Europe India Chamber of Commerce

Newsletter

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EICC holds its 9th Annual General Body and Board of Directors Meeting on 20 November 2014

The Europe India Chamber of Commerce held its 9th Annual Meeting on Thursday, the 20th November on the eve of its Trade and Investment partnership Summit. The Board of Directors and the General Body meeting of the Chamber took place in the background of the Chamber celebrating its 10th anniversary. The Meeting mainly discussed the issue of enlarging its membership base and improving financial position of the trade body.

The Secretary General while presenting Reports of activities outlined the major events, statements and activities for enhancing Chamber's outreach. He was emphatic that the Chamber is celebrating 10th Anniversary of its services to the EU-India economic and trade relations. This was the 9th time that he has had the privilege to present Reports to the Annual General Meeting and update the Members with the active work of our dedicated Board of Management, he said.

He said that the Chamber has been a longstanding institution, playing a vital role to business growth and developments in the EU-India and over the past 10 years there have been many changes within India and in Europe. The Chamber's success over time can be attributed to its leadership and its ability to navigate the organization through times of change. EICC has many business leaders who have led our organization through change and have provided the strategic leadership to the Chamber. Strong leadership is critical to the future, he added.

He said that the Chamber has managed to close the year with a modest positive balance. Much of this is due to a careful planning of the membership fee structure which, not only avoided a migration from corporate to individual membership but actually assisted us in (a) attracting new members and associations wanting to become part of our Chamber and (b) increase corporate membership. We strengthened all this with more emphasis on knowledge management, through modern approaches of maintaining membership, document management and communications. However, this was not enough.

In his Report to the Board and general Body, the Secretary General especially touched upon the success of the TIPS 2013 which was organized in partnership with EBTC and how it has shaped the Chamber taking big challenges and also branding itself. The positive outcome of collaboration with Indian Chamber of Commerce and Friends of Europe, relations with Bilateral Chambers was also mentioned by him. The Secretary General also informed how TIPS 2014 is helping the Chamber to increase its visibility.

The Secretary General informed the Meeting that the **Europe India Foundation for Excellence** (**EIFE**) has been duly registered under the Belgian Law and it is headquartered in the EICC address. He hoped that with the legal entity framework in place the EIFE and EICC will closely collaborate, and he thanked Count Christopher de Breza for his philanthropic works and for his un-parallel interest in promoting trade and cultural relations with India.

The Board and General Body also decided that in TIPS will be held only in Europe with rotating it in one of the EU countries and in Brussels every alternate year.

……and appoints Dr. Ravi Mehrotra New Chairman of the Board

The Board of Directors and General Body of the Chamber appointed Dr. Ravi Mehrotra as the Chairman of the Board. He will serve a three year term.

Dr. Mehrotra replaces outgoing Chairman MEP Mr. Geoffrey Van Orden who stepped down being elected Chairman of the European Parliament Delegation for Relations with India. Mehrotra has been Co-Chair of the Chamber and he envisions a bright future for the Chamber. "The Chamber is a global business partner that has the resources, energy and expertise to promote business growth and cultural understanding on the world stage" Mehrotra said.

"Dr. Mehrotra embodies the free enterprise system that the Chamber works so hard to advance and protect," EICC Secretary General said. "Ravi has proven himself to be a tireless leader on global trade, competitiveness, and many issues of interest to the business community. I look forward to work with him to meet Chamber's mission and strengthen economic relations between EU and India"

As Executive Chairman of the UK headquartered Foresight Limited Ravi K Mehrotra is a global leader in the shipping industry and owner of his billion dollar business empire, which he built entirely from scratch. A marine engineer by training, Ravi Mehrotra quickly rose through the ranks at the Shipping Corporation of India, holding various senior positions including secondment at Managing Director level on international Joint Ventures. In 1984 he decided to start up on his own and came to London where he established Foresight Limited. His business grew on the back of a shuttle service management for export of crude oil and the purchase of multipurpose ships which traded internationally. By 1990 he had ushered the Company into offshore drilling and reefer shipping which formed the backbone of Foresight during the next two decades. Tankers and multipurpose ships were added to the fleet, and managed from Cyprus. Since 1994 he has been a member of Lloyds Register of Shipping Committee. He is on the committees of DNV UK and American Bureau of Shipping. In recognition of his services to the shipping industry, he was awarded, in 2006, an Honorary CBE by Her Majesty Queen Elizabeth II.

Mr. Mehrotra is author of a Book ***"What's in it for YOU***?" In this book he traces his life's journey, from cadet to chief engineer, from a small Indian town to the City of London, from employee to entrepreneur and from humble beginnings to final success.

Chamber successfully organises TIPS with calls to deepen EU-India trade and business ties

The Trade and Investment Partnership Summit (TIPS) 2014 was organised in Brussels on 20-21 November 2014. The summit was dedicated to fostering bilateral trade, investment and economic relations between European Union and India around the theme "**EU-India Strategic Partnership: Beyond the Lost Decade: What will it take for European and Indian Businesses to make it Work**", and was a major milestone in the chamber's efforts to strengthen the EU-India partnership. The summit was once again the largest business event in the context of India and European business of 2014 and provided the highest level platform for a concrete and constructive dialogue in the context of improving trade and investment between EU and India, and offered Indian and European companies to build collaboration and business opportunities.

The TIPS 2014 was organized in partnership with **Eurochambres / EBTC** and in collaboration with **Indian Chamber of Commerce** and **The Friends of Europe**. EICC had successfully organized our 2013 TIPS in the European Parliament on 16 October 2013 in which more than 170 business leaders from Europe and India had participated. The TIPS adheres to the motto of **"serving and building EU-India trade and economic cooperation**"; the concept initiated by a group of extraordinary business leaders and entrepreneurs from India and Europe.

With the TIPS 2014, the **EICC**, **Eurochambres** and **EBTC** have reinforced their commitment to strengthen their collaboration and help economic and business relations between European and Indian to further blossom. EICC believes that with creating a conducive environment for Indian and European business to collaborate further, the EICC in Europe and EBTC in India could play an important role in serving their interests. .

The objective of the Trade and Investment Partnership Summit (TIPS) was to create awareness on international business opportunities and feasibility of cross-border expansion for Indian and European businesses. The other objectives of the TIPS is to build a platform for communication between large, small and medium-sized enterprises in India and the EU for integrating resources and technical know-how. TIPS also promotes entrepreneurship, enhance mutual understanding and economic integration, and provides comprehensive services for international operations to the Indian and European enterprises.

The TIPS 2014 discussed strategies for promoting SMEs in EU-India economic cooperation; entrepreneurial spirit of Indian CEOs to help India face the challenges of change; putting Clean-Tech and Green Growth at the heart of development strategies; emerging trends in renewable energy; strengthening dialogue and consultation mechanism on the Intellectual Property Rights Protection in

India; emerging business opportunities and EU-India cooperation in the higher education in India; discussing the challenges of Urbanization through infrastructure development; EU-India Free Trade Negotiation; harnessing intellectual capital of Indian Diaspora for creating better understanding in business and culture. The Summit made comprehensive overview on the strategic fundamentals of India-EU bilateral relationship in content and context and suggested ways to give it a strategic dimension through a full spectrum of industry leaders, policy makers, senior executives in the corporate sector and representatives of the European Commission and trade bodies.

Although the EICC has been organising annual Conferences and other major events on different models, the Chamber has, since 2013 has developed a brand called TIPS (Trade and Investment Partnership Summit). In this sense the 2nd Edition of the TIPS 2014 was a unique business and leadership platform which brought together more than 180 business leaders, thought leaders, policy makers, regulators, representatives of the European Commission and trade and business bodies and government representatives from Europe and India with an eye to create an innovative way to strengthen the existing trade and economic partnership between European Union and India.

During the opening of the Summit held on 20 November evening in the Hotel Sheraton, the newly appointed Chairman of the EICC Dr. Ravi Mehrotra, in his welcome remarks said that the current economic slowdown forces all of us to rethink our priorities and to position ourselves for the challenges and opportunities when markets rebound. Gatherings such as this provide a welcome "reality-check" for policy-makers and business leaders as EICC tries to boost bilateral and multilateral trade and investment ties between the EU and India. India has witnessed a fall in its exports due to falling demand internationally and the EU is looking to boost growth. A successful conclusion of the FTA would go a long way in building international market confidence, giving much needed stimulus to the international economy. After all, politicians can only try to create the right framework conditions and improve business opportunities whether these will be exploited, Mehrotra added.

Indian Ambassador to the European Union (EU) and Belgium Manjeev Singh Puri has called for energising EU-India trade and economic relations. "Please energise your constituents across the European Union because India has opportunities. The government is interested very much. The entire business of 'Make in India' encompasses this entire thing of ease of doing business in India.

"What you require is a determined will and willingness to partake in this new India, these new opportunities arising which the whole world is talking about," he said. Ambassador Puri noted that India's trade with the EU has dipped a little in the last years in the aggregate terms although India's exports to the EU have risen, but overall EU imports to Indian have fallen in the last few years.

"The EU-India free trade agreement (FTA) is very important but it should not be seen as a panacea for everything. It has to be a win-win for both sides," stressed the Indian ambassador. Ambassador congratulated EICC on its 10th anniversary and said that the Chamber deserves credit for its constructive role in strengthening trade and economic in EU-India relations.

MEP Mr. Geoffrey van Orden, Former Chairman of the EICC and the current Chair of the European Parliament's Delegation for Relations with India, said EU-India trade exchanges were valued at 70 billion euros ($87.8 billion) yearly which was insignificant compared to the 1,500 billion euros EU-US trade exchanges annually. He noted that the EU-India FTA negotiations began seven years ago but they have stalled and lamented that there has been no EU-India summit for the last two years. Van Orden called for "fresh energy and initiatives" to reinvigorate EU-India economic and trade relations.

President of Eurochambres Dr. Richard Weber in his address said that the conclusion of a comprehensive agreement on free trade and investment would be a great opportunity for India, as well as for Europeans as it would interlink the world’s largest single market with one of the world’s up-and-coming economic powers. This is not just about a reciprocal opening of the markets but it is also about forging closer links between our societies, he added. Although the EU and India have already made considerable progress, a few key but ultimately surmountable hurdles have, unfortunately, not yet been resolved.

Dr, Weber further said that the current economic scenario in India still impedes a smooth penetration by foreign companies in the national market. Drawing from our management experience of the European Business and Technology Centre (EBTC) assisting European companies and research centres in entering the Indian market, EUROCHAMBRES can clearly state that the conclusion of the Agreement is necessary to ensure a more favourable business environment in which companies can operate.

An EU-India Free Trade Agreement (FTA) according to Dr Weber, would have an impressive scale. India is currently the EU's 9th most important trading partner, whereas the EU is India's largest trading partner. The FTA would set a predictable framework, slashing duties on over 90 percent of bilateral trade. While the EU-India relationship has been branded a strategic partnership, set against its potential, the relationship has under-delivered.

