



Europe India Chamber of Commerce

Newsletter

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EICC partners Renewable Energy Conference in India

Chamber will partner and promote the upcoming Renewable Energy Conference to be held in Mumbai on September 25 & 26, 2012. The conference is being jointly organised by the Council of EU Chambers of Commerce in India and European Business and Technology Centre (EBTC). The main theme of the Conference is Renewable Energy - Policy Regulation Technology & Finance. The Conference is supported by Ministry of New and Renewable Energy, Government of India and Government of Maharashtra and General Carbon Advisory Services Pvt. Ltd is the Carbon Offset Partner for the Conference.

The Objective of the Conference is to deliberate various aspects of renewable energy Policies/Regulations in India and Europe, Experience in financing renewable energy projects, Revenue streams for Renewable Energy Projects viz., Feed in tariffs RECs and Carbon Credits and to promote EU experience and technology transfer to India in Renewable Energy Development

The Conference aims at providing a platform for power providers, technology suppliers, investors, industry experts as well as political and economical decision-takers to ensure a sustainable development of India's energy and environmental ecosystem looking for technical support from European companies. With Europe's Apex Chamber EICC partnering the event, the conference is likely to be the organiser's prominent networking event for producers, developers, utilities, manufacturers, suppliers, large energy consumers, investors & lenders, and governments.

The Conference will bring together 150 delegates and speakers from the power and renewable energy sectors from EU and India including policy makers, renewable energy experts, debt and equity investors, EPC companies, consultants, equipment suppliers and manufacturers of eco-friendly technology. The two day day conference will promote a dialogue on policy deployment that will be conducive to further catalyze renewable energy development in India with increased participation of EU technology and finance besides evolving an understanding and matchmaking of relevant businesses across EU and India. The Conference aims to encourage transfer of knowledge, technology and finance amongst EU and India for renewable energy development. The conference will also provide ample opportunity to developers from India to network and interact with technology and finance providers from the EU.

Key highlights of the Conference include: attendance by representatives of leading companies from Europe and India including policy makers, project developers, debt and equity investors, EPC companies etc; deliberations on the current & future potential in Renewable Energy sector & development in Policy and Regulation; identify and appraise investment opportunities; understand and evaluate the risks; assess the regulatory & reform pattern; excellent Business Networking opportunity for all participants through Pre requested B2B meetings. For more details and other enquiry, please contact EICC (info@eicc.be) or EU Council of Chambers in India (director@euindiachambers.com)

Chamber joins IOD India for the London Global Convention 2012

Europe's Apex trade and business body EICC has accepted an invitation from the Institute of Directors, India to join as Associate Partner for the Global Convention 2012 to be held in London on 10 -12 October 2012. The theme of the Convention is Corporate Governance Perspectives & Sustainability Challenges.

Institute of Directors was established on 13 July 1990 in India, as an apex association of Directors to improve their professional competence. IOD India since has grown to associate with more than 30,000 senior executives representing prominent organisations from both the Private & Public and Govt worldwide. The IOD India's activities extend from training, monthly lectures to workshops, national and international Conferences on issues such as Quality, Environment, Climate Change, Occupational Health

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and Safety, Corporate Governance, Cyber Security, Competition Law, Sustainability and Corporate Social Responsibility, held in India and abroad.

The Convention is being organized by the Institute of Directors, India in partnership with Federation of Indian Chambers of Commerce and Industry (FICCI) and Associated Chambers of Commerce and Industry of India (ASSOCHAM) and a number of other national and international organizations. The Convention will begin with Global Business Meet on 10th Oct 2012, which would offer for businesses for trade and investment apart from new market development, economic research and technology & outsourcing consulting paving the way for new joint ventures and collaborations. This event will also incorporate the 12th International Conference on Corporate Governance, 3rd Global Summit on Sustainability and the presentation of famed Golden Peacock Global Awards during the Convention.

A large number of experts, professionals, opinion and business leaders from all over the world are expected to attend. This will be the biggest gathering of business leaders, corporates, industrialists, policy makers, ministers, parliamentarians, jurists, NGOs, administrative officers, Academicians & University Students from across the global boundaries. The event is led by Hon'ble Dr. Ola Ullsten, former Prime Minister of Sweden who is the Chairman of Advisory Board. This Conference comes three months after the Horasis Global India Business Meeting in Antwerp in June in which EICC was the main collaborator and Co-organiser. Chamber will actively support the Convention through its network with wide publicity and participation, and has also signed a MOU with the IOD India.

