini to hire up to 30,000 employees in India



**F**rench tech major Capgemini – which already employs around 115,000 individuals in India – announced plans to recruit up to 30,000 more employees in the country in 2020. The new recruitments will have an equal mix of freshers and experienced personnel.

The company has also taken up re-skilling its employees to prepare them to take over new projects they are receiving from their clients.

From the demographic viewpoint, their employees are very young with over 65 per cent below the age of 30. Out of the company's total strength of employees, more than half are located in India and hence the country is a very important geography for the company's operations.

A bulk of the new employees will be recruited and placed at the company's large facility in Airoli, near Mumbai. Some of the other centres will absorb the rest.

## Oricon Enterprises in JV with Tecnocap Group



**I**ndian packaging products maker Oricon Enterprises entered into a JV with Italy's Tecnocap Group to set up a new company, Tecnocap Oriental, for manufacturing lug caps. The company's manufacturing facility will be located at Murbad in Maharashtra's Thane district.

Oricon Enterprises, the flagship company of Mumbai-headquartered Parijat Enterprises, is into manufacturing and marketing packaging products comprising crown caps, plastic closures, rollover pilfer proof caps, twist-off caps and aluminium collapsible tubes, pre-forms, liquid colourants and petrochemical products.

Michelangelo Morlicchio, CEO, Tecnocap Group, said: "This partnership enables us to jointly leverage our synergies to provide state-of-the-art packaging solutions to Indian customers."

## RBL, Zomato, Mastercard launch co-branded credit cards



**F**ood delivery app Zomato, Mumbai-based RBL Bank and global payments giant Mastercard plan to jointly launch co-branded credit cards that will help the online food delivery platform to further cement its position in India's dining market by offering benefits such as Zomato credits on purchases, and increase the reach of its flagship membership program Zomato Gold.

In the first 24 months, RBL, and Zomato are aiming to issue 1 million credit cards to Zomato's users in India. The move is made keeping in mind the growing popularity of dining out among India's urban millennials who are increasingly using apps to order meals.

Utkarsh Saxena, Products - Credit Cards Head at RBL Bank, said that online food delivery is a growing trend and RBL's strategic partnership with Zomato represents an opportunity to offer an innovative experience to customers.

This partnership will help RBL strengthen the scale of operations in its credit cards business and will help Zomato and Mastercard to access a large untapped customer segment leveraging RBL's scale.



Persecuted minorities celebrate after receiving citizenship via the CAA.

# India should be held to the same standard as other democracies

by Dr Ishita Mandrekar

Ashok Malik, Policy Advisor, MEA, believes that recent initiatives of the Indian government have been misunderstood and misconstrued.

India has emerged as the fifth-largest economy in the world, outpacing the UK and France. Its potential as a long-term investment destination has been hailed by emerging markets guru Mark Mobius and industry leaders such as Punit Renjen, Global CEO, Deloitte. In addition, the global ratings agency Standard & Poor's new projections affirmed that India's economy looks bright.

Yet, through the rollercoaster of economic and policy reforms, there is one challenge that India still continues to address: its image on the global stage.

Speaking to 'India Global Business' on the sidelines of the Global Dialogue Series, Ashok Malik, Policy Advisor for the Ministry of External Affairs, India examined some of the queries brought up by the audience at the event.

Malik admits India has an image problem, stating, "it is undeniable in a week where we've had violence in Delhi. It is obvious that some of the underlying issues have to be addressed."

The recently passed Citizen Amendment Act (CAA) has attracted divisive reaction both domestically

## Highlights

- The divisive reaction on the CAA both domestically and internationally stems from "misunderstanding and misinterpretation of some of the recent initiatives of the government which have been misconstrued."
- The western media has been almost singular in its coverage, with few publications or critics delving into the historic context or even the complexity of the problem.
- "All countries follow subjective criteria and different timelines when it comes to granting citizenship. At the bare minimum, India should be held to the same standard as other democracies."

and internationally, fanned further by the western media.

Malik argues, however, that it stems from "misunderstanding and misinterpretation of some of the recent initiatives of the government which have been misconstrued.

"The CAA is being seen as making people lose their rights when actually, it is giving stateless people rights and formalising their process of naturalisation.

"India has a long history of stateless people. The plight of some of those people is being addressed through



this mechanism. There are others who are not being addressed by this mechanism who will also need to be attended in some form or the other at some point. But what is being done is to address part of the problem because the pathway to naturalisation in any country is subjective and criteria based. It's not for everyone.

**INDIA IS NOT THE FIRST COUNTRY TO HAVE A REFUGEE POLICY FOR PERSECUTED MINORITIES BASED ON RELIGION. A FACT MOST WESTERN PUBLICATIONS HAVE CONVENIENTLY LEFT OUT.**

That doesn't mean that those who are stateless and resident in the country will be treated badly or denied all rights, just that they cannot be granted citizenship automatically."

Malik is referring here to India's long struggle with illegal immigration, which can be traced as far back as the Partition of 1945. The 2011 census showed that around 5.5 million people in India had reported their last residence outside the country which is roughly 0.44 per cent of its total population. Of these, 2.3 million (42 per cent) came from Bangladesh and 0.7 million (12.7 per cent) from Pakistan.

"These are complex issues that are, in some cases, attempting to

solve problems that have existed for decades. These are not problems that have arisen today. Unfortunately, in today's time, with the age of social media and sound bites, people don't appreciate the history and length of these problems and what is sought to be done," says Malik.



*Ashok Malik*

Few publications or critics have delved into the historic context or even the complexity of the problem. The western media has been almost singular in its coverage of the CAA, without bothering to research the problem properly. For example, The Economist, a respected British publication, recently carried a cover story titled, "Intolerant India."

Such coverage has led to a dominant view, which is singular in its scope, leaving out any other facet of India's approach to refugees.

There has been very little focus on the various refugees that India has sheltered and given citizenship. From offering refuge to the Dalai Lama and his 100,000 followers, who fled from persecution in Tibet in 1950, to sheltering thousands of refugees from Bangladesh, Tamilian refugees fleeing ethnic violence in Sr Lanka to Rohingya refugees fleeing persecution from Myanmar and Chakma refugees escaping from Bangladesh to north-east India. More recently, India offered citizenship to over 600 Muslims fleeing from Pakistan into India.

The lack of regular announcements from the Indian government means that the dominant narrative has been the one perpetrating the misunderstanding over legislations such as the CAA.

Malik is the first to admit, "Governments do many things right, but they don't get the communication right and that is proving to be a problem.

"Better and constant communication on part of the government is important. Some people in the government feel that communication is an add-on to policy or policymaking. In situations such as the one we're talking about, frankly, communication is more or less intrinsic to policymaking and roll-out, and we're seeing that."

India is not the first country to have a refugee policy for persecuted minorities based on religion. A fact most western publications have conveniently left out.

The Lautenberg Amendment, for example, provides US citizenship to persecuted religious minorities – Jews and Christians – in the then Soviet Union and was later extended to include the Bahai faith in Iran.

*Dr Ishita Mandrekar is the Online Editor at 'India Global Business' magazine.*

# Indian farmers drawn to sustainable cooling techniques

by Nadia Hatink



A collaboration between the University of Birmingham and Indian institutions is delivering results on the ground to find energy efficient solutions to tackle food waste.

**B**ritish experts recently arrived in India to cover the cities of Delhi, Haryana and Hyderabad on an information-gathering mission to work out the most effective ways of helping farmers increase their economic well-being through sustainable solutions to tackle food loss and wastage.

Led by experts from the newly-formed Centre for Sustainable Cooling at the University of Birmingham, the UK team is exploring ways of making the most of improved crop post-harvest management and clean, sustainable chilled distribution systems.

Toby Peters, Professor of Cold Economy at the University of Birmingham, explains: “Food loss is a major challenge with up to 40 per cent of some produce grown lost

## Highlights

- UK experts are working with Indian farmers to find sustainable solutions to tackle food loss and wastage.
- The project is in partnership with the British High Commission in India, the UK’s Department for International Trade (DIT) and is led by experts from the Centre for Sustainable Cooling.
- The Indian state government plans to set up a series of Integrated Pack Houses, aggregating and linking clusters of smallholder farmers to markets by refrigerated transport links.

between farm and market. Focusing on how food can be saved in the supply chain is as important as food produced.

“We are bringing together UK and Indian partners to create template projects showcasing sustainable technology and expertise that could help farmers in India maximise their income by reducing waste, maintaining product quality and connecting to more distant markets. The challenge is to achieve this sustainably using renewable energy solutions.”

### Partnership plan

In partnership with the British High Commission in India and the agri-tech sector team at the UK’s Department for International Trade (DIT), British experts are also developing a plan for a UK-India



Some of the experts from the team.

## Cool Facts

- **600mn** tonnes of food a year lost between harvest and market, primarily due to lack of cold-chain infrastructure.
- **25%** of liquid vaccines wasted each year due to inadequate cooling.
- **By 2050**, deaths from heatwaves could hit **260,000** a year.
- More than **1bn** people suffer every year from lack of cooling access.
- **19** new cooling appliances to be sold every second for the **next 30 years**.

Courtesy: Centre for Sustainable Cooling, University of Birmingham

collaboration for a first-of-a-kind “Centre of Excellence” in Haryana to support the roll-out of sustainable post-harvest management and cooling at scale in India.