MEP Mr. Nirj Deva, former Chairman of the Chamber said that India is one of the fastest growing economies and is currently attracting ever more foreign investors. The European Union ranks first on the list of countries per number of investors in India. The potential of the Agreement as a tool of enhancing European economy is clear.

On the issue of FTA he said that for any agreement, there needs to be a balance on the classical market access issues, including tariffs. Progress seems to have been made in the tariff discussions and he believed that due to different levels of development, the outcome of the tariff negotiations has to be an asymmetrical one, to the benefit of India. This being said, the negotiations have not reached such balance which the interests of both sides are met.

Baron Philippe Vlerick, Chairman of the Belgo-Indian Chamber of Commerce & Industry said that the 2014 marks the 10th anniversary of the European Union-India Strategic Partnership Agreement. For EICC, this Partnership Agreement has a strategic importance as the Chamber is also celebrating its 10th anniversary. Therefore “Celebrating the Past, Charting the Future” is the right perspective in which the EICC is organizing the TIPS 2014. Despite challenging global economic conditions, India’s economy continues to perform well and under the new Prime Minister of India, the country looks for a strong economic performance. While the global outlook remains uncertain, India looks set to continue on a positive growth path, he added.

Mr. Shiv Sidhant Kaul, Senior Vice President of the Indian Chamber of Commerce said that he remains convinced that there is a major economic incentive for EU and India investment and trade agreement for both economic and strategic reasons. From an economic perspective, the EU is India’s largest trade partner, and India is a very important destination for EU exports. From a strategic standpoint, the EU will benefit from engaging with a major democracy that is India, and an overlapping strategy to engage with Asian emerging economies as like its engagement with the major global economies.

He added that business associations such as EICC play an important role in fostering cooperation between Europe and India and ICC is encouraged to collaborate with the TIPS as he believed that such summits provide new and relevant services to its members. With a committed leadership and strong network, I am confident that EICC will help to bring economic cooperation between Europe and India to even greater heights.

EICC publication “**Indian Companies in Belgium**” was released during the opening of the Summit.

Mr. John Verzelle Director of the Flanders Investment and Trade said that the EICC publication features profiles of Indian companies/industries with significant presence in Belgium and this will serve economic relations between Belgium and India. He further mentioned that this was the first data publication of bilateral and multilateral Trade Associations and other trade related organizations, along with graphics section on bilateral trade. In addition, the publication highlights trade policies, economic reforms and policies relating to trade and investment between India and Belgium.

EICC and Media India Group signed a Memorandum of Understanding for closer cooperation.

Business Session – 21 November 2014

Board Room Session 1: In Search for Growth: Strategies for Promoting a New Role for SMEs in EU-India Economic Cooperation

Opening of the Session by Baron Philippe Vlerick, President, Indo-Belgian Chamber of Commerce and Industry

Chair: Ms. Regina Llopis, CEO AIA, Elequant, Spain

Moderator: Mr. J J Singh, President, Indo Polish Chambers Of Commerce & Industries, Poland

Mr. Poul V. Jensen, Director EBTC about EICC-EBTC proposed Study on SME collaboration

The Board Room Session titled: In Search for Growth: Strategies for Promoting a New Role for SMEs in EU-India Economic Cooperation, started with the opening remarks by Baron Philippe Vlerick, President, Indo-Belgian Chamber of Commerce and Industry and with presentation by Ms. Regina Llopis, CEO of AIA Elequant of Spain and Mr. J J Singh, President, Indo Polish Chambers Of Commerce & Industries, Poland. During the inter-avtive session Mr. Poul V. Jensen, Director EBTC also spoke about the importance of SMEs collaboration.

The Board Room Session was a new concept developed by the Chamber and was held in the background of the following facts:

Europe has 20 million enterprises and over 99% of which are SMEs and about two-third of total employment in the private sector is found in SMEs. In a globalizing economy, with large incumbent firms outsourcing and off-shoring production and jobs to low cost locations, SMEs are an important source of job creation. For India SMEs form the backbone of the Indian manufacturing sector and have become engine of economic growth in India. It is estimated that SMEs account for almost 90% of industrial units in India and 40% of value addition in the manufacturing sector. More than 3.2 million units are spread all over the country producing about 8000 items, from very basic to highly sophisticated products. The SMEs are the biggest employment- providing sectors after agriculture, providing employment to 29.4 million people. The Board Room Session will discuss how Chambers, Universities and research centres can help form so-called systems and networks of innovation in the form of business incubators to support business activities' initiatives.

The following views were offered by Panel Experts:
The globalisation process for SMEs can be realised through any of a range of cross border activities, including trade, international investment, and participation in strategic alliances, partnerships and networking arrangements affecting a variety of business functions ranging from research and product development to distribution. The globalisation of business, including the recent wave of global industrial restructuring has increasingly drawn SMEs, especially those in sectors subject to strong globalisation forces, into global value chains through different types of cross-border activities. There is evidence that a group of SMEs with high-growth potential require early access to international markets to ensure their development and growth. While generally SMEs report increased international business contacts in recent years, evidence suggests that relative to the contribution they make to local and national economies, SMEs, remain, overall, under-represented in the international economy and change in this respect is slow to happen.

During the past decade there have been steady technological and structural changes which have made it easier for SMEs to participate in the international economy. Advances in ICTs, and in particular, the Internet, have been a major factor in facilitating information flows and expanding the market potential of smaller firms. A major policy challenge is to reap the potential benefits of the global economy for all businesses, including for the SME sector.

However, SMEs are still relatively under-represented in the global economy. SMEs only contribute between one quarter and one third of manufactured exports and account for a very small share, usually less than 10%, of foreign direct investment (FDI). In most national economies SMEs make up more than 95% of market participants, and contribute around 50% of direct value added or production. Why do SMEs make, proportionately, a much smaller contribution to value added in global markets and why are fewer SMEs active on global markets? The reasons for this are manifold. International activities expose SMEs to a more complex and risky business environment, for which, compared to larger firms, SMEs are relatively unprepared and less well-resourced. Some of these risks and complexities can be addressed by governments as they relate to the differing regulatory, administrative and policy environments that governments create. There are significant potential benefits which might accrue from the creation of a more business friendly, more integrated economy at international levels. Were SMEs to increase their contribution to the international economy to levels approximating their contribution to national or local economies then the gains would be very substantial.

More detailed empirical evidence relating to the globalisation of SMEs is set out in the following section. This shows that while SMEs make a useful contribution to the international economy, and while SMEs use a variety of means, or vectors, to pursue international strategies (such as direct and indirect exports, alliances, networks, FDI, etc.), and while anecdotal evidence suggests some increases in the level of international SME activity, SMEs still remain underrepresented in the international economy. How to better capture the international potential of SMEs and entrepreneurs is an important policy issue.

The promotion of SMEs is regarded as an important issue in many countries because SMEs perform multiple functions for the society and economy of a country. First, SMEs represent a large weight of the economic activity of a country. SMEs in many countries account for an overwhelming number of business establishments and employees and are a major player in economic activity. Second, the SME labor market performs a stabilizing function in society. SMEs provide many people, including unskilled labor, with employment opportunities, thereby distributing income from a macroeconomic perspective. Third, SMEs are considered as a source of dynamism in market-oriented economic since the rate of entry and exit of small firms is high. Economic development including the upgrading of industrial structure is achieved through a dynamic process of replacing inefficient enterprises with highly efficient enterprises. Fourth, SMEs provide outsourced products and services. By supplying parts and components required by export-oriented assemblers, for example, SMEs help to increase economic efficiency since assemblers do not need to provide everything. Fifth, SMEs are key players in the regional economy. Small and medium-scale local manufacturing is an indispensable industry offering non-agricultural employment opportunities in such areas.

Board Room Session 2: Presentation of Position paper by European Business Group India

Opening and Chair: Mr. Raman Sidhu, Chairman, European Business Group, India

Moderator: Mr. Jorge Marti, UREA MENDEZ, Spain

Mr. Raman Sidhu, Chairman of European Business Group, India presented the Position Paper 2014 “EU-INDIA: PARTNERS IN PROGRESS” in the Board Room Session. The Paper 2014 is the 12 in the annual series.

He said that the 2014 edition of the EBGI Position Paper was released jointly by H.E Mr. João Cravinho, Ambassador and Head of Delegation of the European Union to India and Shri Amitabh Kant, IAS, Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry on 26 September 2014.

Mr. Sidhu presented the following points and issues:
The document draws from the experience of both members and outside experts and aims to address the hurdles facing industrial development in several key areas of interest to European Business. EBG Position Paper 2014 represents 11 key sectors, covering a wide range including Alcoholic Beverages, Automotive

& Auto ancillaries, Aviation, Banking, Chemicals & Petrochemicals, Healthcare, ICT & Innovation, Oil & Gas, Power, Real Estate and Telecommunications. It reflects the growth in the number of EU Corporates doing business in India, expresses their relevant concerns in carrying on business in the current environment and proposes key policy reforms that will be conducive to growth of business.

A trade dialogue is always a two way process. EBG maintains, along with the EU Delegation to India mission and EU agencies a continuing dialogue with Government of India and its agencies to pave the way for a smoother ride for this most important EU-India partnership.

On the Indian Economy at present (Macroeconomic assessment and prospects) he mentioned the following: After registering an average annual growth rate of over 8 per cent from 2005 to 2011, the Indian economy has been blemished in the past three years (FY11-12, FY12- 13 & FY 13-14) by decelerating growth, waning industrial output, stressed banking assets and a depreciating rupee.

However, with the appointment of the newly elected government under the stewardship of Prime Minister Narendra Modi, corporates and international think tanks foresee a better outlook for India's growth prospects over the medium term. Recent data points to a more positive outlook as well- quarterly data released for the period April-June, where the gross domestic product (GDP) of 5.7percent is 1.1 percent point higher than what it was during the last three months of the year ending March. At the sectoral level, the growth rate is 3.8 per cent for agriculture and allied sectors, 4.2 per cent for industry sector and 6.8 per cent for services sector in Q1 of 2014-15. This growth was 4.0 per cent, (-) 0.4 per cent and 7.2 per cent respectively for these sectors in Q1 of 2013-14.

In addition, structural reform push that began under the UPA regime, had hither to infused some degree of stability in the external macro stabilization front. Current account deficits (CAD) narrowed sharply to 1.7 per cent of GDP, largely on account of restraints placed on gold imports (although other non-oil imports also tapered with the weakening of domestic demand). Besides, exports have witnessed an upward swing (beginning April 2014), after two consecutive months of decline. Robust inflows of portfolio investment, supported by foreign direct investment (FDI) and external commercial borrowings (ECB), kept external financing conditions comfortable and helped add to reserves.

Some indicators of a cyclical recovery are already evident from the numbers released on indicators that are high in frequency such as industrial output, discretionary spending, exports and business confidence. Corporate financials are also improving despite signs of excess leverage in some of segments.