Details are available on www.iodonline.com and www.eicc.be

Filippo Santececchi appointed EICC Resident Director in Italy

EICC has a home in Rome with Mr. Filippo Santececchi as its Resident Director. In a communication to Mr. Santececchi, the Secretary General said that upon recommendations of the General Assembly and Board of Directors of the Europe India Chamber of Commerce, which met on 23 June 2012 in Antwerp, he was pleased to confirm his appointment as the Resident Director of EICC office in Italy. As Mr. Santececchi has strong business links with Luxembourg, the Secretary General has requested him to serve EICC's interest in Luxembourg too. Mr. Santececchi is expected to provide entrepreneurial leadership of the EICC in Italy within a framework of effective promotion of Italian-Indo trade and set EICC's strategic aims in Italy and ensure that the necessary financial and human resources are in place through his own managerial and entrepreneurial skill to meet the broad objectives of the opening of organization in Italy. In addition it is expected that he will use his contacts and business acumen to strengthen the EICC by getting many Indian and European companies in Italy (and Luxembourg) having business interest in each other countries to join EICC as its members. The EICC will provide him all assistance and support that he may require in carrying out his responsibilities. The objective is to promote businesses and institutional delegations to stimulate both the Italian and Indian markets.

The Indo-Italian bilateral trade has been constantly increasing at high rates in last few years and only due to the global economic recession in 2009 the trend has registered a negative growth. The bilateral trade crossed for the first time 7 billion Euro in 2010 and 8 billion Euro in 2011. EICC expects that through the support and cooperation of its Director it will play an active role in organising business meetings, international trade fairs, seminars, conferences and round tables to promote knowledge sharing between the two countries. The Chamber believes that these activities will help it develop strong ties between Indian and Italian business and serve their interest. Filippo can be contacted on his mail ID: filippo.santececchi@studiosantececchi.it

Serum Institute of India acquires Biltoven Biologicals of Netherlands

Serum Institute of India, the flagship company of the over USD 1 billion Poonawalla Group and India's largest vaccine company, has announced the acquisition of Biltoven Biologicals of Netherlands. Through the acquisition, the Serum Institute will get access to technology and expertise for making the Injectable Polio Vaccine (Salk), the company said in a release issued here. This first overseas acquisition will also provide the Group and Serum Institute an important manufacturing base in Europe with access to important European and US markets.

"The acquisition will significantly strengthen our position in the global vaccines market, while giving us access to the technology and production facility of Injectable Polio Vaccine (Salk), the only logical solution available for the eradication of polio," Poonawalla Group and Serum Institute Chairman Cyrus Poonawalla said. It also gives the Poonawalla Group an important operational and strategic platform in Europe and the US, with the important manufacturing base in the Netherlands, he said. "This will also significantly enhance our earlier offerings in the paediatric vaccines segment including DPT, Measles and MMR vaccines where we are the global leaders today," he added.

Bilthoven Biologicals was owned by the The Netherlands government, from which the Serum Institute of India (Cyrus Poonawalla Group) has acquired 100 per cent shares. The Netherlands company employs over 200 and has a manufacturing capacity of over 20 million doses of vaccines in a year and the company sells these vaccines to Europe and developing countries.

Sharing the future outlook for the company, Poonawalla Group and Serum Institute Executive Director Adar Poonawalla said, "We are committed to invest over Euros 70-80 million over the next 3 years to augment the infrastructure and enhance the manufacturing capacity of the Bilthoven's facilities." Serum Institute has one of the world's largest vaccine manufacturing facilities at Pune.

According to a press release of February this year by the Netherlands Foreign Investment Agency (NFIA) of the 193 projects of foreign companies which set up an establishment in the Netherlands in 2011, 10 of them were Indian companies. Among the key names are Mahindra Satyam, Tata Interactive Systems, OmnitechInfosolutions Ltd., Stellar Information Systems and Govind Rubber Limited. The release said: "In 2011, NFIA India actively supported 10 Indian investment projects in The Netherlands. We have received repeated interest from the Indian ICT sector last year that clearly inclines towards the growing market for outsourcing in the Netherlands and N.W. Europe as the evident reason for establishing base. To date, a total of more than 160 establishments of Indian companies have been set up in the Netherlands to leverage the advantages it offers as a gateway to Europe." "Many of these companies use the Netherlands as the stepping stone into Europe, e.g. by setting up a marketing and sales offices, the country gives easy access to Europe's major markets, and has an outstanding transport infrastructure which makes the Netherlands the country of choice for companies wishing to service Europe. We are expecting close to 200 new jobs being generated from the new investments in 2011."

Qualified Foreign Investors can invest up to \$1 billion in debts without lock-in period

In order to attract foreign funds, the Reserve Bank in a major policy decision, on 16 July allowed individual overseas investors also called Qualified Foreign Investors (QFIs) to invest up to \$ 1 billion in corporate bond market and debt schemes of mutual funds without any lock-in period.