The UK team, which also includes academics from Cranfield University, London South Bank University, University of Greenwich and NIAB East Malling Research as well as industry experts, will use the information gathered in India to form the basis of an industry workshop in April at the University of Birmingham, to consider opportunities for industry engagement in this fast-growing market opportunity.

### Not a luxury

According to Prof. Peters, who is one of the leads of the project, access to cooling is not a luxury. It is about fresh food, safe medicines and protection from heat for populations in a warming world. It is vital for economic productivity as it allows workers, farmers and students to function effectively in comfortable environments.

“If we are to deliver access to cooling

for all who need it, we will potentially see four times as many appliances deployed using five times as much energy as today. How we meet this challenge and provide cooling for all will have important ramifications not only for our climate, but also for our broader aspirations for a sustainable future,” he said.

### Farm focus

Around half of India’s employment depends on agriculture, and Indian Prime Minister Narendra Modi’s stated vision of doubling farmers’ income highlights the importance of agri-logistics in achieving such a farm income strategy.

Indian state governments plan to set up a series of Integrated Pack Houses, aggregating and linking clusters of smallholder farmers to markets by refrigerated transport links that use energy-efficient and sustainable technologies – reducing food loss and decreasing the amount of wasted produce, the university notes.

The government of India is keen to develop projects, including

joint collaborative research that can demonstrate innovative, sustainable technologies for Pack House Management and cold-chain solutions. The Haryana government, for example, is planning to create more than 350 Pack Houses in the state whilst the Indian government is targeting 22,000 new agri-processing and logistics hubs.

The University of Birmingham said that its new Centre for Sustainable Cooling (CSC) will work closely with governments, international development agencies, NGOs and industry to deliver access to sustainable cooling for all, including India. The CSC aims to transform clean cold research into affordable technology by working with global partners to create in-market proving grounds that allow emerging technology to be tested and attract investments.

*Nadia Hatink is a UK-based columnist with a focus on South Asian affairs.*



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# A new tune in the venture party

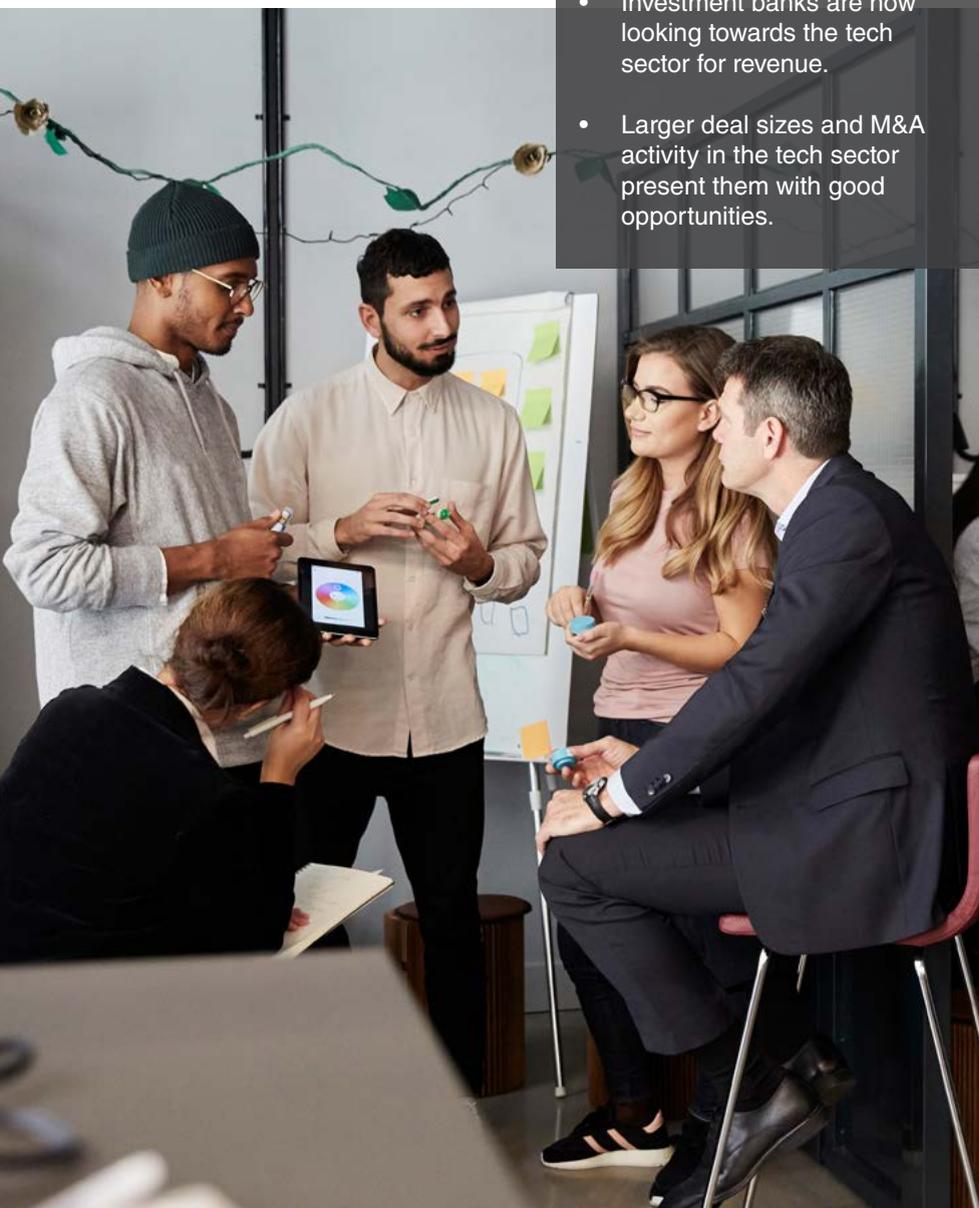
**Technology start-ups and investment banks have had paths which seemed parallel till now. Recently, more banks are looking to do business with growth companies. Is this a passing trend? Or is it here to stay?**



by Vaibhav  
Kapoor

## Highlights

- High-growth companies are now choosing to stay private for longer.
- Investment banks are now looking towards the tech sector for revenue.
- Larger deal sizes and M&A activity in the tech sector present them with good opportunities.



It's 11pm, you are having a blast at a house party with friends from your language class. There are no signs of the party dying down. Suddenly, you get a call that your peers from your boxing group, 'Upper Cuts' (apologies for the makeshift brand name) are joining. They are all fun, but you have only hung out with them separately. You are not sure if the groups will mix well. Will there be friction? Or will there be a new spark in the party?

Technology start-ups and investment banks have had paths which seemed parallel till now. As tech companies start to dominate conversations around capital raising and M&A, the paths seem to be converging. Why is that the case? And why now?

This has actually been brewing for a long time. Banks like Goldman Sachs, Morgan Stanley and JP Morgan have been working with 'earlier stage' tech companies for a while. For example, in 2018, JP Morgan advised OYO rooms with their \$1-billion fundraise. Also, in 2018, Morgan Stanley advised Uber when it raised \$1.5 billion in debt from investors.

Recently, news of more banks coming into the fray has gained momentum. News reports have highlighted banks such as UBS and Bank of America setting up teams to advise private companies on fundraising and other financial services. Lazard recently set up its Venture Growth team to focus on European technology scale-ups.

You will not be blamed for thinking if this is a trend. I will go as far as to say that this trend might be here to stay. A number of underlying factors that have developed over the last few years might continue to support this trend.

First, the scale of Venture Capital investments is not just limited to the US now, it has reached most parts of the globe. China, India and Europe saw record funding from VC firms in 2019. Large funds managed by Softbank, Sequoia Capital, among others are now available to successful entrepreneurs looking to raise



hundreds of millions or sometimes billions of dollars for scaling. This means that companies now have the choice to stay private for longer and avoid the extra scrutiny that comes with public markets. I had pointed this out in an article I wrote in 2018 that companies like Apple and Amazon listed their shares four and three years after their founding, whereas now it is not uncommon for a tech company to stay private for 10 years or more.

This has a direct effect on the number of IPOs and the fees that investment banks make from it. Global IPO fees fell by 13 per cent y-o-y in 2019, accompanied by a 28 per cent drop in the number of new listings.

Furthermore, deals in the venture world are becoming larger by the year. As per the Venture Pulse report by KPMG, 110 unicorns were created in 2019. Mega rounds of over \$100 million are now a common sight and have seeped into jurisdictions such as Netherlands, France and Lithuania in addition to the usual suspects like the US, the UK, Israel, among others.

**110 UNICORNS WERE CREATED IN 2019. MEGA ROUNDS OF OVER \$100 MILLION ARE NOW A COMMON SIGHT AND HAVE SEEPED INTO JURISDICTIONS SUCH AS NETHERLANDS, FRANCE AND LITHUANIA IN ADDITION TO THE USAL SUSPECTS LIKE THE US, THE UK, ISRAEL, AMONG OTHERS.**

Thus, an environment which could be detrimental to an investment bank's revenue stream, has now presented itself as a great opportunity for additional income. Working with these companies early in their lifecycle might not translate into large cheque sizes at first but will likely ensure repeat business as the high-growth companies remain hungry for funds, acquisitions and other similar financial products. Furthermore, banks which

support a company at in its early stages, tend to remain in the league table when the companies become large enough to list their shares on the public markets. As mentioned before, Morgan Stanley, which supported Uber in its early days, ended up advising the company on its IPO as well.