Stronger capital inflows have enabled the central bank to successfully rebuild its foreign reserves. In addition, there has been a considerable growth in the bank deposits. On the other hand however, the RBI has been fighting a somewhat trailing battle to control inflation in the country for over three years now. Marginal signs of respite have surfaced, but only since the beginning of this fiscal. Inflation seems to be gradually trending downwards despite the sharp 0.5 percentage point jump in consumer price index (CPI) inflation in July, 2014 sparked by high vegetable prices. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors. In addition, the global decline in commodity prices came as a breather to commodity importers, including India.

Thus with the global economy projected to recuperate moderately, particularly on account of performance in some advanced economies, the Indian economy can look forward to better growth prospects in 2014-15 and beyond. The initial slew of policy announcements & indications of further announcements points in this direction as well.

The two in unison are also negotiating a Broad-based Trade and Investment Agreement (BTIA) to expand bilateral commercial and economic relations with each other. The BTIA is a comprehensive WTO+ agreement that will cover trade in goods, services, investment, trade facilitation measures, government procurement, labour standards and sustainable development, among others. If successfully converted, this will be the EU's first trade agreement, with one of the largest and growing emerging markets. For India as well, this will be its first trade agreement with a large developed nation, which is also one of its largest trading and investment partners. This legally binding agreement would cover almost a fifth of the world population and, consequently, its impact and implications (both positive and negative) would be significant.

If successfully concluded, the BTIA would increase the competitiveness of both partners in the global arena. The agreement would reinforce EU's trade ties in Asia as well as EU's role as a global actor, and revive market confidence in the Eurozone. India, on the other hand, would gain greater market access to all EU member states. Since India is a high tariff country, the BTIA is expected to lead to tariff reductions. As a result, companies from EU member states will have a comparative export advantage vis-à-vis companies from other countries such as China and the United States (USA).

The BTIA would bring in several additional advantages: enable technology and knowledge transfer, develop infrastructure, improve supply chains, link production networks between India and the EU, create job opportunities, increase competitiveness and enhance skill development. All these will deepen the bilateral ties. The BTIA is also expected to address some non-tariff barriers, such as differences in product standards. In addition, the BTIA is expected to significantly increase bilateral investment flows.
EU companies, which are facing a slowdown and a saturated domestic market, are exploring investment opportunities in growing emerging markets such as India, and Indian companies are exploring investment opportunities in the EU to acquire technology and get the benefits of being treated as an EU company.
Policymakers in the EU and India recognize the trade and investment complementarities between the two economies and the benefits of a bilateral trade agreement. EU has shifted from an aid-oriented to a trade-oriented strategy for emerging markets such as India.

Plenary Sessions

Opening the business sessions, MEP Geoffrey Van Orden and Eurochanmbres President Dr. Richard Weber said that the objective of the Trade and Investment Partnership Summit (TIPS) is to create awareness on international business opportunities and feasibility of cross-border expansion for Indian and European businesses. He said that it was dedicated to fostering bilateral trade, investment and economic relations between the EU and India.

Plenary Session – One: *Putting Clean-Tech and Green Growth at the heart of Development Strategies : Powering the Future through EU-India Cooperation*

Chair: Mr. Jean-Marc Kohlgruber, Executive President, CMI Group, Belgium
Sessions:
What EU Businesses Need To Know About Clean Tech in India: Mr. Poul V. Jensen, Director EBTC, India

Capitalizing on Trade and Investment opportunities through collaboration by Indian and European companies: Mr Raman Madhok, Managing Director & CMI Group Head – South Asia

Can EU Businesses Help Realise India's Dream of Smart Cities?: Prof. Poonam Kumar, Chairperson, Centre for Business and Strategic Affairs, India

The Clean Tech Session addressed myriad trade and business issues crucial to building EU-India trade and commerce and was structured to optimize interactions with active panel discussions providing meaningful insights. The intent was to ensure actionable networking and viable business outcomes. Specific objectives of this Session included: Raising awareness of India's open business environment for innovation and commercialization and to encourage trade & alliances with EU business partners; Identifying clean technology business opportunities for European companies to win new Indian partners who share India's objective and vision for a clean technology based economy.

The Chair mentioned the specific clean tech initiatives his company has been working upon and the importance it attaches to the applying clean technology techniques in all its industrial and production process.

The Panel members observed the following views:

While India is inventing innovative policies to pursue green growth, these efforts are recent and limited in scope. As such, India has begun providing incentives to eco-housing and waste treatment. There are myriad projects being tendered by the Indian government which offers EU businesses opportunities to capitalize in India to expand their growth.

Cleantech is at the heart of a huge global revolution, driven by many factors. Individually each of these factors is significant but cumulatively they are immensely powerful. These factors include (1) protection of the environment (especially environment degradation, resource efficiency and consumption and climate change), (2) energy security, (3) security of commodities (for instance water, food, scarce metals, oil, etc.), (4) financial movement towards internalisation of the external costs of environment degradation, and (5) a global population increasing at a tremendous pace coupled with increasing human longevity. Defined as technology which is specifically designed to address environment issues (such as remediation of harmful emissions) or is designed to lessen the impact on the planet of current products or services (for instance renewal energy or efficient motors and other products), Cleantech is becoming central to many businesses today: waste management, water management, road transport and consumer goods, to name just a few (the appendix sets out examples of current clean technologies).

Commercializing clean technologies is a profitable enterprise that is moving steadily into mainstream business. As the world economy faces challenges from energy price spikes, resource shortages, global environmental problems, and security threats, clean technologies are seen to be the next engine of economic growth.

Speakers also highlighted that major clean technology sectors: solar power, wind power, biofuels, green buildings, personal transportation, the smart grid, mobile applications, and water filtration of Five major forces, which they call the six C's, are pushing clean technology into the mainstream: costs, capital, competition, consumers, and climate.

Though a number of definitions exist, at heart Green Growth is economic growth that is environmentally sustainable. While economic growth is necessary for increased employment and poverty reduction, further environmental goals include the mitigation of climate change, adaptation to climate change, the reduction of other pollutants, and a reversal of biodiversity loss and growing fresh water scarcity. To tackle these challenges, the active participation of the private sector is needed, as firms reduce or change their resource use, minimise waste, develop new environmentally friendly products and services, and increase demand for such products and services. Meeting these needs will be a challenge, but for many enterprises in the developing world, it also presents an opportunity. In fact investment in greening our economies is already a source of growth for many, while DCED members are increasingly active in promoting private sector contributions to Green Growth.

With 7 billion people in the world today and more than 9 billion anticipated by 2050, we must invest in development that will meet the growing demands for food, water and energy.

According to the speakers, green growth as a means to achieve sustainable development, places a high value on natural assets that are essential to the livelihoods of people, particularly in developing countries, where they can contribute to poverty reduction and social equity.

Highlighting the nature of the challenges and opportunities in this field, the speakers emphasized that putting green growth at the heart of the development agenda requires real political leadership to instill change at international, national and local levels.

Green growth can offer new opportunities for developing countries. We are looking forward to working with governments and the development co-operation community to reap the benefits of a greener growth path for the well-being of the people in our partner countries.

International co-operation can also provide essential support to developing countries as they manage the transition to green growth. The report highlights many innovative ways that donor countries are working closely with partner governments and local stakeholders to promote sustainable business and investment for green growth.

It was underlined that the targeted use of aid and development finance can support domestic resource mobilisation and private investment. Strong international markets can boost trade in green goods and services and technological co-operation can increase the pace of green innovation and tailor it to local needs.

Inclusive green growth is the pathway to sustainable development. Over the past 20 years economic growth has lifted more than 660 million people out of poverty and has raised the income levels of millions more, but growth has too often come at the expense of the environment. A variety of market, policy, and institutional failures mean that the earth's natural capital tends to be used in ways that are economically inefficient and wasteful, without sufficient reckoning of the true social costs of resource depletion and without adequate reinvestment in other forms of wealth. These failures threaten the long-term sustainability of growth and progress made on social welfare. Moreover, despite the gains from growth, 1.3 billion people still do not have access to electricity, 2.6 billion still have no access to sanitation, and 900 million lack safe, clean drinking water. Growth has not been inclusive enough.

It was argued that sustained growth is necessary to achieve the urgent development needs of the India's poor and that there is substantial scope for growing cleaner with- out growing slower. Green growth is necessary, efficient, and affordable. It is the only way to reconcile the rapid growth required to bring developing countries to the level of prosperity to which they aspire with the needs of the more than 1 billion people still living in poverty and the imperative of a better managed environment. Indeed, green growth is a vital tool for achieving sustainable development. But sustainable development has three pillars: economic, environmental, and social sustainability. We cannot presume that green growth is inherently inclusive. Green growth policies must be carefully designed to maximize benefits for, and minimize costs to, the poor and most vulnerable, and policies and actions with irreversible negative impacts must be avoided. Green growth also requires improved indicators to monitor economic performance.

India is among the last of the major markets which are nascent or offer high growth potential. It has much consumer diversity. All this has led to a surfeit of brands rushing into the market and investing leading to intense competition and clutter. And last but not least, Indian consumers thrive on value for money irrespective of their purchasing power. So, it is not peaceful waters for smooth sailing but stormy waters which need bold leadership or decisions. The stakes and returns for the winner who rides those stormy waters well are phenomenally high and hence the risk-taking appetite needs to be bigger as well.

It is all fine to bring in expats at the start phase but completely another to stick to them as the core of the India leadership over the long term. The ones successful in the Indian market were all able to quickly localise their leadership though the top management could still have an expat or two. This also sends a positive signal to the Indian executives that they can aspire to lead rather than convey that there is a ceiling at the top.

Mr. Jensen who had earlier spoken about the objectives and the activities of the EBTC and its expertise in the Clean-Tech sector also announced that EICC and EBTC would work on a study Report on SME collaboration between India and European companies.

Plenary Session - Two: *Emerging Trends in Renewable Energy – Where India Stands? - Opportunities for European Businesses?*

Panel Opening - Framework for EU-India Energy Cooperation and Opportunities for Business Collaboration on Clean Energy Mr. Matthieu Craye, International Relations Officer, Directorate General for Energy, European Commission

Sessions:

Capitalizing India's Emergence as Renewable Energy market for Europe: Ms. Alexandra Sombsthay, Policy Officer, Renewables and CCS Policy, European Commission

Action on Climate Change: Win-Win Strategy to enhance EU-India Trade & Investment Partnership: Mr. Rajendra Shende, Chairman, TERRE Policy Centre, India

The Session was especially designed in the in the background of India's quest for creating necessary conditions and best practices the Session will overview the support mechanisms for electricity from renewable energy sources. It was intended to inform policy makers and business leaders about the necessity to support renewable energy and about the most frequently used support mechanisms based on international best practice. Furthermore, the Session addressed the non-economic barriers that concern renewable energy deployment.