"QFIs are permitted to invest in corporate debt securities (without any lock-in or residual maturity clause) and Mutual Fund debt schemes subject to a total overall ceiling of \$ 1 billion. This limit shall be over and above \$ 20 billion for FII investment in corporate debt," RBI said in a notification.

As of now, foreign investors were allowed to invest \$ 20 billion in the country's corporate bond market. With this the ceiling will increase to \$ 21 billion. A QFI is an individual, group or association resident in a foreign country that is compliant with Financial Action Task Force (FATF) standards. QFIs do not include FIIs/sub accounts. Between January-May 2012, FIIs have put in \$ 11.89 billion into Indian markets. The government also expanded the ambit of QFIs to include residents of FATF member countries and those from countries which are signatories to International Organisation on Securities Commission protocol.

Global firms see India 3rd most-favoured destination: UN report

Major global companies consider India their third most favoured destination after China and the United States, a U.N. report said recently, and investment inflows could increase by more than 20 percent both this year and next.

Foreign direct investment (FDI) flows into India leapt 30 percent to nearly \$32 billion in 2011, though held back by slow pace of reforms, it still remains a long way down the league table of FDI recipients.

China drew \$124 billion last year, while Brazil attracted nearly \$67 billion and Russia \$53 billion. "The FDI inflows into India can go up by 20-25 percent this year and by about 20 percent next year, if the present trend continues," said Nagesh Kumar, Chief Economist, United Nations Economic and Social Commission for Asia and the Pacific, while releasing the UNCTAD's World Investment Report 2012.

Some 179 global companies - from the manufacturing, services and primary sectors - were surveyed between February and May, on their favoured investment destinations for 2012 to 2014.

Kumar said FDI growth seems to be keeping its momentum in 2012, referring to furniture maker IKEA and Coca Cola's (KO.N) recent announcements to pump nearly \$5 billion combined into India over the long term. Though India's economic growth slowed to 5.3 percent in the March quarter, its slowest in nine years, its trends still compared favorably, Kumar said. "Compared to many other places, India is doing better in terms of growth," he said, adding global investors were looking at the long term prospects and wide market in Asia's third largest economy.

The report said worldwide FDI flows exceeded the pre-financial crisis average in 2011, reaching around \$1.5 trillion, despite turmoil in the global economy, and is projected around \$1.6 trillion this year.

Global companies are sitting on hefty cash reserves and waiting for the euro zone situation to stabilise before investing, he said. Earlier this year India allowed full foreign ownership of single brand retailers, although late last year it backtracked on a plan to allow in foreign supermarkets.

Many investors are hoping it revives that plan soon, after Prime Minister Manmohan Singh recently took over the finance portfolio and talked about the need to address problems in the insurance and mutual fund industries, as well as taxation.

Kumar said corporate investors look at long term prospects and recent controversies over retroactive tax proposals broadly aimed at taxing companies like Vodafone (VOD.L), or proposed general anti-tax avoidance rules (GAAR) would not hurt India's prospects as an investment destination.

Europe's economic crisis hits India-France bilateral trade

Eurozone crisis has hit the India-France bilateral trade and it would be difficult to achieve the \$12 billion target (of the trade) this year, French Ambassador to India, Francois Richier, has said.

The French government is trying to bring some budgetary reforms to bring down budget deficits so that the growth can be brought back, the Ambassador said. "It is true that last year it (bilateral trade) was not as high as we expected. Europe is undergoing deep economic crisis. We are trying to get out of it (crisis) through economic measures and coordinated European measures which will boost the trade with the rest of the world including India," the envoy said recently.

According to a report from the French Embassy, the bilateral trade between France and India slowed down in 2011 (5.8 per cent at 7.46 billion euro). French exports rose to 2.77 billion euro, a drop of 4.5 per cent as compared to 2010, and French imports declined 12.9 per cent to 4.69 billion euro. The French bilateral deficit is growing and stands at 1.92 billion euro. The fall in French exports is mainly due to the postponement of aircraft delivery. Imports from India have been steadily increasing over the past decade, the report added.

"In 2011, French exports to India fell by 4.5 per cent to stand at 2.77 billion euro. This is due to the slowdown in India's civil aircraft imports: many private airline companies were established in 2003 and their first phase of acquisition is now coming to an end. Despite low aircraft sales, France's market share in this sector remains constant in India (30-35 per cent every year)," the report said.

Exports from the European Union (EU) to India have fallen by one percent from 13.1 billion euro for January to April, 2011 to 13 billion euro (about \$16 billion) for the like period this year, quoting Eurostat the EUAsia News reported. Indian exports to the EU, however, fell by 10 percent from 13.8 billion euro in

January to April 2011 to 12.4 billion euro for the same period in 2012. The figures have been released by the EU's statistical office Eurostat.