This can only be good for the whole ecosystem as it represents maturity in tech companies. Banks which work with a company from its earlier stages will have better advice for them when they do list on the public markets or when they look for acquisition targets or other sources of financing.

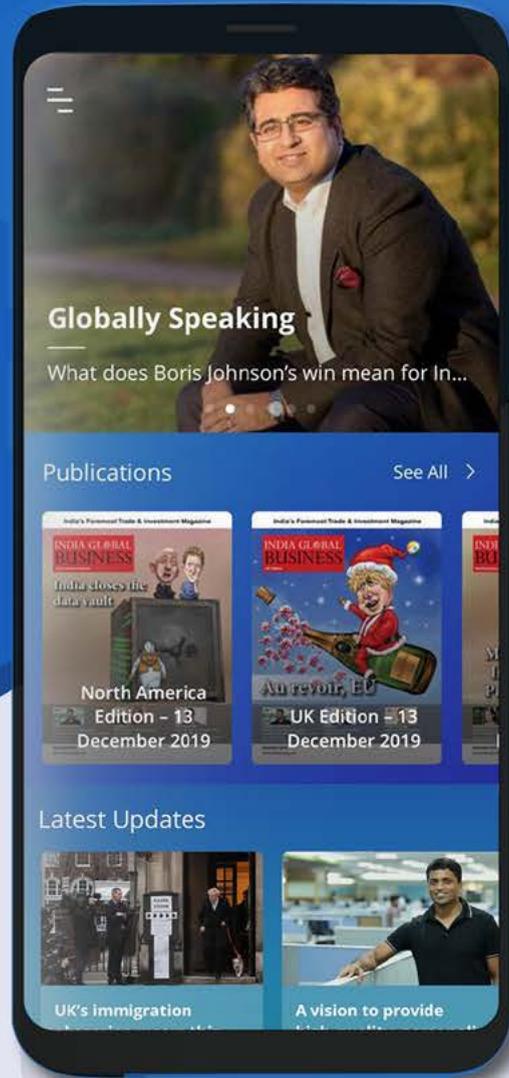
So, at 11pm, the party might just be getting started.

*Vaibhav Kapoor is a finance and strategy professional with c.12 years of experience divided between financial services and technology/tech-focused roles.*



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India imports nearly **80%** of metallurgical coal from Australia



Australia is the world leader in the global minerals industry



Australia has the lowest mining accident rates in the world



by *Natasha Jha Bhaskar*

## Australian businesses on a mission to India

It is important to sustain the momentum of the path set for India-Australia trade relations with commitment, consistency and collaboration.

### Highlights

- Young demographics and rising demand driven by digitisation have made India a lucrative market for businesses.
- Understanding the complexity of the Indian market can be a challenging task for businesses waiting to enter this market on a strong footing.
- The recent delegation led by Trade Minister Simon Birmingham visited India to gain market insights and explore/expand on the Indian opportunities.

**D**oing business in India is an attractive proposition for most companies today, which are looking for new markets and sustained growth. India's aspirational market, young demographics and rising demand driven by digitisation have made it a lucrative market for businesses across the globe. However, comprehending the Indian market complexity can be a challenging task for businesses waiting to enter this market on a strong footing.

This was the clear motivation behind the recent 120-member Australian business delegation that visited India to gain market insights and explore/expand on the Indian opportunities. The delegation was part of the

Australia India Business Exchange (AIB-X), which was led by Trade, Investment and Tourism Minister Simon Birmingham. This was one of the largest trade missions from Australia to India in the last five years.

The visit also reflected the growing realisation in Australia of its excessive reliance on China, and its need to diversify to other markets. The two-way trade between Australia and India was \$30 billion in 2019, but two-way trade between Australia and China sat at more than \$200 billion.

In an attempt to consolidate its economic relationship with India, Australia's India Economic Strategy 2035 (IES 2035) was launched in



*Education is considered the flagship sector for Australian businesses with India.*

## THE REPOSITORY ENDEAVOURS TO PROVIDE DIRECTION FOR A STRATEGIC CYBER ROADMAP OF THE COUNTRY IN R&D, INDUSTRY DEVELOPMENT, AND STRENGTHENING THE PREPAREDNESS OF NATIONAL SECURITY.

2018. The strategy has set a target for India to become one of Australia's top three export markets, to make India the third-largest destination in Asia for Australian outward investment, and to bring India into the inner circle of Australia's strategic partnerships. The AIB-X was a clear attempt at turning the goals and objectives stated in IES 2035 into tangible actions and results.

'Trade, Tourism and Taste of Australia' dominated AIB-X 2020. The focus for AIB-X was on four priority sectors – education, agribusiness, resources and tourism – along with initiatives in food and beverages, energy, health, financial services, infrastructure, sport, and science & innovation. The delegation travelled across six major cities – New Delhi, Mumbai, Chennai, Hyderabad, Bengaluru and Kolkata. The strategic choice of respective cities reflected their specific industry strengths and capabilities, and their potential for partnership and value

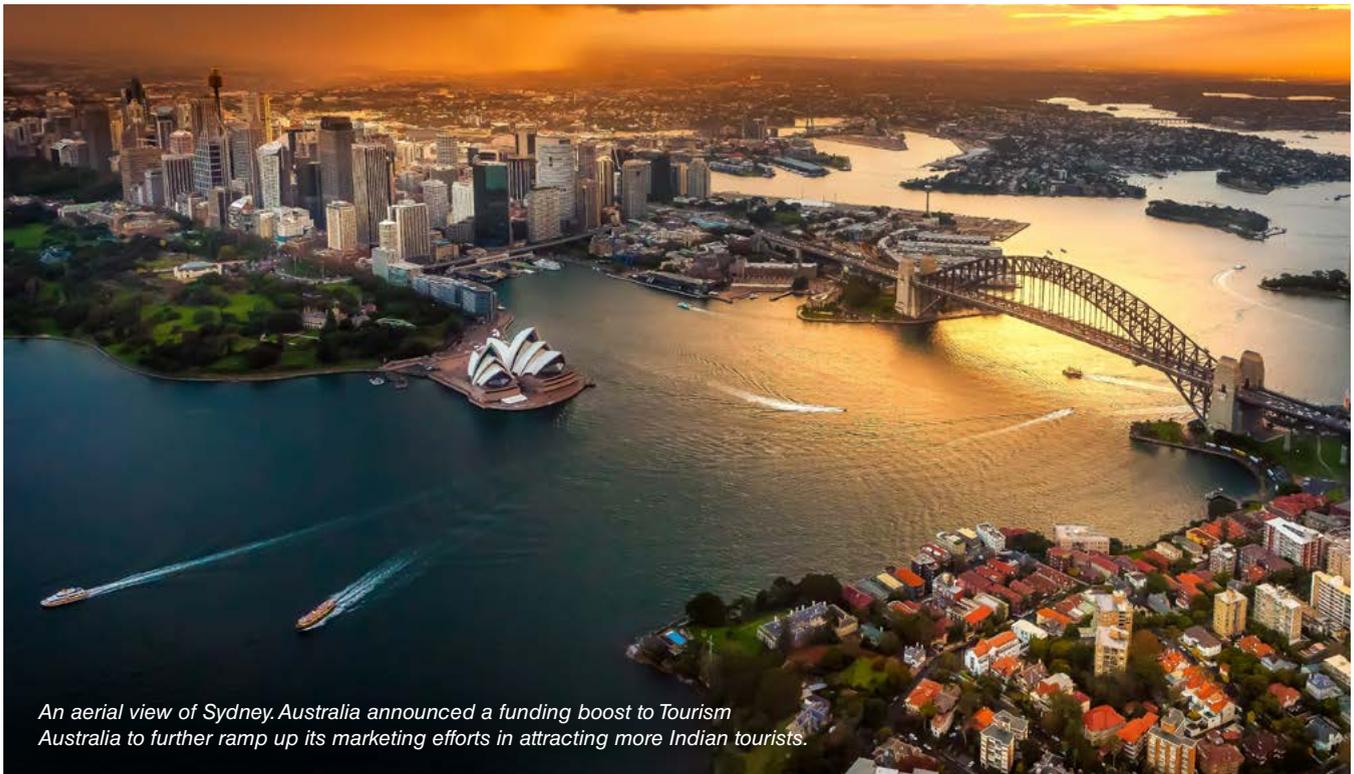
creation. The message was clear, investors and exporters need to invest their committed patience and perseverance while entering the Indian market.

The sessions focused on a variety of themes starting with India's current ease of doing business scenario, investment landscape and the reforms introduced in India. The infrastructure and built environment delegates of AIB-X discussed the need for skills and technologies to improve urban design, create smart cities. The delegation also had meetings with the GMR, Godrej and Mahindra group, L&T and real estate developers like AFCONS, Eldeco Group, Thapar India and Tata Projects. As a highly urbanised and liveable country, Australia has significant expertise in urban infrastructure design and development. Australian cities regularly feature at the top of world liveability indexes.

Education, resources, agribusiness and tourism – why were these four sectors the focus of AIB-X? Education is recognised as the flagship sector for Australian businesses with India in IES2035, because of outstanding Australian expertise in the field. The other three lead sectors (Resources, Agribusiness and Tourism) are chosen because of Australia's immense strength in these sectors and they are areas where Australia can position itself to become a top five partner for India.