The Panelists made following observations:
Today India has become one of the world leaders in terms of its extensive renewable energy programmes. Various renewable energy schemes have been introduced that covers different energy resources like the biomass, solar energy, wind energy, hydropower and other emerging technologies. The annual turnover of the Indian renewable energy industry is estimated to be about US $ 10Billion.

Much emphasis is being put on to enhance the efficiency of these energy programmes and reduce their investment cost. Power generation using the renewable energy sources has increased by leaps compared to the last decade. India is one of the countries with highest total installed wind power capacity. Wind power alone contributes to a massive 68% of the entire country's renewable power energy production programme.

Support mechanisms for renewable energy sources are needed to "levelise the playing field" in an often distorted energy market. The major sources of distortion are subsidies for conventional energy sources (fossil fuels and nuclear power) and the lack of internalization for the negative external costs of conventional energy generation technologies.

Business resiliency, rising energy costs, and sustainability are key elements of the global agenda, and many companies are realizing that investing in their global energy strategy can drive significant cost savings as well as help them achieve their sustainability goals. Ultimately, cleantech solutions help cities and organizations to reduce costs as well as potentially generate incremental revenue: "green and green" is a win-win.

There are about 300 clear sunny days in a year in most parts of India. This is equal to over 5,000 trillion kWh/year of the solar power. India also stands second most successful country in terms biogas and improved stove programme. The current availability of biomass in India is estimated at about 120-150 million MT/annum.

The Indian Photo voltaic industry has been growing at an average rate of about 25%. Apart from serving the country's economic progress the renewable energy programmes have helped a number of rural folks by meeting their cooking and other energy requirements. India has also started to provide technical expertise to other countries for promotion of renewable energy sources.

Indian cities have long started realizing the importance of renewable energy sources and efficient technologies. However, there is still a need to introduce effective implementation of the renewable energy programmes at the village levels.

There has been a growing research on effective implementation of hydrogen and fuel cell technologies. In recent years, India has become an important actor on the inter- national stage due to its impressive economic growth rates and the enormous market potential. Since 2004, the EU has engaged in a strategic partnership with India, with energy cooperation being a key element. Under the EU-India joint action plan that was concluded in 2005, energy security is mentioned as one of the challenges that can be best addressed under an effective multilateral framework.

The EU-India summits have focused also on energy and ended with an agreement on research in the field of fusion energy as well as financial commitments to invest in research in solar energy. In their Joint Statement, the leaders affirmed their commitment to sustainable energy consumption and production and enhanced cooperation under the newly established International Partnership for Energy Efficiency Cooperation (IPEEC) and the International Renewable Energy Agency (IRENA).

Overall, EU-India energy cooperation is not as developed as the EU cooperation with China but is set to advance further as India gains more economic power. The European Union and the Government of India are working together to improve energy security, safety, sustainability, access and energy technologies and will focus their joint efforts in a number of key energy areas, on the basis of common interest and mutual benefit, inter alia: Development and deployment strategies for clean energy production, inter alia clean coal technologies and advanced coal mining; Improved energy efficiency of products; Improved energy efficiency in the buildings sector; Development of smart power grids, including the integration of renewable energy sources.

Cost-effective ways for the uptake of renewable energy sources as well as research and innovation cooperation on new, clean and renewable energy technologies; Energy safety, in particular nuclear safety and off-shore drilling safety; and Advancing in developing fusion energy as future sustainable energy source.

Joint activities, including technical meetings gathering energy experts designated by the European Commission and the Indian Government, vocational training, and participation in relevant events have been organized in the European Union and in India. Relevant institutional and government stakeholders on both sides, as well as relevant market actors, such as energy regulators, nuclear safety organizations, business representatives, research institutes and academia, transmission system operators and distribution system operators, are invited to contribute to these activities, as appropriate.

Support from EU funded programs and initiatives are active as well as from other India and EU schemes to promote mutual cooperation. Both sides are discussing activities under India-EU Joint Work Program on Energy, Clean Development and Climate Change by various institutions supported under EU funded programs and initiatives and exchange information on a regular basis.

Responding to the dangerous level of climate change will now require making choices about nature of risks arising from rising sea levels and temperature. The tropics as per the report, is more vulnerable to the impacts of climate change. That’s where most of the developing countries and poor people are located. Here comes the issue of ‘climate ethics and environmental justice’ as these poor people have done nothing to cause climate change.

As climate change is already here and as stabilization of the carbon dioxide concentration in atmosphere is still a dream, the world community has to transform into ‘climate resilient society’. Developing countries, for example, have to undertake climate-resilient agriculture i.e. adapting to seeds, crops, and practices for the higher temperature using less water. As crop yield will decrease, as per the report, there is need to find the crop which, with lower production can still give same or better nutrients. Building climate-resilient society while deploying low carbon technologies would provide double edge tool i.e. mitigating while adapting.

Plenary Session – Three: *Strengthening Dialogue and Consultation Mechanism on the Intellectual Property Rights Protection in India: Advantage for EU-India Business*

Session was conducted by Mr. Arvind Chopra, EBTC, India

Knowledge-Speaker: Mr Anders C. Jessen, Head of DG TRADE Unit, Intellectual Property and Public Procurement: **IPR - A Basis for a Knowledge Economy: Advantages for India**

Sessions:

EPO-EBTC cooperation for facilitating and strengthening Intellectual Property in India to foster innovation and technology transfer: Mr. Arvind Chopra, IPR Expert, EBTC, India

Emerging Importance of Intellectual Property Rights in India: Advantage for EU-India Business in the Pharmaceutical industry: Mr. Branden Barnes, Director, Health Policy, EFPIA

Intellectual Property Rights and Technology Transfer – Need for Right Approach: Mr. Yves Van Couter, Partner and IPR Expert, LOYENS & LOEFF

E-Procurement: Critical for E-Governance and in its importance in EU-India Strategic Relations: Mr. Arjun Kohli, Manager, Strategic Alliance, ElectronicTender, India

Recent Changes in Indian Patent Laws to boost Trade between EU and India with a Focus on Biotechnology - Mr. Adarsh Ramanujan, Director, Lakshmikumaran & Sridharan SARL, Switzerland

The Session was designed in the background of that EU in its Free Trade Negotiation with India has endeavored IPR into the heart of the negotiations thereby thrusting it onto the international scene. The IPR has also become one of the key negotiating issue although India has made clear to the EU that it cannot go beyond the parameters of the TRIPS agreement and its laws for its negotiation on the FTA. Therefore a better understanding of the effect of IPR will allow policy makers to design more optimal national property rights regimes.

The following expert observations were made:
Today, the competitiveness of an economic and social order depends largely on the extent to which existing knowledge can be shared and hence new knowledge, innovation is felicitated, to create new products, processes and services. The goal of an innovation friendly society can only be achieved if the private sector also invests in research and development. The private sector will, however, invest only if the right investment incentives are in place. A sustainable innovation policy needs to create the right regulatory framework for investment.

India is a fast growing emerging economy with lot of innovative potential. There exists a strong culture in the private sector which respects intellectual property as much as it does for any other property. The country is aware of the necessity of an efficient intellectual property protection, as well as of the particular needs of developing countries regarding the implementation of intellectual property rules in their respective legal and social systems.

There is a wide spread view that if India does not start doing a better job of protecting companies' patent rights, it would not be unrealistic or incredulous if foreign companies began pulling out of India. Intellectual Property has thus acquired the distinction of the most powerful commercial asset that the business possess and is best utilized in networking. In India the commercialisation of Intellectual Property is as yet to fully develop, the corporate needs to shake up their idle IP Inventories and needs better management and promotion of their Intellectual Property. Patents are not only the dictate of large business establishments but can also provide a great lead to small and medium business establishments, which have given the whole business a new paradigm. It is with this view that the Plenary Session is being organized to understand the current state of Patent Regime in India and how European and Indian business leaders can take benefit.

Globally, a good IPR system forms the basis of investment decisions made by many enterprises. The Indian economic environment is moving towards stronger measures of intellectual property making it a favourable investment destination. A good IPR system in India as well as a good implementation system had made many German companies to take the decision of investment in favour of India.

Innovation is crucial for prosperity and needs a balanced legal framework, which creates the necessary incentives for innovators. It is in the national and economic interest of Europe and India, to have a strong protection of intellectual property. A number of initiatives have been taken by India to have stronger IP regime, to increase awareness amongst the people and to enhance enforcement levels of the intellectual property rights in India. The working of the Patent Offices is being made more transparent and the application submission is being made online.

There is a great scope of the collaboration between India and Europe in the field of innovation creation, technology transfers and capacity building of Patent office, industries and small and medium enterprises, for the development of both countries. The intellectual property system should encourage innovation by incentives and fulfil industry requirements of effective protection thereby also serving various societal needs. Both countries are committed to implementing WIPO's development agenda, thereby also balancing societal and intellectual property interest.

Intellectual Property Rights (IPR) protection in Indian legislation is far from attractive for European companies and researchers and provisions are often unclear. In the framework of the EBTC project, the organisation has established an IPR helpdesk, with the main aim of giving clear information and support in this sector to EU companies. However, more should be done at the political level. The FTA negotiations also focus on IP issues and the related chapter is expected to be extensive, going well beyond the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement’s standards, and even including the pharmaceutical sector. However, India being the leading global producer of generic medicine, local producers are trying to influence negotiations, asking for a looser regulation of this specific sector. It is vital for the market access of European companies that EU institutions maintain a strong position, demanding a strong IPR chapter in the FTA and reassurance from the Indian Government that the protection of IP will be granted in a complete manner.

Intellectual Property Rights are important from the standpoint of maintaining present as well as ensuring future competitiveness. They also have an impact on the FDI inflows in a developing country, which helps not just in terms of capital inflows, but also in terms of technology and expertise. Strengthening IPR thus becomes imperative from the viewpoint of economic development.

IP forms the bedrock of a knowledge-based economy. The term Intellectual Property (IP) reflects that its subject matter is a product of the mind or the intellect. IP could be in the form of patents, trademarks, geographical indications (GIs), industrial designs, layout-designs (topographies) of integrated circuits; plant variety protection and copyright.

The Indian IP landscape underwent a sea change during the 1990's when India started to liberalize. The opening up of various sectors meant that foreign companies were willing to invest but wanted protection for their technology and intellectual property. It meant that India had to formulate measures to do this. Accordingly, India embraced the TRIPS agreement of the GATT (later renamed the World Trade Organization) in 1994.

It enabled its Intellectual Property System and companies to align themselves with global IP standards - and there is an increasing move towards harmonization of the IP regime to global standards. It has helped companies from countries abroad to have a level playing field against companies in India competing against them in a range of industries where patents are crucial to gain competitive advantage over their peers.

There is an increasing trend observed in almost every aspect of the intellectual property in India. On the basis of data for the past 10 years, one can observe that there is an increase in the number of filings for most types of intellectual property. It shows the deepening of the IPR regime in the country.
A very recent step aimed at improving Indian IP standards in this direction is the IPR policy that is currently being envisaged by the government's commerce ministry.