WTO's GPA will give India access to \$ 1.7 trillion procurement market

With India evaluating pros and cons of joining the WTO's global procurement agreement (GPA), a senior official of the multilateral body has said being a part of the pact would give New Delhi access to about \$ 1.7 trillion procurement market. Currently, India has an observer status in this plurilateral pact. The GPA, which is a legally binding agreement in the WTO, sets fair rules for public purchases. Members to the agreement open their markets only to fellow signatories - rather than to all WTO members.

Speaking in New Delhi recently, WTO Secretariat Deputy Director Harsha V Singh said WTO's GPA provides a guarantee of access to foreign procurement markets for goods and services.

"...it (India) is trying to see for itself how things are functioning. It is going through a detailed and intensive evaluation of the pros and cons of being a member," Singh said.

The observer status gives India an insight into how governments of developed countries place multi-billion procurement orders with the industry.

But it does not mean that India is under an obligation to subject its approximately \$ 125 billion government purchases to the WTO rules.

India has a big market in which foreign companies are willing to offer their goods and services.

"...by joining that agreement, you give signal to rest of the world of a willingness to give stability, predictability and creditability to the system which you have adopted. That becomes very important," he added.

Singh hoped India would reach some kind of conclusion after its own internal assessment and taking feedback from its stakeholders.

Referring to India's Public Procurement Bill, which was approved by the Cabinet, he said: "Since India is going to implement these principles (like good governance etc) through this legislation...becoming a member of the WTO's GPA would be a positive step in reforming the procurement regime, making it more open and transparent".

At present, 42 WTO members are signatories to GPA. Developed countries, most of which are members of GPA, want India to sign the GPA under the WTO.

UK visa curbs putting off investors

As Britain laid out the red carpet to woo foreign leaders and investors during the Olympics, a leaked official report reveals that immigration curbs on professionals from countries like India were the greatest concern of potential investors.

Amidst worsening economic situation, Prime Minister David Cameron and his ministers have been appearing at a series of business meetings at a specially created 'British Business Embassy' at the Lancaster House to win at least 1 billion pounds of investment from investors during the Olympics.

During the meetings, some international business leaders such as Cisco chairman John Chambers questioned government representatives on Britain's immigration rules especially visa curbs.

As Cameron tried to allay their apprehensions on the issue, an internal report of the UK Trade and Investment (UKTI) department leaked to The Independent said immigration of foreign professionals was the greatest concern of foreign companies.

According to the report, immigration was cited as the most important concern by 50 per cent of potential investors, more than personal and company taxation (13 per cent), red tape (10 per cent), skills (9 per cent) and planning rules (5 per cent).

The report said: "These 'front of mind' concerns are usually near-term and have the prospect of impacting adversely on companies' immediate business competitiveness and therefore the UK's ability to attract investment."

Concerns listed by UKTI in the report include problems obtaining visas for prospective UK workers, particularly those from India and the need for a higher level fluency in English for skilled employees.

Indian Commerce Minister Anand Sharma on 26 July said he had also taken up the issue with the British government, particularly at a time when Indian IT companies were investing here and setting up offices for the UK and EU markets.

Companies also cited rules governing intra-company transfer (ICT) visa - which is widely used by Indian IT companies - that allow them to bring in their own employees from abroad. These included having to keep re-applying for ICT visas and artificially inflating salaries to meet the threshold for them.

A five-year limit for staff who transfer within firms "could have serious implications on business", it added.

The report also suggested immigration rules threatened firms' ability to bring in scarce engineering technicians.

UKTI said: "The maintenance of an internationally competitive domestic business environment is fundamental to Government being able to deliver the growth agenda.

"The ability of the UK to attract high value foreign direct investment is central to the ability for growth in the UK."

Visa problems impacting trade, investments: India to UK

India has raised with the UK the issue of visa problems being faced by its professionals and the way they are impacting bilateral trade and investments.

At a meeting with British Secretary of State for Business, Innovation and Skills Vince Cable, Commerce and Industry Minister Anand Sharma has said, "The bilateral trade and investment between the two nations is getting impacted by difficulties in obtaining visas."

Sharma said India wants to make sure that business visitors are able to travel to the UK without facing visa related troubles.

He said the IT industry in particular is getting impacted by such issues as delivery of services is dependent on the movement of professionals at short notice. Sharma impressed upon the UK government to carefully take into account the gains arising to the UK economy from the contributions by the highly skilled workers from India.

"...any unreasonable cap would affect the productivity of around 700 Indian companies which provide substantial employment in the UK," he said.

In April, the UK stopped the facility of Post Study Work Visa to Indians and other non-EU students. It allowed them to work for two years after graduation/post-graduation.

UK, Germany and several other European countries are following tough visa regimes for professionals and students from developing countries. India has raised this issue on many occasions with these countries.