### Education

India aims to become a \$5-trillion economy by 2024-25, the realisation of this goal is incumbent upon the capability of its education and training institutions to equip young Indians with knowledge and skills relevant to an evolving job market which needs quality, excellence, innovation and constant upgradation. As a world-class provider of education and training, Australia is well positioned to



An aerial view of Sydney. Australia announced a funding boost to Tourism Australia to further ramp up its marketing efforts in attracting more Indian tourists.

partner with India in the higher education sector.

LinkedIn India shared its insights with AIB-X delegates on India's growing job market, workforce landscape and skills required for the future. Australia's curriculum experience and enhanced industry partnerships can play a key role in guiding such linkages in India.

The AIB-X education stream also visited CIPLA Global and BASF to explore possible research and development collaborations with Australian Universities. The Australia-India Strategic Research Fund (AISRF) is Australia's largest fund dedicated to bilateral science collaboration.

- International education is Australia's third-largest export industry.
- The Australia-India education partnership has been prioritised by the India Economic Strategy 2035, the Foreign Policy White Paper (2017) and the National Strategy for International Education (2025).
- The number of Indian students studying in Australia has grown by 71 per cent since 2014.
- There are 40 top universities in Australia, and six of them feature in the prestigious Top 100.
- Increased focus on vocational and professional-led education can help India find ways to upskill 400 million workers by 2020 – viable opportunities that match Australian strengths with Indian needs, driven by cost awareness and employment outcomes in the Indian market.

1

India is one of the world's fastest-growing outbound travel markets.

2

India has become Australia's fastest-growing tourist market with visitor numbers increasing by 53 per cent.

3

By 2035, there is potential for expenditure from Indian travellers to Australia to increase from \$1.5 billion to \$6.1 billion in a moderate case, or up to \$9.1 billion in an aspirational case.

4

More direct air services are crucial to the development of this market.

5

Indians are the fourth-largest, and one of the fastest-growing, migrant communities in Australia, growing at 10.7 per cent per annum on average between 2006 and 2016.

6

Indian-born Australians are expected to outnumber Chinese-born Australians by 2031, reaching 1.4 million.



*There is a growing demand for Australian food and beverages, thanks to e-commerce.*

- Despite the tripling of the Indian population in Australia since 2005, knowledge on India in Australia is low. Only two universities in Australia are teaching Hindi.
- Massive open online courses (MOOCs) will play an important role in India's education future.

**Resources**

Within the resources sector, the Australasian Institute of Mining and Metallurgy (AusIMM) signed a three-year Memorandum of Understanding (MoU) with Indian Institute of Technology – Indian School of Mines, to connect Australasia and India's communities of resources experts. India has a severe shortage of skilled mining professionals. The output per mining worker in India varies between 150 to 2,650 tonnes per annum, compared to an average of 12,000 tonnes per worker in Australia. Mining contributes around 8 per cent of Australia's GDP, however, India's mining industry contributes only 1.4 per cent of GDP. A lack of investment in exploration (a meagre 2 per cent in comparison to Australia's 13 per cent) and inadequate information about proven reserves (geophysical and

geochemical data has only 2-4 per cent coverage, compared to 90–100 per cent coverage in Australia) has led to only 10 per cent of mineral exploration to date in India. India lags behind other mining countries across all stages of mining – geoscience, exploration, development, production and reclamation.

**Tourism**

In the tourism sector, the trade minister announced a funding boost of AUD 1 million, beyond the AUD 5 million announced last year, to Tourism Australia to further ramp up its marketing efforts in a bid to attract more Indian tourists in the upcoming ICC T20 Men's World Cup.

**Agribusiness**

The trade minister Simon Birmingham also launched the Taste of Australia retail promotion to lift the profile of Australian food products and highlight its quality, taste and safety to Indian consumers, who have shown their enormous enthusiasm for cooking shows like MasterChef Australia. The cooking demonstrations were led by Australian Masterchef Sebastian Simon, featuring Australian ingredients and produce available in India. Australia's latest partnership

with e-commerce platform Amazon India, to sell multivitamin brand Swisse, its health and beauty products, Vegemite and several other Australian products will give Australian businesses easier access to the 450 million internet users in India. The size of the imported food category has more than tripled in India over the last 10 years from \$1.7 billion in 2009 to \$5.3 billion in 2018. This is despite a strong domestic food processing sector and high import tariffs of 30-50 per cent. MasterChef Australia gets its highest viewership from India, and that has actually changed the way Indians view Australian food.

The appetite for Australian food and beverages in the Indian market continues to expand, particularly with the rise of e-commerce. The presence of major Australian wine producers like Taylor's wines in the AIB-X delegation showed the growing interest of Australian wine makers to explore the Indian market, which is witnessing a rapidly changing demography with increasing urbanisation.

The agribusiness sector is one of the major constraints in the Free Trade Agreement between Australia and India. India has a significant appetite for capital, technology and services in the agricultural sector to improve its productivity and market efficiency.

AIB-X has reflected the Australian position and perception towards India, and how proactively it wishes to engage with India. A new path is set – it is important to sustain the momentum with commitment, consistency and collaboration. The word “engagement” is crucial and it should become a permanent national project for both countries.

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*Natasha Jha Bhaskar is General Manager, Newland Global Group, a corporate advisory firm specialising in the Australia-India trade and investment space.*

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## Highlights

- India's reticence to sign a free trade agreement poses a peculiar problem for New Zealand, which places a high value on FTAs when it comes to gauging bilateral or multilateral relations.
- India's protectionist attitude towards its dairy and agriculture sectors is also proving to be a stumbling block.
- New Zealand's latest India strategy stresses on increased cooperation on a number of aspects, but unlike the 2011 document, it stops short of listing out specific targets.

# India-New Zealand ties: Stuck in first gear

by India Inc Staff

There is a sense of *deja vu* when it comes to recent trade discussions between India and New Zealand, but at least the right noises are being made.

**T**he four-day visit to India of New Zealand Deputy Prime Minister and Foreign Minister Winston Peters in the last week of February came on the back of the more high-profile maiden visit of US President Donald Trump. Not surprisingly then, Peters' visit barely received any coverage and got massively overshadowed by the Trump show. The US is the world's largest economy and India's biggest trading partner. New Zealand is not even in the top 50 biggest economies in the world and its ties with India cannot even be mentioned in the same sentence as the US.

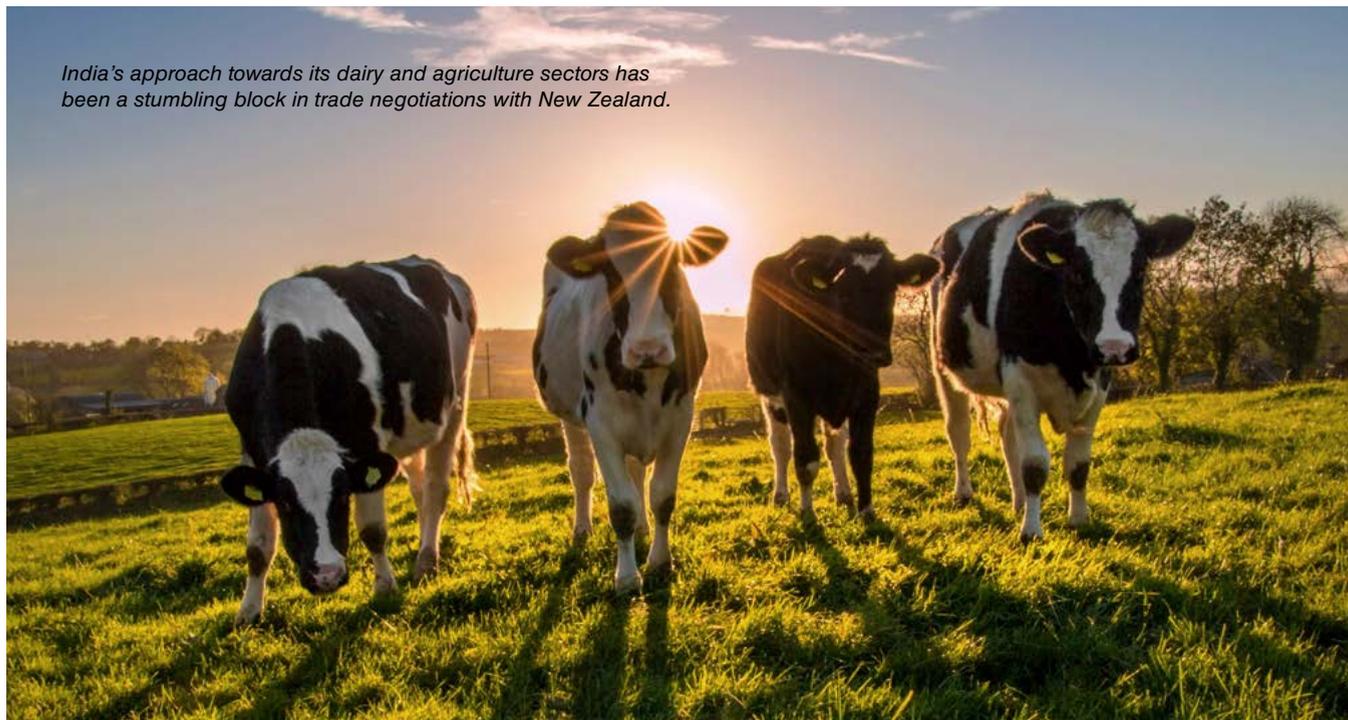
Peters' visit, which also included Minister for Trade David Parker, did highlight the potential for growth in relations between the two countries. At the same time, as is the case with the US, it underlined the difficulties in getting a free trade agreement going – India and New Zealand have been on the negotiating table for almost a decade now.