Effective patent protection is not available for most prescription drugs in India. It is unsurprising if regrettable, that innovative drug-makers are reluctant to sell their medicines there. Investors are also unlikely to put their capital at risk in Indian drug companies that seek to discover new medicines. An innovative pharmaceutical industry is unlikely to grow out of India, and Indian patients will continue to be deprived of new medicines, until India’s patent law is fixed. The new government recognizes the need for laws that protect intellectual property. However, it has not yet announced decisive steps to improve this situation.

Drug research and development leads to the discovery of tomorrow's life-changing and life-saving new medicines. Biopharmaceutical intellectual property (IP) protections, such as patents and data protection, provide the incentives that spur research and development. They help ensure that the innovative biopharmaceutical companies that have invested in life-saving medicines have an opportunity to justify their investments. Intellectual property protections also help companies secure the resources for future investments in research, giving hope to patients who await tomorrow's innovative medicines.

The intent to have an IPR policy is a step in the right direction and in continuation with the national IP strategy that was announced a few months back. It will help both in reducing the fear in foreign countries that are apprehensive about investing in India as well as strengthen the current IP regime.

If one looks at the example of the pharmaceutical industry one can gain insights as to how the law and its relation to the way the industry functions. The pharmaceutical industry's evolution is a case in point. It is distinctly related to The Patents Act 1970 which allowed the pharmaceutical companies process patents. These allowed the process to be patented rather than the product. So a company finding a new method for creation of the same active pharmaceutical ingredient (The pharmaceutical drug which is the core of the medicine) was granted a process patent. This, over time, saw a proliferation of generic companies in India that saw foreign patents and went in for process patents of their foreign companie's counterparts.
Will India's new government bring in radical changes in the country's intellectual property rights regime? That question has generated enormous buzz but there is no definitive answer.

India is among the world's most important and influential markets, albeit one where in recent years interventionist policies have caused business to question the government's commitment to economic growth. Extreme measures such as patent revocations and compulsory licenses send shock waves through the market that reverberate around the world.

Above all, industry would welcome positive signals from the new administration in India that it will re-commit India to a path of legal certainty for the business environment, creating a climate where innovative companies can invest and introduce products with the confidence that their legal rights won't be later undermined. With a strong rule of law environment for business, India's growth potential is boundless.

India will be the first country across the world to bring in a key reform related to pharmaceutical patents and public health by making medicines patent searches easier for ordinary users, increasing the internal capacity of the patent examiners to properly examine patent applications and strengthening the use of pre-and post-grant opposition system, if disclosure of INN is made mandatory. Intellectual property information and especially the Indian patent status information of medicines is becoming increasingly important, particularly for those involved in procurement and supply of generic medicines. Yet for health agencies it is often difficult to find this data in the official patent database of the Indian patent office.

It is difficult to identify out of the thousands of applications, which patent claims relate to which medicines or active ingredients. It is unfortunate that the multiple applications – related to the same drug – do not mention the International Non-proprietary Name (INN), but only include the chemical formula, chemical names or other names that do not allow an easy identification of the patents, making patent searches extremely complex and expensive.

It is widely recognised that electronic procurement (e-procurement) can generate significant benefits for both buyers and suppliers. The European Commission has estimated that every 5% saved on public procurement expenditure could return about 100 billion Euro to the public purse (total public procurement expenditure in the EU accounts for over 2000 billion Euro).

Beyond these economic savings, e-procurement offers several tangible practical benefits to both Contracting Authorities (CAs) and economic operators (EOs): promoting more visibility of procurement opportunities, opening-up tender procedures to a broader range of EOs, increasing the number of offers received by CAs and driving competition, innovation and value-for-money in procurement; reducing the time and effort invested by CAs to prepare, publish and process tenders, while also reducing the time and effort invested by EOs to identify and respond to tender procedures; avoiding procedural mistakes by providing practical tools (guidance, warnings) to assist both CAs and EOs during the procurement procedure; providing CAs with business intelligence and monitoring tools to plan and execute procurement procedures in the most cost-effective manner; supporting greater transparency in procurement and thus avoiding corruption; simplifying and standardising different local tendering procedures and documents to reduce risk and improve interoperability.

Plenary Session – Four: *Emerging Business opportunities for EU-India Cooperation in the Higher Education System in India*

Panel Opening and Knowledge Speaker: **Mr. Yatindra Sharma, Managing Director, KHS Machinery, India**

Sessions:

India and EU – Higher Education cooperation and Challenges: Prof. Gour Saraff, EICC Director, Spain

The Session was desinged in the backgropound of the fact that education is an important area of cooperation for both India and the European Union (EU). India-EU strategic cooperation in education has been further strengthened through the revision of the Joint Action Plan (JAP) in 2008 which addressed the issue of student migration, education and academic exchange. Apart from promoting positive bilateral relations between the two economic powers, promoting student mobility is also mutually beneficial in terms of the huge economic incentive it provides. The higher education sector, owing to its huge potential, holds very promising prospects. With an estimated 150 million people in the age group of 18-23 years, the sector offers one of the most attractive yet highly complex market for the private/foreign players.

The following observations were made: Overall, the regulatory environment for Indian higher education is complex and fails to improve its quality and address deficiencies. One of the key solutions for addressing the challenges of higher education is to improve accessibility to credible, consistent and current information about institutional performance.

The current policy reform directions are seriously limited by the government's political approach of using control and bureaucracy as a way of assuring quality rather than using transparency for empowering students and fostering competition.

One specific recommendation for achieving transparency goals is to mandate high standards of institutional performance data disclosures by institutions. These data could be uploaded to a user-friendly and easy-to-use national database. Hence, students would be able to make informed choices based on the data they have obtained.

Indian higher education has expanded at a fast rate and the policy framework has failed to adapt and change its complex system. The system has remained embroiled in the politics of policy-making and suffered in terms of quality.

Given the pace of growth and unmet demand, the success of higher education lies in finding adaptable and innovative solutions. A focus on enforcing higher standards of transparency should be the first step in enabling a stronger institutional accountability and addressing the complexities and challenges of Indian higher education.

During the last decade, the education sector has dominated economic planning. Despite many new national missions/programs and reforms agenda, by both the central and state governments with private sector intervention, the higher education sector is in a state of complete flux. While we have tremendously enhanced capacity, we lag in quality, given inadequate autonomy to our Universities.

Centralized control and a standardized approach remains at the heart of regulations. We are in the 21st century with a mid-20th century regulatory architecture.

During this time we have seen countries like China, Korea and Singapore, transform from developing to advanced economies in a decade due to strategic planning and a larger vision that correlated economic development to transformation in the education sector, in particular higher education and research, to become globally competitive.

India has the second highest number of internationally mobile students, after China, travelling abroad for tertiary level education. Between 2000 and 2009, the count of Indian students in Europe increased from 3,348 to 51,556. While UK, Germany and France are the most favoured destinations, Indian students are now also exploring other European countries such as Sweden, Italy, Ireland attracted by affordable education and the availability of part-time jobs.

It is believed that a stratified three tiered structure that enables seamless vertical and horizontal mobility of students would be able to create the desired intellectual, economic and social value. The implementation framework suggests the student at the center stage to foster innovation and choice, an ICT architecture that will increase access, equity and quality, and a transparent governance framework that will enable autonomy and self –regulation. A framework for governance has been detailed in the addendum document which proposes a mechanism based on outcomes and strong institutional accountability, clearly delineating the role and responsibilities of the government as well as public and private higher education institutions.

Special Address: Importance of International Collaboration in Health – Advantage India

Dr. Rajan Madhok, Chairman of British Association of Physicians of Indian Origin in UK highlighted the health sector crisis in India and called upon the EICC to take up this issue as a matter of urgency. He said that India's health-care sector is in crisis and this is so alarming that if the situation is not addressed there shall be complete breakdown in the health sector in India.

Though government programmes have tamed some infectious diseases, the country's performance on many health metrics is poor. The infant mortality rate is seven times that of the United States and three times that of China; almost two-thirds of babies in rural areas are born without the aid of skilled health personnel. India has 63 million diabetics and 2.5 million cancer sufferers, the majority of whom will not be diagnosed, much less treated. Seventy per cent of India's 20 million blind people could be helped with simple surgery - if it were available. Less than five per cent of the 2.5 million Indians annually who need heart surgery get it. Although India has 750,000 doctors and 1.1 million nurses, practitioner density is about one-fourth that of America and less than half that of China. And there is a severe shortage of hospital beds and medical facilities.

Rebuilding India's health system has to be a high priority for the next decade. But how? Fortunately, some Indian hospitals are innovating their way out of this dismal situation, which should serve as a model for the rest of the nation. For these internationally recognised hospitals, the constraint of abject poverty - which limits access to care among those who often need it most urgently - has provided both a psychological incentive and a moral imperative to achieve breakthrough innovations in health-care delivery. They treat medical conditions ranging from problems of the eye, heart, and kidney to maternity care, orthopaedics, and cancer.

However, India’s most troubling threat is not abroad, but at home: the crippled public health system. The nation spends less than 1 percent of its gross domestic product on public health care. There are only nine hospital beds per 10,000 in India, compared with 41 per 10,000 in China, and doctors, nurses and lab technicians are critically lacking.

The Indian government has already shown unprepared to deal with lethal viral diseases. As many as 80 percent of the 30 million Indians infected with dengue fever every year never seek medical care or are turned away from hospitals whose beds are full. Ebola would quickly overwhelm such strained hospitals. The government of Prime Minister Narendra Modi has promised a universal health insurance plan inspired by the Affordable Care Act in the United States. This would help more people afford care but do little to plug the gaping holes in the system.

In order to close India's enormous gap between health-care supply and demand, other Indian hospitals should strive to adopt these practices: the hub-and-spoke configuration, the practice of task shifting, a mindset of aggressive-but-focused frugality, and the strong commitment to serve poor and well-to-do patient segments. Health-care, being a service industry, employs lots of people. Thus, reviving health-care will be a huge job creator - an important priority in India. But more fundamentally, healthcare is a human right.

Plenary Session – Five: India's Challenges of Change: Rekindling Business Confidence

Panel Opening and Moderator: Mr. Abhinav Kumar, Chief Communications & Marketing Officer, TCS, Europe

Resource-Speakers:

Mr. Alok Sharma, Member of Parliament, and Vice Chairman, Conservative Party, UK

Dr. Rajeev Singh, Director General, Indian Chamber of Commerce

Mr. Abhinav Kumar who introduced the session said that India Inc has shown uptick in business confidence post the formation of Narendra Modi-led government with key industry surveys showing marked improvement in investor perception during the July-September quarter. India is projected to grow at 6.4 percent in 2015 with industrial production and other indicators turning around thanks to stronger business confidence since the parliamentary elections.

Mr. Alok Sharma opined that with the long-term impact of all the initiatives that the new government has taken, he was sure, the impact in the coming quarters will be much larger. He however, cautioned that India must address inflation corruption and good governance. Equity flows to domestic institutions have finally begun, with consistent monthly inflows in excess of $1 billion. These inflows will ensure that markets have a continued bid, and fund-raising for both the government divestment and private companies will be ongoing, he added.