Sharma also raised the issue of visa with British Foreign Secretary William Hague, who has assured him of looking into the issue at the earliest.

Meanwhile, George Osborne MP, Chancellor of the Exchequer, UK in his meeting with Sharma assured to provide an open investment climate for Indian businesses.

On India-EU free trade pact, Osborne said that UK remains a strong advocate of the deal and will provide all help India and the 27-nation bloc are committed to finalising a balanced agreement by 2012. Osborne also called for an early and amicable solution to the Vodafone issue.

Following an amendment to the Income-Tax Act with retrospective effect, the UK-based Vodafone may be asked to pay Rs 20,000 crore tax, including interest and penalty, for its 2007 acquisition of Hong Kong based Hutchison Telecom, including its India assets.

Minister Sharma has invited British companies to invest in the National Manufacturing and Investment Zone (NMIZ) as partner. Hague asked his office to examine the opportunities for NMIZ in the UK. India has notified about 10 NMIZs, which will have world-class infrastructure for units. It aims to enhance manufacturing sector in India.

In 2010-11, trade between India and the UK was USD 12.68 billion.

India protests European Union study of data laws

India has protested against a European Union decision to study India's data protection laws to find out if they are in conformity with those in the 27-nation grouping. The EU wants to ensure that the Indian laws meet its directive before it makes a commitment on the issue in the bilateral free trade agreement being negotiated between the two. The EU has not accepted India's assertion that it was a 'data secure' country. This has affected the EU's plan to double the flow of outsourcing business from the region.

"We will not tie our demand for data secure status to any study from the EU side," a commerce department official said. "We do not want a situation where we are told just days before signing the deal that the study results were not positive."

Commerce and industry minister Anand Sharma had in a recent meeting with EU trade commissioner Karel De Gucht stressed India be given the status of a data secure country before the two sides sign the FTA.

According to the EU law, European nations outsourcing business to countries that are not certified as data secure have to follow stringent contractual obligations, which increases operating costs and affect competitiveness. Several European companies hesitate in doing business with India as they do not want to invite trouble by unwittingly failing to fulfill the conditions laid down by the EU.

"If India is given data secure status, not only will Indian firms save on costs but EU companies will also have increased confidence in doing business here," said Kamlesh Bajaj, chief executive of Data Security Council of India, an independent self-regulatory organization set up by IT body Nasscom.

Outsourcing business from the EU could jump to \$50 billion annually from \$20 billion in a short span once India is recognized as a data secure destination, Bajaj said.

India amended the Information Technology Act in 2006 after some cases of fraud came to light in the BPO sector. Two years later, the law was amended again and made compliant with the EU law on data protection.

India, however, continues to be among the countries not considered data secure by the EU. This obstructs flow of sensitive data, such as intellectual property or patient information for telemedicine, to India under data protection laws in the EU.

"India has already given the EU enough material to show how the IT Act 2006 meets the requirements of their data protection directive. We have incorporated the kind of privacy principles and enforcement mechanism that the EU asks for," Bajaj said.

The Data Security Council works with the government in ensuring that the IT industry adheres to the laid down security and privacy norms.

"We have told the EU that our law may not be worded exactly in the way the EU directive is, but it essentially is the same," the commerce department official quoted earlier said. India will continue giving the issue priority in the on-going negotiations, in addition to other services related concerns like movement of professionals, the official said.

Tata owned JLR to hire 1,100 people for Castle Bromwich plant

Even as the United Kingdom reels under economic slowdown, Tata-owned Jaguar Land Rover (JLR) on 25 July announced it will hire 1,100 people for its manufacturing facility at Castle Bromwich to support launch of new models. A recruitment campaign for production operators has been launched, JLR said in a release.

"Innovation in design, engineering and technology is at the core of our business and for the UK, this means we will continue to invest in new products, develop new technologies and enhance the skills of our employees," Jaguar Land Rover CEO Ralf Speth said.

"The launch of our latest Jaguar models, including the new XF Sportbrake later this year, means it is a very exciting time for Jaguar. These new models will attract new customers to the brand as we look to expand our global reach and further enhance our position in the market," he said.

Welcoming the development, UK Business Secretary Vince Cable, said: "This is fantastic news for Castle Bromwich that Jaguar Land Rover is creating more than 1,000 jobs to support the production of new models at the plant. This expansion is a clear demonstration of Jaguar Land Rover's continuing commitment and investment in the UK".

The release added that as part of JLR's ambition to deliver 40 significant product actions over the next five years, the Castle Bromwich plant will manufacture the new 2013 Model Year XF and XJ ranges this year.

These models through the introduction of new powertrains and transmissions offer customers greater efficiency, technology and choice than ever before.

The XF range will also see the addition of the XF Sportbrake derivative which, with a load capacity of up to 1675-litres, is billed to be "the most versatile Jaguar built to date".