As a strong advocate of globalisation, New Zealand tends to measure its success or failure with other nations on its ability to get a free trade agreement through. It poses a peculiar problem when

it comes to India, which has in recent years become resistant to trade deals on the back of previous agreements where it believes it has come off second best. Its withdrawal from the RCEP agreement last year, which also had New Zealand as a party, was another reminder of it. Deliberations during the various meetings Peters attended during his visit to India also pointed to the fact that an FTA was still firmly on the backburner.

"We need to expand our relationship with the biggest democracy by far in the world, 1.3 billion people.

*India's approach towards its dairy and agriculture sectors has been a stumbling block in trade negotiations with New Zealand.*



There are enormous opportunities for us to cement a better trade relationship," Peters said. "The world needs greater trade relationships, better trade, fairer trade, and that's what our objective will be between ourselves and the Indian people."

Over the past five years, New Zealand can point to an overall 23 per cent increase in trade with countries with which it has an FTA, compared to just 13 per cent for those with which it doesn't. Moreover, it can point to a track record of investing in the dairy sector in countries where it has had market access, lifting the agriculture performance of both countries.

In the year to September 2019, bilateral trade between India and New Zealand hit \$2.64 billion piggybacking on services trade that has doubled in the last five years to \$1.2 billion. Tourism has also more than doubled since 2011, with over 65,000 Indian tourists visiting New Zealand in the year to November 2019. India is New Zealand's second-largest source of international students, with over 17,000 Indian students studying there.

This is, however, a tad

### **INDIA AND NEW ZEALAND HAVE BEEN ON THE NEGOTIATING TABLE FOR ALMOST A DECADE NOW.**

underwhelming compared to what was expected at the turn of the last decade when New Zealand had launched its India strategy in 2011 with ambitious goals of growing merchandise exports to at least \$2 billion by 2015 – a figure that has not been breached till date. Growth in services trade, while impressive in isolation, has also not been to the target of an average 20 per cent per year. This is despite top-level attempts that include two visits by Sir John Key, former Prime Minister of New Zealand, in 2011 and 2016.

"Over the years, I've heard a lot of optimistic figures, but what we need to do is be realistic and see where we can cement long-term sustainable opportunity for the benefit of both of our economies and both of our people," Peters said.

The thorny issues went largely unaddressed. India's protectionist

attitude towards its dairy and agriculture sectors has been a stumbling block. There was nothing to suggest a softening of the stand from the other side either.

"Our domestic dairy industry is no threat to India's economy or its farming community. We have not asked India to rethink about RCEP but it's best to avoid knee-jerk reactions to the open market," Peters said during his visit. "India is a priority relationship for New Zealand. We share common democratic traditions, growing two-way trade, extensive people-to-people links, and a common strategic interest in the Indo-Pacific region. We have high aspirations for the relationship, which are set out in the Government's recently released India strategy."

That strategy spelt out in a 15-page document stresses on increased cooperation on a number of aspects but unlike the 2011 document, it stops short of listing out specific targets.

Without a bilateral agreement then, how are relations to prosper? The sense of déjà vu is unmistakable, but at least the right noises are being made.

# India's tech and healthcare sectors draw foreign investors

Despite a slowdown, foreign companies continue to invest for India expansion.

## Brose opens Pune campus



German automotive supplier Brose opened a new campus in Hinjewadi, Pune – in line with its goal to enhance more of its products with sensor technology and software solutions. The company will invest around \$3.5 million in new headquarter buildings, development and IT centres as well as a manufacturing plant.

Ulrich Schrickel, CEO, Brose Group, said: "This investment is not only a commitment to the Indian market; it is also a strategic move for the Brose Group. To improve competitiveness and efficiency, we are further expanding the global engineering and IT service centre in Pune and shortening the paths between development and manufacturing. Speed is a success factor for our company. The market trends in the global automotive business rely on extremely fast and consequent decisions.

"With our competence in the integration of electronics, sensor technology and software into intelligent products, Brose is actively shaping the future of mobility."

## Asia Healthcare eyes stake in Cloudnine



TPG Growth's healthcare-focused operating and investment platform, Asia Healthcare Holdings (AHH), is in early discussions to acquire a significant stake in Bengaluru-headquartered maternity and childcare hospital chain Cloudnine.

The potential deal may involve the complete exit of Cloudnine's early backers Sequoia Capital and Matrix Partners, which together hold an estimated 33.5 per cent stake.

In India, AHH owns Rhea Healthcare, which operates mother and childcare centres under the Motherhood brand and Nova IVI Fertility, a network of infertility clinics. AHH runs 38 centres under its Motherhood and Nova brands across the country, with a combined revenue of \$74 million.

AHH has emerged as a key investor in India's healthcare sector, having earlier backed Manipal Hospitals, drug discovery firm Sai Life Sciences and surgical sutures manufacturer Sutures India.

## Rupeek raises \$60m from GGV Capital, others



Online lending platform Rupeek raised \$60 million in two separate funding rounds from US-headquartered GGV Capital, Bertelsmann India Investments, Binny Bansal, Korea's KB Investments, Singapore-based Tanglin Venture Partners, Sequoia India, and Accel Partners.

Sumit Maniyar, CEO, Rupeek, said: "Our plan is to scale existing and newer channels for gold monetisation. We will use the fresh funds to invest in technology, customer acquisition and work towards improving the accessibility of credit in the country."

Founded in 2015, the start-up enables local banks to offer gold-backed loan products by collecting and depositing gold at the nearest branch of the partner banks that offered the loan.

Hans Tung, Managing Partner, GGV Capital, said: "For India's middle-class households, gold has long been a favourite way to save and invest.

"Rather than letting it sit idle, Rupeek has turned a family's dormant asset into an easy way to get a loan at affordable rates to grow their small business or pay for emergency needs."



Portugal's well-developed infrastructure network makes it an ideal place to access the European, American and African markets.

## Portugal-India: A growing relationship

With tremendous local talent, world-class infrastructure and business-friendly government policies, Portugal crosses off several boxes for Indian companies seeking to expand overseas.



by Luís Castro  
Henriques

Portugal and India have a past in common and the two countries have recently rediscovered each other. The two official visits of Portugal's Prime Minister António Costa, one of them this year, and the official visit of the President of Portugal, Marcelo Rebelo de Sousa, this February, show the importance Portugal attaches to India.

From tourism and gourmet enthusiasm to business and real estate, the relationship between the two countries is being renewed with joy and dynamism from both sides. New products are entering both markets and new investments are

### Highlights

- Innovation, talented workforce and access to the European market are just some of the factors that make Portugal an attractive investment destination for India.
- Indian and Portuguese businesses have been steadily collaborating across various sectors.
- Several reforms and policies have contributed to significantly improve Portugal's business environment and boost technological development.

being studied. Partnerships are being designed and Portuguese innovation, booming talent, and European market access are attracting India.

Portugal is a good platform for both Europe and the Portuguese Speaking Countries (CPLP) and can be a clever option for Indian companies looking for an alternative in the European market as Portugal is part of the EU and Eurozone. In a time of significant change in the world economy, both India and Portugal have responded by promoting globalisation.

Multiple international initiatives are providing our companies with more opportunities for cooperation and collaboration. A new chapter of our bilateral economic relations can be written over joint projects not only in Portugal but also in other markets.

We hope more and more competitive and experienced Indian companies will come to understand the advantage of establishing operations in Portugal. AICEP - Portuguese Trade & Investment Agency will support their investments before and after their decision.



Portuguese engineering has been cited as a key factor attracting technology investors.



## WHY INVEST IN PORTUGAL?



**1. Competitive talent:** Portugal has talent availability that embraces change and innovation from a world-class science and university system with multi-language skills. We have great engineering, business and economics Universities, with several Portuguese Business Schools among Europe's best, according to the Financial Times ranking. In fact, the quality of Portuguese engineering is one of the relevant factors in the decision to invest in Portugal, mainly to move up in the value chain and capture high technology projects. Also, Portuguese young people speak two or more foreign languages, which shows their will to work with multiple markets.



**2. Strategic location:** Portugal is a platform for both Europe (almost 450 million consumers) and the CPLP (250 million). Portugal's strategic location and one of Europe's most developed infrastructure network make the country an ideal place to access the European market, as well as markets in the American and the African continents.



**3. High-quality infrastructure:** We have high-quality ICT infrastructure, top of the line logistics and a broad and diverse number of reference institutions, suppliers and companies oriented to R&D and innovation.



**4. Pleasant and safe country to live in:** According to the Global Peace Index, Portugal is the third safest country in the world in terms of security and social peace. Also, according to international rankings, it is the best place to live for expats.



**5. Strong support from the Portuguese authorities:** The Portuguese Government is among the most supportive towards foreign investment. Several reforms and policies have contributed to improve significantly Portugal's business environment and boost technological development. In the past, investment incentives have been granted to hundreds of productive and R&D projects developed by companies established in Portugal, aiming towards adding value to the Portuguese economy, introducing new production processes or products, creating highly qualified jobs and increasing exports. The current incentives plan offers interest-free financing, cash grants and tax incentives.