Dr. Rajeev Singh said that Indian capital markets are buoyant, with the stock markets up over 30 per cent in dollar terms; companies have regained access to equity markets; and some corporate balance-sheet repair has begun. Corporate confidence has improved, with many promoters now feeling confident that project-level hurdles can be tackled. Business, which has been staggering under India's longest spell of sub-five-percent growth in a quarter-century, was ebullient over the numbers. They "reinforce faith in the India growth story

The Speakers observed the following:
The Indian economy has been going through a roller coaster ride for the past 66 years. The country has witnessed many political, social and economical changes since the Independence. There are many areas where we have achieved tremendously. However, we are lagging far behind when compared to the major economies of the world.

There are many hurdles which India needs to cross in order to walk the path leading towards an all-inclusive growth. Economic activity is expanding at almost the slowest clip in a decade, less than 5% year-over-year in the first quarter of 2014 down from more than 9% in 2011. Inflation has remained high despite the slowdown because of bottlenecks in production and infrastructure, which prevent companies from ramping up output. And job creation isn't keeping pace with population growth—a major problem in a country where 10 million people turn working-age every year.

A revival of business investment and spending would help. The BJP's pledge to streamline bureaucratic procedures would make it easier to do business in a country famous for burdensome and often capricious regulation. It could also boost exports—crucial to reduce reliance on inflows of foreign financing as the U.S. Federal Reserve cuts back on its bond purchases to stimulate the economy.

Corruption could be viewed as one of the reasons for the slow pace of economic reforms. Corruption and poor governance are strangling growth. The new government must focus on transparent processes, swift decision making and zero tolerance to corruption.

India wants Prime Minister to hit the ground running. No one is willing to grant the new government a honeymoon period. Confirmation of Mr. Modi's victory elicited a single response from every CEO: the new government must leverage the decisive mandate to immediately undertake bold reforms and rebuild confidence in the economy. Empowered with such a decisive mandate, the new government is expected to undertake some bold reforms that will inject fresh momentum into the economy. The need of the hour is to bring back business confidence and revive the investment cycle through swift and decisive policy making with focus on jobs-led inclusive growth.

On reviving economic growth, it was observed that India's GDP growth rate has dipped to less than five percent in the last two years from nearly eight percent in the first eight years of the outgoing government. Moreover, large sections of the population have been left out from the decade-old growth story. Poverty rankles deep and economic distress has forced millions to move to cities where they ended up in shanty towns. Apart from the global slowdown, lack of economic reforms and corruption were the main reasons for the dip in the GDP growth. Government's lack of clarity on reforms impacted investments from the private sector, which has gone into a shell.

The new government might need to initiate some projects first, but the economy's ability to spend on public expenditure plans is limited due to financial constraints. He might start off by clearing some of the stalled projects quickly. Given the limited supply of capital available domestically, bringing in long-duration foreign capital into projects is imperative. But for this to happen, policies/reform decisions across the sectors have to be taken swiftly.

If the new prime minister can initiate plans which invest into skill-creation, education and entrepreneurship, that would go a long way to boost income opportunities, reducing the need for social-welfare plans in the first place. Apart from improving university and school infrastructure, job creation also requires skill-creation, training for vocational employment and scholarships.

Skill-imparting needs to look at small-scale industries and labour-intensive sectors, which can address employment and economic distress-led migration. Apart from creating a conducive entrepreneurship ecosystem through access to capital, information, infrastructure and skills, the new leader can also set up business incubation support, given that India is still a country where entrepreneurship is viewed socially as a career of last-resort.

A push towards entrepreneurship and skill creation is critical for a country of 1.2 billion people, of which almost 12 million are estimated to enter the job market each year. The government should focus on re-starting the investment cycle, clearly articulate that investors will be provided an environment of predictability while ensuring sanctity of contract, stability in the tax regime and applicability of legislations prospectively. It should tackle the rigidities in our land, labour and capital markets

To control inflation and send the right signal to the global ratings agencies — that determine the rate at which the Government of India borrows to fund its excess spending over its revenue — the budget must come up with transparent measures to curb the ballooning subsidy bill and new sources of non-tax revenue.

Infrastructure and power sector reforms must be a priority to boost investments and provide a fillip to growth in economy and industry. The gaps in our infrastructure are large and growing. The Planning Commission has laid down an ambitious $1 trillion target of expenditure during the 12th Plan to meet the gaping infrastructure deficit. Paucity of infrastructure finance is among the long-festering problems in this sector. Hence, some options for financing infrastructure such as developing an efficient corporate debt market, reintroducing infrastructure tax saving bonds, developing municipal bonds, and so on, deserve special attention in the Budget.

Plenary Session - Six: Meeting the Challenges of Urbanization through Infrastructure Development in India: Avoiding a Social and Economic Crisis

Panel Opening and Chair: Mr. Ravi Parthasarathy, Chairman, IL&FS, India

Sessions:

India's Rapid Unplanned Urbanisation Creates Opportunities and Challenges: Mr. Karl Van den Bossche, Consul General, Consulate General of Belgium in India

Opportunities for EU-India collaboration and Investment in Infrastructure Development: Housing, Transport, Healthcare, Education, etc.: Mr. Pedro Ballesteros-Torres, Principal Administrator, Directorate General for Energy, European Commission

Initiating the Panel discussion Chair Mr. Parhasarathy in his opening remarks said that India is urbanising at an unprecedented rate, so much that estimates suggest nearly 600 million of Indians will be living in cities by 2030, up from 290 million as reported in the 2001 census. It is estimated that cities would generate 70% of the new jobs created by 2030, produce more than 70% of the Indian gross domestic product and drive a fourfold increase in per capita incomes across the country.

Indian cities, in a small way, are using advanced technology within departments to solve problems. These include traffic control, using sensors to monitor water leaks, tracking garbage trucks through global positioning systems to ensure they dump their waste at designated landfills, energy management in smart buildings and complexes.

The following were offered: Although India is one of the less urbanized countries of the world with only 27.78 per cent of her population living in urban agglomerations/towns, this country is facing a serious crisis of urban growth at the present time. Whereas urbanisation has been an instrument of economic, social and political progress, it has led to serious socio-economic problems.

Cities will play a very important role as engines of growth as India attempts to achieve faster growth, which will inevitably imply a structural transformation and a rising share of industry and services sectors. Planning for urbanization and better management of cities is therefore not only important for the quality of life for those living in our cities and towns, but also because it contributes to a better investment climate. Besides being affected by the transactions costs of doing business, the investment climate is also significantly — and adversely — affected by the absence of planned urbanization.

Indian cities suffer from a huge deficit in urban infrastructure and very poor delivery of basic services including drinking water, waste water treatment, solid waste management and public transport. There is little rational land use planning, while the implementation of existing plans is poor. Preservation of water bodies, public spaces and green spaces has also been largely neglected.

For successful urbanization, policies and institutions also need to focus on employment-intensive growth and in developing sector-specific skills to meet the growing demand for these skills. The importance of skill development arises from the fact that India is at that "sweet spot" in its demographic transition where the working age population as a percentage of the total population is very high — some 66 percent — and will continue to rise until 2040. The Indian government's Skill Development program — designed within a public private partnership framework to bridge the mismatch between demand and supply of skills — needs to be strengthened.

And, of course, a greater engagement of state governments and the private sector is an absolute must.

At the heart of the quality of urbanisation is the governance system of institutions and policies that guide and oversee the planning, execution and co-ordination of land use, building regulations, road construction and delivery of key services such as water supply, sanitation, transport, and solid waste disposal, while ensuring adequate mobilisation of the necessary financial resources. The institutional framework for urbanisation in India has been historically weak.

The sheer magnitude of the urban population, haphazard and unplanned growth of urban areas, and a desperate lack of infrastructure are the main causes of such a situation. The rapid growth of urban population both natural and through migration, has put heavy pressure on public utilities like housing, sanitation, transport, water, electricity, health, education and so on.

Urban sprawl is rapidly encroaching the precious agricultural land. The urban population of India had already crossed the 285 million mark by 2001. By 2030, more than 50 per cent of India's population is expected to live in urban areas.

Despite India's relatively low level and pace of urbanisation (by international standards), the condition of urban communities and their services in India is woefully inadequate. Consider the following:

• Twenty-five per cent of urban India dwells in slums; in Greater Mumbai the ratio is over 50 per cent.

• Barring a couple of small towns in Maharashtra, no city provides continuous piped water. And the water that does come, fitfully, is rarely fit to drink without boiling or other treatment. In contrast, cities in China and Brazil get much better water 24x7.

• Very few Indian towns (such as Chandigarh, Navi Mumbai and Surat) treat over 90 per cent of their sewage (excrement and waste water) before discharge into rivers, sea and lakes. In the vast majority of urban communities, the treatment rate was far lower, well below 50 per cent. Until recently it was 30 per cent in Delhi, and has now increased to 50 per cent.

• Urban India is estimated to produce 180,000 tonnes of garbage every day, most of which ends up in huge rubbish heaps or "landhills", instead of being composted, converted to energy or sealed in sanitary landfills. Overflowing garbage bins and rubbish heaps are common sights.

• Little wonder that diseases like dengue, malaria, typhoid, swine flu, diarrhoea and respiratory ailments are on the rise in most towns in India.

• Urban road systems are grossly inadequate and poorly maintained. Typically, public transport is scarce: only about 500 out of 8,000 cities and towns have a public bus system.

It was shared that several Belgium companies are already offering innovative scientific solution to several Indian companies in India. Collaboration with Mumbai Metropolitan Region Development Authority (MMRDA) and Port Development was an important part of colaboration in clean-tech and renewable energy sector. India has been very wise to tap Belgian expertise in solar, wind power, bio-mass, geothermal energy, water treatment and waste management.

Plenary Session - Seven: *EU-India Free Trade Negotiation: Prospects and Perspectives*

Panel Opening and Chair: Mr. Shishir K Bajoria, Chairman, Bajoria Group, India

EU-India FTA: the EU perspective: Mr. Mauro Petriccione, Dy. Director General (DG Trade), European Commission

Knowledge Speaker: Dr. Daniel Sharma, Partner and Co-Head, Global India Group, DLA Piper, Germany

Mr. Shiv Siddhant Kaul, Senior Vice President, Indian Chamber of Commerce, India

Chair Shishir Bajoria in his opening remarks said that the conclusion of the EU-India Free Trade Agreement which has been going for last seven years has received enormous attention in India and Europe. He was of the view that irrespective of the FTA, Indian and European business are going ahead with their collaboration and penetrating in the respective market. However, the FTA would definitely boost European and Indian economy if there are conviction and appetite for such an agreement.