All of Jaguar's key markets, including China, UK, USA and Europe, have delivered year-on-year sales improvements. In the 2011-12 fiscal, JLR achieved record profits of 1.5 billion pounds, increase of 392 million pounds compared to the previous year.

In the first six months of the year, Jaguar has sold more than 29,000 vehicles globally, which is a 19 per cent increase against the same period last year, the release added.

D.Y. Patil Antwerp British School in Belgium is all set to open from September

The D Y Patil Group, known in the Indian academic world as the provider of international quality education for last 28 years, is all set to open its Antwerp British School in Aartselaar, Belgium from September. The education curriculum will be for Junior School, Middle School, and DYP ABS College. Group has promoted more than 168 institutes of learning that includes, among others, 3 world class Universities, colleges & schools. The D Y Patil Group has academic collaborations with many leading international universities from the USA and UK. Its academic collaboration with University of Central Lancashire, UK, is highly successful.

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In order to inculcate enquiry based learning in pupil right from the early age, the Group has diversified into promoting Primary & Secondary Schools based on International Curricula. This has proved to be a huge success in India.

School facilities includes Resource Centre, IT room with all new technology (i Macs), Art and design rooms, Cafeteria, Theatre, Gym room, Three science labs, Class rooms with all modern technology facilities like i Pad teaching by the faculties. Play area for Pre-school with modern facilities. In addition to these facilities, the school has Tie up with Sports centre for swimming, indoor basketball, volleyball, football, running tracks, badminton, etc.

European Parliament rejects ACTA as MEPs disagree about the best way forward

The controversial Anti-Counterfeiting Trade Agreement (ACTA), was rejected by the European Parliament on 4 July, and hence cannot become law in the EU. This was the first time that Parliament exercised its Lisbon Treaty power to reject an international trade agreement. 478 MEPs voted against ACTA, 39 in favour, and 165 abstained. "I am very pleased that Parliament has followed my recommendation to reject ACTA" said rapporteur David Martin (S&D, UK), after the vote, reiterating his concerns that the treaty is too vague, open to misinterpretation and could therefore jeopardise citizens' liberties. However, he also stressed the need to find alternative ways to protect intellectual property in the EU, as the "raw material of the EU economy".

The decision of the European Parliament vindicates EICC views on the ACTA. The Chamber had lobbied with the European Parliament and had joined many like minded NGOs against the ACTA.

The EPP's key ACTA advocate, Christofer Fjellner (EPP, SE), asked before the vote that Parliament should delay its final vote until the European Court of Justice has ruled on whether ACTA is compatible with the EU treaties. However, when a majority of MEPs rejected this request, a substantial minority responded by abstaining in the vote on Parliament's consent. While debating whether to give its consent to ACTA, the Parliament experienced unprecedented direct lobbying by thousands of EU citizens who called on it to reject ACTA in street demonstrations, e-mails to MEPs and calls to their offices. Parliament also received a petition, signed by 2.8 million citizens worldwide, urging it to reject the agreement.

ACTA was negotiated by the EU and its member states, the US, Australia, Canada, Japan, Mexico, Morocco, New Zealand, Singapore, South Korea and Switzerland to improve the enforcement of anti-counterfeiting law internationally. The vote means that neither the EU nor its individual member states can join the agreement.

The vote dealt a blow to European Commissioner Karel De Gucht, who sought to dissuade MEPs from voting on the international treaty before the European Court of Justice gave its opinion. The vote against ACTA was not one against the protection of intellectual property," said the Parliament President Martin Schulz, adding: "On the contrary, the European Parliament staunchly supports the fight against piracy and counterfeiting, which harm European companies and pose a threat to consumer health and European jobs."

The trade group European Federation of Pharmaceutical Industries and Associations (EFPIA) said it is disappointed by the European Parliament's vote rejecting the ACTA. Although the EFPIA recognizes the role of the Parliament in international trade negotiations" we fail to understand the urgency of taking such a decision without waiting for the pending opinion of the Court of Justice of the EU since this rejection will have economic consequences for industrial sectors, workers and consumers in the EU," it stated. A spokesman for the association told that the decision to have an urgent parliamentary vote – under pressure from citizens and non-governmental organizations - "sends out a bad signal," noting that it seem to be "throwing the baby out with the bathwater."

The EFPIA stressed that the threat of counterfeit medicines is substantive and growing. Counterfeit medicines have been documented in every therapeutic category, in both generic and branded medicines, and in every region of the world. Recent cases of counterfeit oncology treatments as well as of counterfeit

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generics underline the urgent need for action and stringent measures to protect patients worldwide. At European level, EFPIA together with supply chain stakeholders GIRP, PGEU and EAEP, is currently setting up the European Stakeholder Model, a European medicines verification project aimed at preventing falsified medicines from entering the European supply chain and improve patient safety.