Portugal has hit investment records – for instance, automotive and ICT are two key and attractive sectors that can be an opportunity for Indian companies.

For these and other reasons, foreign investment has been continuously growing in the past years. Not only have we seen growth in volume but also an upgrade in technology-intensive activities, shifting from low cost-based to more added-value strategies. We are also attracting many shared services and competence centres from multinational companies like Mercedes-Benz, Volkswagen, BMW, Google, Uber, Bosch, Revolut, Natixis, Nokia, Bose.

We believe that for Indian companies seeking to develop operations overseas, especially in Europe, Portugal is your next location. You will be able to produce with the world's highest quality standards, hire outstanding people and partner with companies experienced in the European market, while taking part in a single market with millions of consumers and opportunities. Therefore, let me boast in anticipation: Welcome to Portugal!

*Luís Castro Henriques is the Chairman and CEO of AICEP - Portuguese Trade & Investment Agency.*

# Indian tech firms expand their global footprint

Indian companies are looking at acquiring Asian and Australian enterprises to strengthen their product offerings as well as to enter new markets.

## Pidilite buys majority stake in Tenax arm



Indian adhesives manufacturer Pidilite Industries Ltd acquired a 70 per cent stake in Tenax India Stone Products Pvt. Ltd, the Indian unit of Italian cement and chemicals manufacturer Tenax SPA, for about \$11 million.

Following the acquisition, Tenax India will become a Pidilite subsidiary and Tenax Italy will continue to hold the remaining 30 per cent in the unit.

Bharat Puri, Managing Director at Pidilite, said the acquisition would help expand the company's presence in the coatings and surface treatment chemicals market for the marble and stone industry.

Igino Bombana, Group President, Tenax SPA, said: "We are excited about the partnership between Pidilite and Tenax SPA to consolidate our presence in the fast-growing retail market in India and adjacent SAARC markets."

## Sonata Software buys Australia's GBW

Bengaluru-based Sonata Software signed definitive agreements to acquire Melbourne-headquartered GAPbusters Limited (GBW). GBW is a leading global player in the customer experience Space.

Srikar Reddy, MD & CEO, Sonata Software said: "This acquisition is exciting for Sonata as it is a reaffirmation of our Platformation led approach to digital transformation adding a major platform-led customer experience offering to our current solutions, creating substantial value to our existing and prospective clients by providing a more comprehensive digital transformation offering covering 360 degrees of the customer journey, possibly making Sonata very unique in its ability to offer such a unified experience across the customer life cycle."

The acquisition not just strengthens Sonata's footprint in Australia but also opens up new geographies in South East Asia and Europe where GBW has large clients in the QSR, retail, automotive and oil & gas space.

Grant Salmon, CEO, GBW, said: "We see an opportunity to differentiate ourselves through adopting the PlatformationTM approach and to further enrich and enhance our offerings leveraging Sonata's world-class capabilities in AI & other cutting-edge technologies."

## Affle acquires Spanish mobile ad-tech firm



Consumer intelligence company Affle India acquired Spanish mobile advertising technology company Mediasmart for \$5.1 million, marking its first acquisition in Europe.

Mediasmart provides advertisers, trading desks and agencies an integrated mobile advertising platform with unique incremental impact measurability for Proximity and App marketing campaigns.

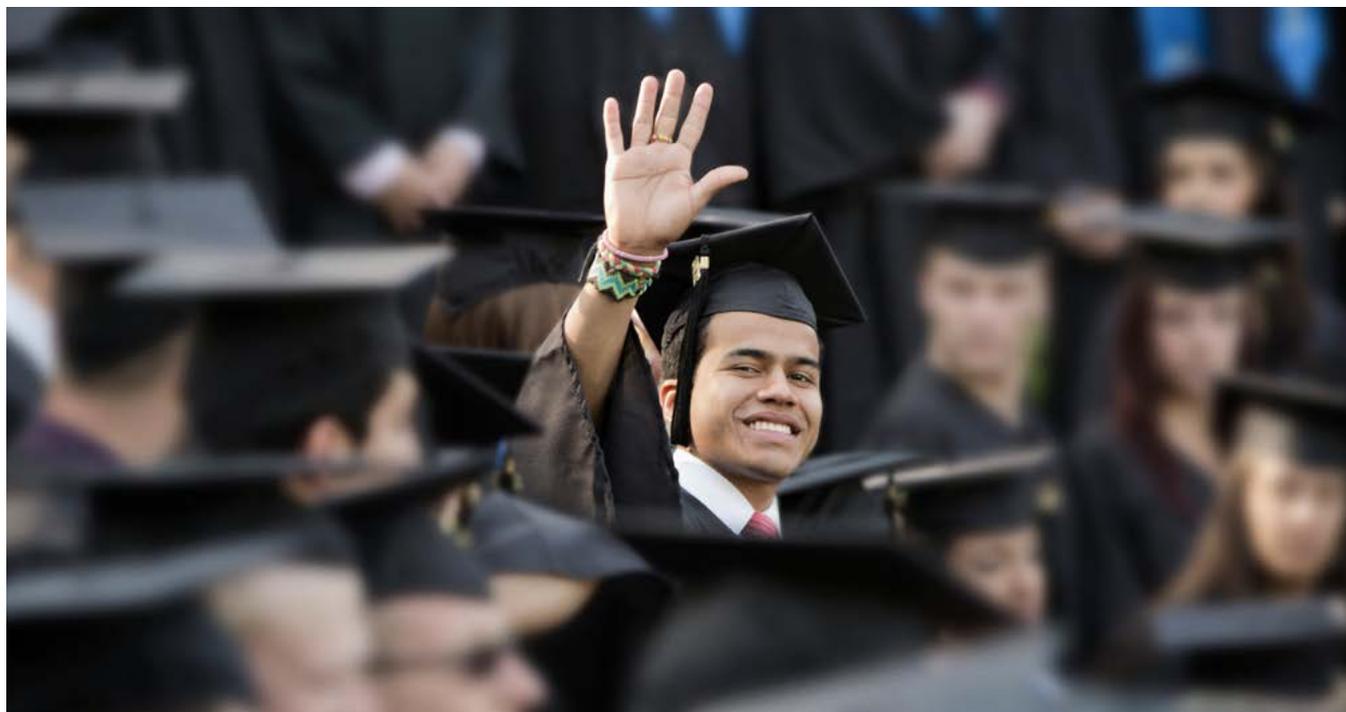
Anuj Khanna Sohum, Chairman, MD and CEO, Affle, said: "Mediasmart has the perfect team, culture and tech platform for Affle to build greater strategic presence in Europe, the US and Latin America.

"Their proximity marketing programmatic platform strengthens our omnichannel platform to enable marketers to drive incremental online and offline conversions in both developed and emerging markets."

Noelia Amoedo, CEO, Mediasmart, said: "We are thrilled to join forces with the Affle team to strategically strengthen our complementing platforms and to achieve greater global scale together."

# Numbers begin to add up for global Indian talent flows

by India Inc. staff



A massive 93 per cent jump of Indian students choosing UK universities in 2019 compared to the previous year indicates that Britain's unfriendly image may be on the mend, giving other education destinations fair competition.

**I**ndian students are a coveted international resource by the world's leading educational destinations, including the US, UK, Europe, Australia and New Zealand. But for some years now, the UK had taken a bit of a hit as a result of what was seen as its unwelcoming environment for students by withdrawing a post-study work offer, in direct contrast to many of the other destinations.

A report by the UK's All Party Parliamentary Group (APPG) for International Students had found that the withdrawal of that visa offer in 2012 was attributed with a decline in international student recruitment from key markets like India and between 2010-11 and 2016-17, the number

## Highlights

- Indians have emerged as the fastest-growing nationality for student visa applications to the UK, encouraged by the post-study work visa.
- Indian professionals have also held onto their global lead in the Tier 2 skilled visa category for the UK, with over 57,000 visas granted to Indian workers last year.
- The UK also continued to be a popular destination for Indian holidaymakers, with an 8 per cent increase compared to the previous year.

of higher education Indian students choosing the UK more than halved.

The Indian government also took a tough stance at what they viewed as an unfriendly attitude to skill development and it was a palpable source of strain on UK-India ties for some time.

### Reverse trend

However, that strain seems to be somewhat on the mend as Indians have now emerged as the fastest growing nationality for student visa applications to the UK.

In its latest analysis, the UK's Office for National Statistics (ONS) found that over 37,500 Indian students received a Tier 4 (Study) visa in



2019, which marks a 93 per cent increase from the previous year and the largest number of visas issued in the Tier 4 category to Indians over the last eight years.

Jan Thompson, Acting High Commissioner to India, said: “This phenomenal increase in student visa numbers is testament both to the UK’s world leading education system and to the exceptional talents of Indian students.

“We couldn’t be prouder that the best and brightest continue to pick the UK, making the living bridge between our countries stronger each day.”

### Changing scenario

The transformed landscape for internationally mobile Indian students has emerged even before the introduction of a new Graduate Visa route, which kicked off in February 2020 for the 2020-21 intake of students, and is likely to have a further impact on this upward trend from India, with its two-year post-study work option.

Barbara Wickham, Director India, British Council, noted: “It is exciting to see so many Indian students trusting the UK as the destination

for their education and furthering their careers.

“This bodes very well for both countries’ continued focus on realising their knowledge ambitions in a fast-changing world.”