Mr. Mauro Petriccione while speaking on EU's perspective said that the FTA between two largest democracies will be good not only for EU and India but also the global economy. The signing of a FTA between the EU and India will imply a more substantial change in tariffs for India than for the EU, and consequently more structural adjustment may be required. The greater degree of structural adjustment will occur not simply because of the higher average tariff levels in India, but also because of the far greater importance of the EU in Indian trade in comparison to the importance of India in the trade of the EU. This is a win-win situation for both.

Dr. Daniel Sharma gave the practical difficulties and issues that companies are facing in improving trade relations. From his perspective Market access barriers in both sides is one of the substantive issues that has to be addressed. In the case of Indian companies' access to EU market, apart from non-tariff barriers, there have been some cases of private barriers to market access. Tackling such restrictive business practices, which could be harmful to Indian exports, could be addressed. One rationale for having competition provisions in the trade agreements is to guarantee a level playing field. Therefore, Indian companies could complain to the EC when they encounter anti-competitive behaviour in EU market and get the problem addressed. The EU companies should be able to do the same in the Indian market and have their problem appropriately addressed.

According to Mr. Shiv Sidhant Kaul as the share of the EU in Indian imports has significantly decreased over time, this might suggest the increasing competitiveness of third country suppliers. This suggests however, that while an FTA may well serve to increase the share of the EU in the Indian market this is likely to cause trade diversion as well. Of course, to some extent this will be mitigated by any trade creation that takes places, and given the share of the EU in India's imports there is clearly some scope for this too. From the perspective of Indian exports to the EU, there is a likelihood of some trade diversion, and possibly some trade creation, though this is unlikely to be significant given the existing low share of Indian exports in EU imports.

The following are the gist of the presentations made by trade experts on problems and prospects:
Considered 'natural allies in a wide range of global issues' by both parties, the FTA would be an important step in enhancing the EU-India relationship. India has much to gain from an FTA with the EU, particularly in regard to preferential and duty-free access to the European market.

The FTA must seek to build on complementarities that have surfaced as a result of the Eurozone crisis. India has witnessed a fall in its exports due to falling demand internationally and the EU is looking to boost growth. A successful conclusion of the FTA would go a long way in building international market confidence, giving much needed stimulus to the international economy. The loss of revenue from reduction in tariffs should be viewed in gains of transfer of technology, productivity increases and greater competition. The FTA will be India's first large trade agreement with a western bloc, consisting of 28 economies. If structured well, the agreement could power India's growth for the next decade.

During the EU-India Summit in The Hague the EU-India relationship was upgraded in a 'Strategic Partnership' with an underlying Joint Action Plan (JAP). In this plan a wide range of topics have been discussed: Strengthening dialogue and consultation mechanisms; Broadening political dialogue and cooperation; Bringing People and Cultures together; Enhancing Economic Policy Dialogue and Cooperation; and Developing Trade and Investment.

Especially, the dialogue and cooperation will be strengthened in the following areas: Public-private partnership (PPP); Intellectual property rights; Technical barriers to trade and sanitary and phyto-sanitary issues; Trade defence instruments; Services; and Public procurement.

The free trade agreement currently negotiated between the European Union (EU) and India is due to be the first of a new generation of free trade agreements between the EU and an emerging economy. This article addresses a number of critical issues in the negotiations and the EU's response to them. These issues include European labour standards and GATS Mode 4 liberalisation; Indian generic medicine production and EU interests in patent protection; EU agricultural subsidies and their impact on the Indian dairy sector; the human rights and democracy dimension of the EU's foreign policy; and transparency issues of the negotiation process.

Despite several rounds of the negotiations which started in 2007, the proposed EU-India Bilateral Trade and Investment Agreement (BTIA) covering trade in merchandise, services and investment is far from concluded. The recent EU ban on the import of mangoes from India will further strain the bilateral commercial relationship, already troubled by a series of tax disputes involving European companies.

The EU constitutes 7 per cent of the global population and 20 per cent of the global economy. It is the largest economic bloc. The US comes second with 19 per cent share of global economy, China, 14 per cent, and India, 7 per cent.

There's no doubt that as countries queue up to become members of EU, its economy is likely to expand further. If the India-EU FTA that has been in the pipeline comes through, it will be to the mutual benefit of both regions. India should leverage its economic might for political clout, as China often does.

In a scenario in which countries are increasingly interdependent financially, economically and politically, dominance by one or two nations is a thing of the past. This, therefore, puts major groupings such as EU and BRICS in a position of strength.

So far, most cooperation between India and member states of EU has taken place on a bilateral rather than multilateral platform. This needs to change. India's partnership with the EU needs to be seen as a strategic need by both regions.

Improved market access in Mode 4 will allow skilled professionals such as software engineers to temporarily reside and work in EU countries. The barriers to Mode 4 include work permits, wage parity conditions, visa formalities and non-recognition of professional qualifications.

India also seeks data secure status from EU as the high cost of compliance with existing data protection laws and procedures renders many of its service providers uncompetitive.

The EU's demand in India's Mode 3 services includes further liberalisation in FDI in multi-brand retail and insurance and presently closed sectors such as accountancy and legal services. European banks have been eyeing India's relatively undertapped banking space.

India's IPR regime is another impediment. India fears that any commitment over and above WTO's intellectual property right rules will undermine India's capacity to produce generic formulations. Further, data exclusivity protection measures (that allows pharmaceutical companies to exclusively retain rights to their test results for a certain time period) would delay the supply of generic medicines. That explains India's opposition to the proposal. European pharmaceutical companies are wary of India's patents law which prevents evergreening, which allows companies to renew patents on old drugs by making incremental changes.

India has reduced duties on parts and components but maintains 60 per cent import duties on fully-assembled cars. It is75 per cent in the case of cars with fob value above $40,000 and engine capacity 3000cc for petrol and 2500cc for diesel. This over-protectionism with respect to fully assembled cars remains the most contentious issue in the BTIA negotiation.

The EU also seeks deeper cuts in India's tariffs on wines and spirits. They feel high effective duty and additional state-level taxes escalate the price of imported liquor in India. However duties on wines and spirits are a critical source of tax revenue for the Government.

Agricultural trade is highly distorted in both the EU and India. Even though average MFN (most favoured nation) import duties on agricultural commodities in EU (13 per cent) are much lower than in India (33 per cent), EU's peak tariff rates on certain products such as dairy (650 per cent), fruits and vegetables (156 per cent), and sugar and confectionary (133 per cent) are more than those in India.

Again, the fishery and dairy sectors in the EU are highly subsidised. There is fear of EU dairy products flooding Indian markets after the FTA. India wants the EU to cut its agricultural subsidies while the EU has interests in India reducing its duties on dairy products, poultry, farm and fisheries. Thus, both India and the EU have strong defensive interests with respect to agriculture trade negotiations.

EU does not have a single market for labour mobility. Regulations related to work permits and visas differ across members. There were efforts to harmonise the EU market through various directives but they have met with limited success. Moreover, EU's continuing unemployment problems have reduced policy space for ceding ground on Mode 4.

India's demand for greater market access in Mode 1 and 4 is dependent on its ability to meet EU's demands in Mode 3. Lack of political will on FDI in retail and insurance or willingness to open its legal services for European law firms undermine India's negotiating capacity on other critical issues.

Domestic car manufacturers fear that reduced duties on cars under the EU-India BTIA will impact their market share and flood India with European cars. Besides, European automakers will have no incentive to set up a local manufacturing base in India. This is debatable as almost all major European automakers have a manufacturing presence in India.

Can European carmakers compete in the Indian small car segment (comprising 80 per cent of India's market) by producing in Europe? Studies show that it's difficult to succeed in India without a strong dealer network and reliable after-sales service. Prohibitive duties on cars are unjustified when duties on non-car automobile segments have been substantially reduced. This also deprives consumers of choices.

Improving India's investment climate is a better way to promote investment and job opportunities. Similarly, allowing exclusive rights to commercially exploit patents will incentivise R&D and bring in more FDI. Thus, going forward, India would need to strengthen its IPR regime.

A trade pact is about give and take. Failing to conclude the EU-India BTIA will be a lost opportunity when trade pacts such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership (that together account for two-third of world GDP and one-third of world imports) are moving global trade away from MFN routes to bilateral/regional routes. They are setting new trade rules that would be far more difficult to comply with. On the other hand, a badly negotiated trade pact can hurt India's long-term trade interests. With the change of guard in New Delhi, are India's trade negotiators ready for a tightrope walk?

The EU side strongly feels that concessions in the financial services, including opening up of the insurance sector for foreign direct investment (FDI) from the present 26 per cent to 49 per cent would be very helpful in the on-going negotiations. The EU is also seeking strong interest in the automobile sector, where it was demanding dismantling of duties, working on putting in place a stable taxation regime for wines and spirits and access for dairy products. The EU negotiators also sought an assurance on the facilitation of registration of their Geographical Indicators.

The BTIA, or free trade agreement (FTA) in general terms, has been negotiated since 2007. Talks now hinge on issues of automobile tariffs, access for Indian professionals to the EU, data secure status for India, and India's domestic legislation on raising foreign direct investment (FDI) limits in the insurance sector.

Negotiations began in 2007, covering a wide range of areas, including various goods, products and services, as well as investment rules, government procurement; and intellectual property rights. After 16 rounds of talks, the issues are still being fine-tuned. 'Developed' countries are resorting more and more to these types of bilateral trade agreements with individual developing countries because they want to continue to push their free trade agenda that was rejected by developing countries at the World Trade Organisation.

The EU-India FTA essentially represents the demands of big business in the West and results from their strategic hegemony over government bureaucracies and politicians. With Western economies in crisis, India represents potential ripe pickings for transnational corporations' never ending compulsion for profit.

Both India and the EU are members of the WTO and important members therein and both therefore are committed to adhere to the WTO principles of most favoured nation and national treatment. They diverge, however, on several WTO policy issues.

After the Lisbon Treaty, the European Parliament has played a major role in monitoring the trade policy of the EU, and this Parliament remain fully committed to deepening the relationship between the EU and India. This is reflected in the set-up of a permanent monitoring group to follow the negotiations, and better understand the difficulties hindering an agreement.

The EU's main focus at present is on the mega trade pact - Transatlantic Trade and Investment. For the Indian side, among other issues, granting of data secure nation status to it by the EU is very crucial as it will have a bearing on Indian IT companies wanting market access there. India also wants liberalised visa norms for its professionals and greater market access in services and the pharmaceuticals sector.

India has a lot to gain from an FTA with the EU, particularly in regard to preferential and duty-free access to the European market. A Sustainability Impact Assessment, commissioned by the EU, indicates that an extended (broad) FTA (including further non-tariff barriers to trade harmonization) would result in significant benefits to both parties in terms of welfare gains, production, international trade, wage increases and productivity increases. The welfare effects amount to an additional 0.3 per cent growth for the Indian economy in the short run and 1.6 per cent growth in the long run.