However, the international medical humanitarian organization Medecins Sans Frontieres (MSF) welcomed the refusal of an agreement that could have limited access to quality generic medicines. "We are relieved that the EU Parliament has struck down ACTA," said Aziz ur Rehman, intellectual property advisor for the MSF Access Campaign, adding: "The way it was written, ACTA would have given an unfair advantage to patented medicines, and restricted access to affordable generic medicines to the detriment of patients and treatment providers alike."

The ACTA was purported to protect against counterfeiting across a number of industries, including for medicines, where it was held up as a way of blocking potentially harmful "counterfeit" medicines. MSF strongly supports efforts to ensure that generics meet accepted international standards, however ACTA's overbroad definition of 'counterfeiting' and its excessive enforcement provisions left too much room for error. Legitimately produced generic medicines could have been seized and detained, hindering access for people who rely on these medicines to survive.

Following the rejection of ACTA, the European Commission should review similarly harmful intellectual property provisions being pursued in other agreements, including in free trade negotiations. One such current negotiation is with India, one of the world's biggest exporters of generic medicines. "The EU Trade Commissioner Karel de Gucht should take heed - the vote on ACTA has shown that these harmful policies are unacceptable to European parliamentarians and some EU member states. The Commission should rethink its approach on intellectual property enforcement measures in free trade and other agreements," Mr. Rehman urged.

Although most MEPs rejected ACTA on 4 July, some of them believed it would have been better to postpone the vote. The Commission asked the European Court of Justice in May to check the agreement does not violate European legislation. Some MEPs argued it would be better to wait for the Court's ruling, while others said there was no need as they felt there were already sufficient grounds for a rejection. We asked two MEPs about their position on ACTA.

EU Trade Commissioner Karel De Gucht in a statement said: "Today the European Parliament has voted to reject the international trade agreement ACTA. I recognise the choice the European Parliament has made.

I also welcome the debate which ACTA has created among Europe's citizens on the importance of stopping the trade of illegal, counterfeit goods and protecting our Intellectual Property for Europe's economy and jobs. I believe this debate will continue – especially over certain concerns raised on Intellectual Property Rights (IPR) in the digital environment.

Today's rejection does not change the fact that the European Commission has committed itself to seeking answers to the questions raised by the European public. As I have stated before, the European Commission will continue to seek the legal opinion of the European Court of Justice (ECJ) on whether this agreement harms any of the fundamental rights of European citizens – including freedom of speech. European citizens have raised these concerns and now they have the right to receive answers. We must respect that right.

It's clear that the question of protecting Intellectual Property does need to be addressed on a global scale – for business, the creative industries whether in Europe or our partner countries. With the rejection of ACTA, the need to protect the backbone of Europe's economy across the globe: our innovation, our creativity, our ideas – our intellectual property – does not disappear.

The European Commission will take on-board the opinion of the ECJ and the issues raised across the European political spectrum. We will then consult with our international partners on how to move forward on this issue. As we look to boost growth and jobs at this challenging time for Europe's economy, we

must work with the European Parliament, Member States, our international partners as well as stakeholders on the protection of Intellectual Property at international level and within the framework of international law."

€8.1 billion investment in research and innovation to create growth and jobs

The European Commission on 9 July announced the final and biggest ever set of calls for proposals for research under its Seventh Framework Programme (FP7). In total, €8.1 billion will support projects and ideas that will boost Europe's competitiveness and tackle issues such as human health, protecting the environment and finding new solutions to growing challenges linked to urbanisation and managing waste. The funding – which is open to organisations and businesses in all EU Member States and partner countries - makes up the lion's share of the EU's proposed €10.8 billion research budget for 2013. This announcement comes just days after EU leaders emphasised the importance of research and innovation in the Compact for Growth and Jobs.

European Research, Innovation and Science Commissioner Máire Geoghegan-Quinn said: "Knowledge is the currency of the global economy. If Europe wants to continue to compete in the 21st century, we must support the research and innovation that will generate growth and jobs, now and in the future. The high level of competition for EU funding makes sure that taxpayers' money goes to the best projects that tackle issues that concern all of us."

The calls target both innovation and a range of societal challenges, building a bridge to Horizon 2020, the next funding programme for EU research from 2014-2020. In total €4.8 billion is dedicated to thematic research priorities. Industrial innovation will be supported through close-to-market activities such as piloting, demonstration, standardisation and technology transfer. Special attention will be given to Small and Medium-sized Enterprises (SMEs) in a package worth up to €1.2 billion. Around €2.7 billion will help cement Europe's place as a world class destination for researchers, mainly through individual grants from the European Research Council (€1.75 billion), and Marie Skłodowska-Curie Actions (€963 million) for research training and mobility.