### Wider impact

And, it is not just Indian students who are on the rise but also Indian professionals who held on to their global lead in the Tier 2 skilled visa category for the UK, with over 57,000 visas granted to Indian workers last year – accounting for over 50 per cent of all such visas.

The UK also continued to be a popular destination for Indian holidaymakers, with more than 515,000 Indian nationals being

granted visit or tourist visas last year – an 8 per cent increase compared to the previous year. The overall statistics show that in 2019, 95 per cent of Indian nationals who applied for a UK visa were successful, an increase of 5 per cent over 2018.

### Brexit effect

The latest ONS figures reveal a broader post-Brexit trend of a rising tide from outside the European Union (EU), set for a further hike

once the UK government’s new points-based system kicks in from 1 January 2021.

Britain’s exit from the EU will end the current free movement of people from within the economic bloc at the end of the Brexit transition period on 31 December this year, bringing EU and non-EU migrants under one system.

“We are ending free movement and will introduce an Immigration Bill to bring in a firm and fair points-based system that will attract the high-skilled workers we need to contribute to our economy, our communities and our public services. We intend to create a high wage, high-skill, high productivity economy,” the UK Home Office has declared.

### Education export

And, it is clear that what the UK classifies as its world-class export of world-leading universities will be at the heart of future discussions on trade agreements, India being among the countries on that post-Brexit target list.

“Although 82 per cent of our Indian graduates are satisfied with their careers wherever they are working, we know that they value the opportunity to spend some time in the UK working after their degree. This visa will make it significantly easier for them to do that,” says Vivienne Stern, Director, Universities UK International, in reference to the new Graduate Route that will allow overseas students to work, or crucially look for work, in any career or position of their choice, for two years after completing their studies.

“The UK ranks first for international student satisfaction overall, compared to other major study destinations, but having a more attractive post-study work offer will open the UK up to even more international students. It will also allow employers in all parts of the UK to benefit from access to talented graduates from around the world,” she said.

# Business ecosystem, people and environment at the heart of CSR

The Legrand Group in India says it has undertaken several projects to promote education, skill development, health and disaster management in the country.

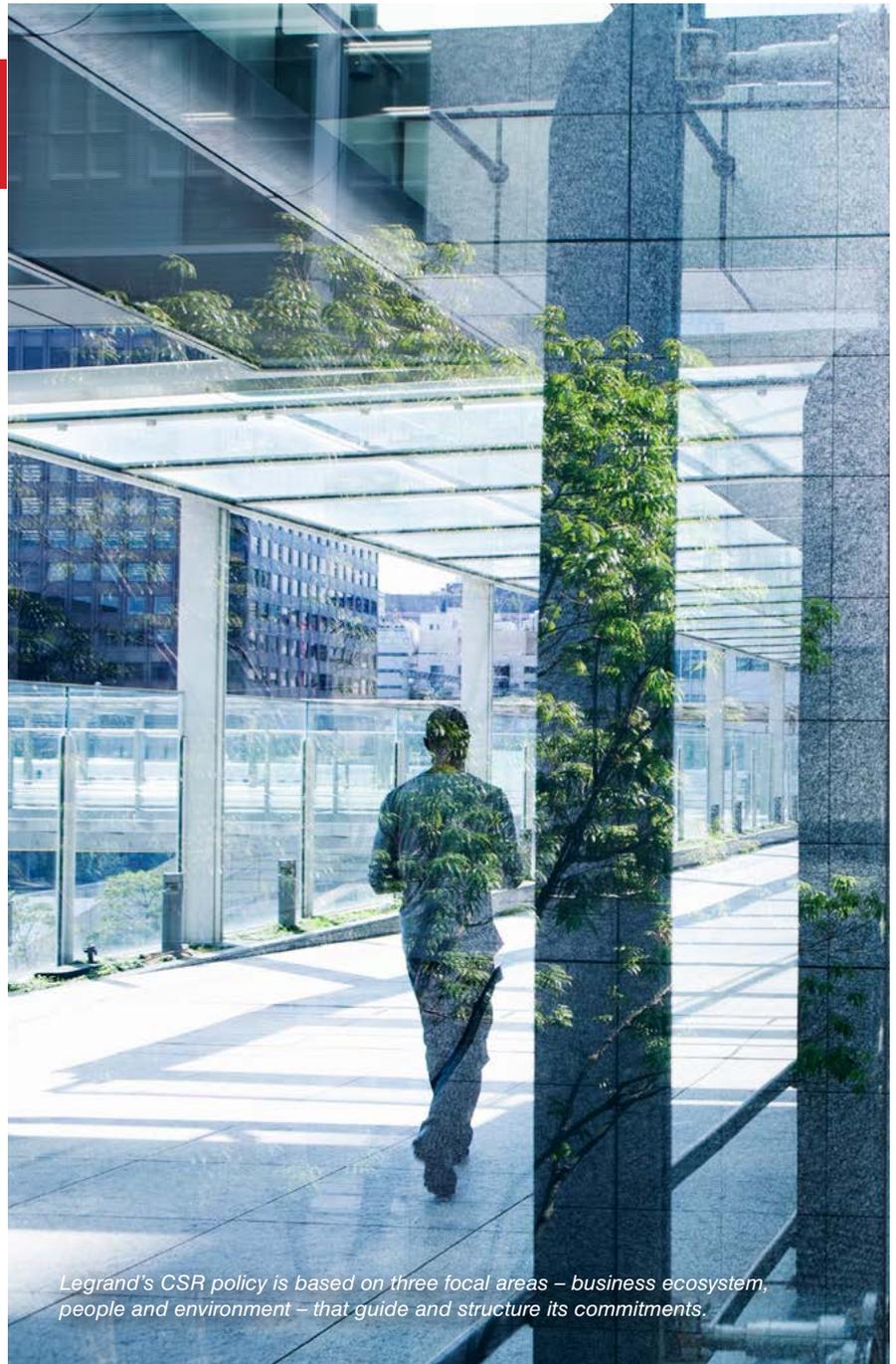


by Tony Berland

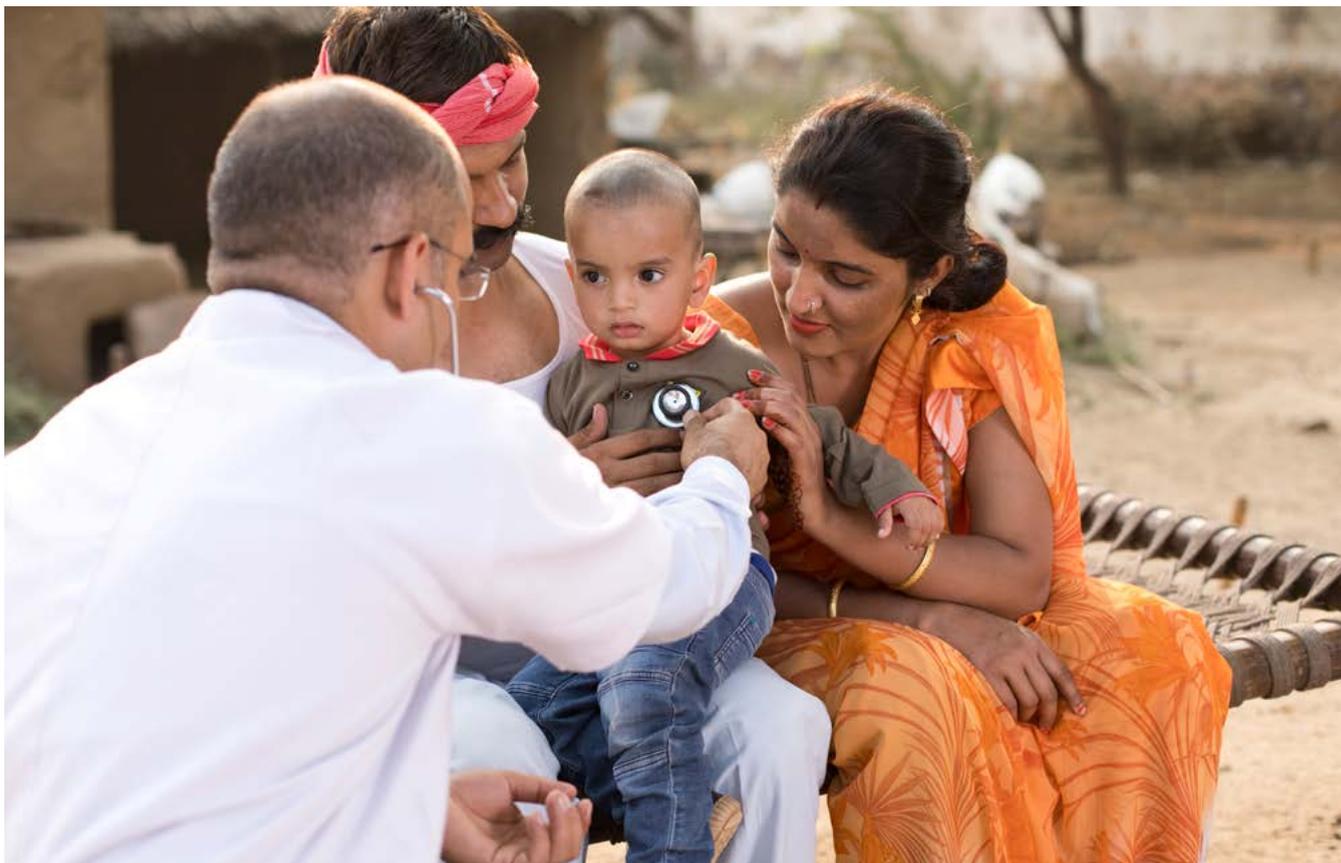
**A**s a global specialist in electrical and digital building infrastructure, Legrand adopts a continuous improvement approach to the development of buildings for all stakeholders. This approach is a response to the environmental, societal and technological challenges that are prevalent.