India and the EU have a substantial trade relationship that is growing rapidly. In 2002, India was the EU's 15th-largest trading partner; by 2012, it was the 8th. If trade between India and all EU member-states is totalled, the EU is India's largest trading partner. Given this context of growing trade and benefits to be had all-round, it is odd that the two powers have not made more progress towards an FTA. So what are the issues of contention between India and the EU that stand in the way of an FTA?

India's trade policy is influenced by demographics. More than half of India's population is under the age of 25, necessitating a growth strategy emphasizing job creation and not just export promotion. These demographics and its education system have provided India with a skilled, competitive, English-speaking work force, something which Europe will be short of in the near future. Making gains from this workforce through trade requires more than tariff reduction, which is why tariff reductions alone will not make the EU-India FTA sufficiently interesting for India. Consequently, negotiations included provisions for the abolition of non-tariff barriers such as standards and mutual recognition or licensing requirements.

Agriculture, a key sector for India from the perspective of ensuring equity and growth from the FTA. The EU has a highly protected agricultural sector and India has strong defensive interests in negotiating an FTA with the EU. At the moment, European agricultural imports from India are over five times larger than its exports to India, even though EU tariff rates on such imports are relatively high. India wants the EU to cut tariff and subsidy support to its agricultural products for fear of EU exports displacing Indian agricultural products once an FTA is signed. This issue could prove a significant stumbling block in the ongoing negotiations.

The reluctance of the Indian government to negotiate government procurement issues. This is a priority issue for the EU and a bone of contention between the parties. The EU has complained that the 'Indian government procurement practices are often not transparent, discriminate against foreigners and often give preferences to the locals'. But given government procurement accounts for nearly 13 per cent of India's GDP, the Indian government insists it will not include public procurement in the EU–India FTA agenda. India is also discussing a ‘data secure’ status for the country. At present, India is not considered data secure by the EU. This obstructs the flow of sensitive data, such as information about patents, under data protection laws in the EU. The EU law mandates that European countries doing outsourcing business with countries that are not certified as data secure have to follow stringent contractual obligations, which increase operating costs and affects competitiveness.

Strategic Session on EU-India Relations organised by Friends of Europe: “India: Looking East; Linking West”

The Panel in the Debate included Mr. Shishir Bajoria, Ms. Maria Castillo Fernandez and Ms. Poonam Kumar.

Moderator **Ms. Shada Islam**, Director, Policy, Friends of Europe who introduced the theme mentioned about the Indian Prime Minister’s Look East Policy and if this will have implication for Europe. She was very candid when she appears to have given India’s Look East Policy a development which will have policy transformation in Europe’s relations with India.

The following opinions were shared:
India’s notable presence in the global arena can be evidently discerned from its dynamic foreign policy orientation as well as from a number of enterprising collaborative ventures with other nations. In the early nineties the then Indian Prime Minister P.V.Narsimha Rao initiated a new chapter as the ‘Look-East Policy’ in Indian foreign policy paradigm. The Look-East Policy portrays a strategic shift in India’s vision of the world and India’s position in the rapidly developing global economy. Since the time of inception of the Policy India and ASEAN (Association of South East Asian Nations) have embarked upon multiple bilateral, regional and sub-regional initiatives for the flourishing pursuit of the Policy.

The Look East Policy of India, framed by the Narasimha Rao government in the early nineties, is a substantial manifestation of India's focused foreign policy orientation towards South East Asia; an immensely resourceful and flourishing region. The economy of South East Asia is a virtually untapped market which is up for grabs by major regional economic entities such as India, China, Europe or the USA. India’s compatibility with the South East Asian countries with regard to better regional cooperation lies in the fact of its abstinence from exhibiting hegemonistic ambitions, making it more benign towards South East Asia. The camaraderie between India and South-East Asia is clearly visible through the dynamic persuasion of India’s Look-East Policy. India and ASEAN reciprocally have embarked upon a number of initiatives for rejuvenating their ties in multiple areas. Frequent tête-à-tête from both the sides promulgates better implementation of the Policy.

The improving intensification of economic linkages with ASEAN has inspired India to enter into the second phase of its Look-East Policy. Phase 2 is the deviation from complete economic issues to the broader agenda involving security cooperation, actively constructing transport corridors and erecting pillars of linkages and connectivity. This phase of India’s Look-East Policy renders ample relevance to the development of its North-Eastern Region because of its geographical proximity to South-East Asia.

The current phase of the Look East policy marks the beginning of a vibrant relationship on the economic, political and strategic fronts. The economic poten-tials of this policy emphasises a link to the economic interests of the North-eastern region of India as a whole. In recent years, the development of this region is being factored into the overall strategy of national development, as well as in the con-duct of India’s relations with other countries. India’s Look East policy correctly identifies Northeast India as the gateway to the East and it is one major initiative undertaken by the government of India in the present times.

As a result of India’s and Europe’s extensive economic involvements in the Asia-Pacific, both powers could see their economic interests damaged through trade disputes, particularly with China. They could also suffer from any disruption to the various maritime trade routes in the region, be it as a result of organized crime or regional border disputes.

However, India's and Europe's vested interests in stability and regional cooperation across the Asia-Pacific go much further than trade and economic considerations. China, whose ties with India have been contentious, seeks to contain India within South Asia as it expands. Both countries still have an unresolved border dispute, and Beijing's strategic links with many of India's neighbours especially Pakistan could further complicate Delhi's efforts to maintain security in its volatile neighbourhood. The proliferation of weapons of mass destruction and terrorist groups operating in Southeast Asia could harm both Indians and Europeans in the region and further afield.

India's LEP seems to have come of age after two decades of engagement with the ASEAN. The economic and trade linkages which saw an expansion of trade volumes stand testimony to the intensified economic engagement. However, the FTA in goods signed with the ASEAN may have had some negative effect on some of the goods produced domestically. But, it is the FTA in services which is expected to create more synergies and balance in trade and investments.

Plenary Session – Eight: Harnessing Intellectual Capital of Indian Diaspora for Creating Better Understanding in Business and Culture

(In collaboration with Europe India Foundation for Excellence)

Opening Remarks: Count Christopher de Breza, Founder Chairman, Europe India Foundation for Excellence (EIFE)

Chair: Dr. Ravi Mehrotra CBE, Executive Chairman, Foresight Limited, UK
Knowledge Speakers: Mr. Rajindre Tewari, GOPIO, Co-ordinator Europe
Mr. Rajaram Munuswamy, President GOPIO, France
Moderator: Mr. Ranvir Nayar, Managing Director, Media India Group, India
Sessions:

Understanding Indian Diaspora's Complexities in Europe and globally: Mr. J J Singh, President, Indo-Polish Chambers Of Commerce & Industries, Poland

Reinventing Indian Diaspora's Intellectual Capital in Building Economic and Social Bridges: Presentation by Ms. Pratima Ftantzen, Freelance Researcher and Consultant

The Founder Chairman of the Europe India Foundation for Excellence Count Christopher de Breza in his opening remarks said that India today has one of the world's largest and most successful "diasporas", with approximately 25-30 million expatriate Indians and people of Indian origin living across a wide range of countries. While well off Indians went for higher education in the elite schools and colleges of the British empire or to secure industrial training from the formidable might of the empire's industrial hubs, the mass movement of Indians in the initial waves of Indian immigration were often mass labour filling shortages in some far flung part of the British Empire, he added.

EICC Chairman Dr. Ravi K Mehrotra who chaired the Session said that over the last two decades, the next generation of people of Indian origin have come to represent a highly-skilled – doctors, scientists, engineers, finance professionals, and entrepreneurs – group of locals in every country they live in. India has not managed to capitalise well on this unique and capable asset by actively attracting its human and financial capital to help drive the country's long-term development. Moreover, India needs to put in place policies which will reverse the outflow of its highly-skilled students and professionals, and over the longer term, make the country a global knowledge hub which can attract not just the diaspora, but immigrants from all countries, he emphasised.

Speakers in the Session offered the following: If the current economic development in India is to be sustainable, if India is to match its status as one of the world's leading democracies with a position as a leading global economy, it has no alternative but to develop a formidable arsenal in intellectual capital. Indian Diaspora is thus can be an important player.

It is an established fact that the contribution of overseas communities of Indians to Indian economy has been substantial. Also the Indian overseas community has emerged as the 'soft power' promoting India's international relations, being its global ambassadors and contributing immensely to the social and intellectual capital of India. But what is less known is the mourning and trauma of losing the protection of home and homeland, challenges of alienation, assimilation, acculturation and reconciliation encountered by people who migrate to foreign countries.

In today's global economy intellectual capital has become the most important factor of production, underlying a nation's ability to innovate and remain competitive. Knowledge workers have become highly mobile, enabling them to seek out education and employment opportunities in other countries. While this might constitute a net gain for the country on the receiving end, it may also represent a serious loss of talent and 'know-how' from the home country. The phenomenon of brain drain, referring to the flight of human capital resulting from emigration, has had a negative impact on many countries particularly those with the most to lose.

Globalization has fostered greater rates of mobility and an increasing reliance on transnational networks for commerce, social interaction, and the transfer of knowledge. This is particularly true among diaspora groups who have left their homelands in search of better economic and political environments. Unlike those of the past, today's migrants stay connected via information and communications technology (ICT). Digital diaspora networks have the potential to reverse brain drain (the flight of human capital resulting from emigration) by facilitating knowledge sharing and technology transfer between the diaspora and the homeland.

India has the second largest Diaspora in the world. The overseas Indian community estimated at over 25 million is spread across every major region of the world. It serves as an important bridge to access knowledge, expertise, resources and markets for the development of country of origin. In India, the Ministry of Overseas Indian Affairs (MOIA) is a nodal organisation for the overseas Indians. It has been developing an inclusive agenda for the Diaspora to benefit from India's development, as well as drawing up a road map for establishing Indian Diaspora networks. It is engaged in several initiatives with overseas Indians in terms of promotion of trade and investment. It has also set up Overseas Indian Facilitation Centre (OIFC) for investment and business related activities.

Europe India Foundation for Excellence (EIFE) is keen to develop Indian Diaspora Knowledge and Skill Development Networks (IDKSDN). It believes that such initiative would help the process of building and sustaining diaspora capacity, with traditional entities such as states, national organisations, enterprises, public local institutions as well as firms, NGOs and intergovernmental organisations

Ms. Pratima Frantzen said that there is a gradual awareness of the extent of the potential of skilled Diasporas for economic and social development. However, some key stakeholders are not yet convinced of their real potentialities. The Skilled Indian Diaspora (SID) Project aims to elaborate a comprehensive approach on the development of skilled Indian human capital in Europe and India. It will be articulated around two points: The academic research will explain how the SID can be developed into a strategic human resource and facilitate business integration in India and Europe, with potential impact on development. The SID Business Network will facilitate business between India and Europe through mechanisms of dialogue (Indian EU cooperation, diaspora policy, BRICS issues), training and coaching. The objective is to create a pool of young executives equipped with the specific linguistic and cultural skills & knowledge necessary to operate in and with the EU-Indian markets.