To help spread excellent research more widely, a new "European Research Area Chairs" initiative is being prepared. A €12 million pilot call will select a total of five ERA Chairs, to be hosted by universities or other eligible research institutions in less developed regions in five different EU countries. To host an ERA Chair, institutions must demonstrate their ability to support excellence through providing the necessary facilities and complying with European Research Area principles such as open recruitment.

Innovative thematic research priorities in this FP7 call include: around €155 million for "Oceans of the future", to support sustainable growth in the marine and maritime sectors; around €365 million for technologies that will transform urban areas into sustainable "Smart Cities and Communities"; some €147 million to combat the rise of drug-resistant bacteria; and nearly €100 million dedicated to innovative solutions for managing fresh water resources.

The calls also support the Digital Agenda's ICT research funding targets, with almost €1.5 billion going to the thematic area of information and communication technologies.

There will be around €970 million of financing for SMEs under the thematic research priorities. Other measures include an extra €150 million for guarantees to leverage €1 billion in loans for SMEs and mid-caps (slightly larger firms up to 500 employees).

The €8.1 billion announced is expected to leverage an additional €6 billion of public and private investment in research, and estimated to increase employment by 210,000 in the short-term and generate, over a 15 year period, an additional €75 billion in growth.

The FP7 framework programme, launched in 2007, has a total budget of €55 billion for research and innovation. It has so far supported some 19,000 projects involving over 79,000 participants (universities, research organisations and businesses) across all EU Member States, with a total EU investment so far

of €25.3 billion. By 2013 it is estimated that FP7 will also have directly supported some 55,000 individual researchers' careers.

The EU's total research budget includes funds that are not included in the calls announced. These include funding under the Euratom treaty covering nuclear energy research (€993 million), or to help support "joint technology initiatives" with industry (€751 million) or "joint programmes" set up between Member States. The total budget also includes funding for the Commission's Joint Research Centre and the Commission's contribution to the Risk Sharing Finance Facility (RSFF), managed by the European Investment Bank Group.

EU customs detain fake goods worth €1.3 billion at EU borders mainly originated from China

In 2011, EU Customs detained almost 115 million products suspected of violating intellectual property rights (IPR) compared to 103 million in 2010. The number of intercepted cases increased by 15% compared to 2010. The value of the intercepted goods represented nearly €1.3 billion compared to €1.1 billion in 2010, according to the Commission's annual report on customs actions to enforce IPR. The report also gives statistics on the type, origin and transport method of IPR infringing products detained at the EU's external borders. The top categories of articles stopped by customs were medicines (24%), packaging material (21%) and cigarettes (18%). Products for daily use and products that could be potentially dangerous to the health and safety of consumers accounted for a total of 28.6% of the total amount of detained articles, compared to 14.5% in 2010. The increase in number of detained postal packages continued in 2011, with 36% of the detentions concerning medicines.

Algirdas Šemeta, Commissioner for Taxation, Customs, Anti-fraud and Audit said: "Customs is the EU's first line of defence against fake products which threaten the safety of our citizens and undermine legal businesses. Today's report shows the intensity and importance of the work being done by Customs in this field. I will continue to push for even greater protection of intellectual property rights in Europe, through our work with international partners, the industry and Member States."

In terms of where the fake goods originated, China continued to be the main source, accounting for 73% of all IPR infringing articles. For certain product categories other countries remain the main sources such as Turkey for foodstuffs, Panama for alcoholic drinks, Thailand for soft drinks and Hong Kong for mobile phones. Around 90% of all detained products were either destroyed or a court case was initiated to determine the infringement.

As the EU's 2020 Strategy underlines, the protection of IPR is a cornerstone of the EU economy and a key driver for its further growth in areas such as research, innovation and employment. Effective IPR enforcement is also essential for health and safety, as certain counterfeited products (such as foodstuffs, body-care articles and children's toys) which are produced in an unregulated environment can pose a serious threat to citizens.

EU Customs play a crucial role in stopping products which violate intellectual property rights from entering the EU. A number of actions are being carried out by the Commission to strengthen Customs' ability to combat such trade. On 24 May 2011, the Commission adopted a proposal for a new regulation on customs enforcement of IPR, as part of a comprehensive package of IPR measures.

Good cooperation with trading partners can also significantly help in preventing the export of IPR infringing goods to the EU. In 2009, the EU signed an Action Plan with China which specifically focuses on enhancing cooperation in IPR customs enforcement. In 2010, this Action Plan was extended until the end of 2012. Cooperation with industry is also very important to ensure that goods which violate IPR can be properly identified. Businesses can request customs action where they suspect that their intellectual property rights are being violated, and the information provided by industry helps customs to better target their controls. The Commission has established a manual for right holders, to help them to lodge such requests.