## Highlights

- Legrand's CSR policy contributes to 10 out of the 17 Sustainable Development Goals (SDG) defined by the UN.
- The Telemedicine Centre, for the first time in India, provides medical consultation services to communities located in remote villages.
- The 'LIFE Mission' project supported flood hit Kerala in rebuilding houses (4,000+), powering back up supports to government hospitals (800+), providing solar lamps to tribal communities (1,000+) and scholarship assistance to girls from flood-affected districts.



*Legrand's CSR policy is based on three focal areas – business ecosystem, people and environment – that guide and structure its commitments.*



*The Legrand Telemedicine Centre provides medical consultation services to local communities in remote Indian villages.*

**WE ARE COMMITTED TO PROVIDING SUSTAINABLE SOLUTIONS (80 PER CENT OF THE GROUP TURNOVER), ACT ETHICALLY, LIMIT ENVIRONMENTAL IMPACT (30 PER CENT BY 2030), INCREASING DIVERSITY AND INCLUSION (50 PER CENT WOMEN BY 2030) AND CREATING EQUAL OPPORTUNITIES FOR ALL.**

Legrand’s CSR policy is based on three focal areas – business ecosystem, people and environment – that guide and structure its commitments. It actively contributes to 10 out of the 17 Sustainable Development Goals (SDG) defined by the UN.

CSR is an essential ingredient in our growth, and by 2030, we are committed to providing sustainable solutions (80 per cent of the Group turnover), act ethically, limit environmental impact (30 per cent by 2030), increasing diversity and inclusion (50 per cent women by 2030) and creating equal opportunities for all.

Looking into the diverse needs of people in existing and future communities, health and

wellbeing, promoting education, skill development and disaster management are our prime focus areas. Under these four pillars, Legrand has undertaken numerous social projects over the past years.

**Telemedicine centres at Jalgaon and Haridwar**

We have launched the Legrand Telemedicine Centre for the first time in India to provide medical consultation services to communities located in remote villages where quality healthcare is not easily accessible due to long distances or financial constraints. Started in 2017, these telemedicine centres have helped over 10,000 patients so far to receive specialised consultancy from doctors at Nanavati Super Speciality Hospital, Mumbai. Free medical

consultation has been provided in areas such as ENT, paediatrics, gynaecology, orthopaedics, etc. Around 95 per cent of the patients are below the poverty line, giving this centre the thrust and purpose it is fulfilling to this day. Additionally, more than 20 health camps have been set up through these Telemedicine centres so far.

**Legrand scholarship programme**

Many students from India aspire to receive education from reputed foreign universities and institutions but cannot do so due to constrained financial and socio-economic conditions. Through our Legrand scholarship programme, in association with Franco-Indian Education Trust (part of the French Embassy in India), we aim to promote



*Kerala floods, 2018. Legrand's 'LIFE Mission' helped rebuild over 4,000 houses amongst other disaster management efforts.*

## OUR VISION IS TO ENSURE THAT 15,000 TRAINED ELECTRICIANS WITH REQUISITE SKILLS ARE AVAILABLE BY 2022 FOR THE SMART CITY SECTOR.

quality education for deserving Indian students by assisting them in pursuing their Master's degree in France in identified disciplines. Since its inception in 2018, there are 25 students – selected based on their academic merits and socio-economic background – who have benefited from this scholarship.

Under our second program, Legrand assists meritorious and deserving girl students in studying engineering and architecture from Indian universities. The support is not just limited to financial assistance but also extends to provide all-round support throughout their academic term with various learning and mentoring opportunities. We aim to empower girls through quality professional education and to build future women leaders. Over the last two years, we have been able to support 125 girl students through this initiative.

### RPL and NDMA training

India has a distinct advantage of having the world's youngest population. Yet, there is an alarming rise in the unemployment levels and a wider skill gap. Realising this, Legrand introduced 'RPL – Recognition of Prior Learning' in 2017 in association with Power Sector Skill Council (PSSC). The objective of this project is to recognise the existing skills of electricians and provide assessment, skill-upgradation and certification through government schemes. Every year, around 2,500 electricians are trained at 15 smart cities across India under this programme; we have trained over 7,500 electricians across India till date. Our vision is to ensure that 15,000 trained electricians with requisite skills are available by 2022 for the smart city sector which is vital for the growth of the nation. Not only this, approximately 100-150 women electricians are covered every year

under this project, supporting our women empowerment mission. Legrand initiated NDMA - National Disaster Management Training for the first time in India at the National Disaster Management Institute, Bhopal. Every year, 150-200 electricians are given specialised training to build a safer and more disaster-resilient India. The aim is to foster a culture of prevention, preparedness and mitigation during disaster crisis through electricians who can act as commandos in times of need.

### Disaster management support

Legrand, being a socially responsible organisation, supports the nation by joining hands to manage disaster situations. When Kerala was hit by disastrous floods in 2018, our objective was to restore normalcy in the flood-affected community through rehabilitation and restoration of electrical facilities. We contributed to the 'LIFE Mission' project by supporting the state in rebuilding houses (4,000+), powering back up supports to government hospitals (800+), providing solar lamps to tribal communities (1,000+) and scholarship assistance to girls from flood-affected districts. Legrand recognised 500 electricians with a certificate of appreciation and an electrical tool kit for their voluntary services during this crisis. Similarly, we extended our disaster relief support to Odisha to rebuild over 300 schools in the Puri district that were destroyed by cyclone Fani in 2019 with furnishing and electrical support.

Over the years, our vision and determination have enabled us to touch thousands of lives, contribute actively to the community through all our projects and promote a culture of giving. We are happy and proud in bringing about transformation in the society through these initiatives and our journey will continue.

*Tony Berland is the CEO and Managing Director of Legrand Group India.*

# No, Supreme Court has not said cryptocurrencies are legal in India

The recent apex court judgment does not say anything on its legal validity. But this order could be overtaken by a proposed law that bans all unofficial virtual currencies.

**T**he Indian Supreme Court recently set aside a circular of the Reserve Bank of India barring Indian banks and other financial intermediaries from providing banking and other services to a person or company dealing in cryptocurrencies.

Most media platforms in India and abroad have interpreted this as a victory for proponents of cryptocurrencies such as Bitcoin and a lifting of a “bar” on the cryptocurrency trading but a deeper analysis will show this line of thinking to be flawed.

## No ban on cryptocurrencies

First, the RBI had not banned trading in cryptocurrencies. It had merely barred institutions under its regulatory ambit from providing any services to those who traded in them. So, technically, there was no ban on trading, although in practical terms, it was not possible for any resident Indian to conduct such trades without the intermediation of banks and other financial services companies.

Let us now turn to the judgment in greater detail. To arrive at its conclusion, the court answered three questions. The first related to whether virtual currencies were the same as money. The second was whether the RBI had the power(s) to regulate such virtual currencies. And the final question was on whether the circular in question was in line with and within the scope of such power(s).

## The three critical questions

On the first question, it was argued before the court that cryptocurrencies were not money but merely “goods” and, therefore, outside the purview of RBI’s regulatory powers. After hearing both sides, the court concluded

that “if an intangible property can act under certain circumstances as money, then RBI can definitely take note of it and deal with it”



On the second question, the court ruled that although the RBI’s circular effectively blocked trading in cryptocurrencies by barring banks and other financial intermediaries from providing any service to traders, it was within its powers to regulate banks and others it was mandated by law to regulate. It also ruled that RBI was permitted under the law to regulate “anything that may pose a threat to or have an impact on the financial system of the country... despite the said activity not forming part of the credit system or the payment system”

It is only in dealing with the third question, on whether the circular was in line with and within the scope of RBI’s powers that the court found the

central bank’s action disproportionate to requirements as it could not cite a single instance of damage that cryptocurrencies had caused to the formal monetary system. It was on this limited ground that the Supreme Court set aside the circular.

## Not really a victory for cryptocurrencies

So, before celebrating their “victory,” cryptocurrency enthusiasts should understand that the court has not said anything on the legal validity or otherwise of cryptocurrencies. It has merely said the RBI has gone beyond its regulatory mandate in barring banks and others from providing services to persons or firms dealing in them.

In fact, many legal experts feel that if the RBI issues a similar circular again, this time documenting any alleged risks cryptocurrencies pose to the formal monetary system, there is considerable scope in the Supreme Court judgment for such a future circular to be upheld as the court has found that RBI has the powers to regulate this virtual currency.

But there may not be a need for that.

## New law could settle issue

According to media reports, the government has prepared a draft Bill that bars mining, holding, trading in, dealing with and using cryptocurrencies in India. The proposed law stipulates stringent punishment of 10 years imprisonment and fines of up to \$3.63 million for violations.

Once this draft Bill becomes law – the government has not yet indicated any time frame for this – the cryptocurrency dreams of resident Indians will be dead in the water.

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