Europe India Chamber of Commerce

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"Reinventing Rio" - EICC-SADF-Eurochambres Debate on 7 December in Paris

The EICC together with the South Asia Democratic Forum and Eurochambres / EBTC is organising a Debate **"Reinventing Rio" o**n 7 December in the Hotel Park & Suits during the UNFCCC - COP21 Paris. The Debate will be hosted by Mr Gilles Pargneaux, Rapporteur of the European Parliament Report to COP21 as per the following programme.

The **venue is** Park & Suits Le Bourget, 158-164, avenue du 8 mai 1945, 93150 Blanc Mesnil, France. The Hotel is located at 12 minute walk from the main entrance of the Le Bourget COP21 site. Under the partnership arrangement, the SADF and Eurochambres have been asked to take the lead and EICC has given its full support. The conclusions and recommendations of the Debate will be highlighted in the COP21 Conference through various channels and it is important that EICC has its place. The event is likely to attract policy makers and business leaders.

The following link gives the readers the working Document of the Debate:

http://www.eiccglobal.eu/Events/UpComingEvents/DecEvents/REINVENTING%20RIO.pdf

WHAT IS COP21?

It is the 21st Conference of the Parties, i.e. the annual meeting of all countries which want to take action for the climate. It will be held in Le Bourget, France, from 30 November to 11 December. France will chair and host the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change. The conference is crucial because the expected outcome is a new international agreement on climate change, applicable to all, to keep global warming below 2°C.
The climate negotiations so far:

The United Nations Framework Convention on Climate Change (UNFCCC) was adopted during the Rio de Janeiro Earth Summit in 1992. This Framework Convention is a universal convention of principle, acknowledging the existence of anthropogenic (human-induced) climate change and giving industrialized countries the major part of responsibility for combating it.

The adoption of the Kyoto Protocol at the Earth Summit in Rio de Janeiro, Brazil, in 1992 was a milestone in the international negotiations on tackling climate change.

For the first time, binding greenhouse gas emissions reduction targets were set for industrialised countries. The protocol, which entered into force in 2005, was intended to cover the period 2008-2012.

A longer-term vision was introduced by the Bali Action Plan in 2007, which set timelines for the negotiations towards reaching a successor agreement to the Kyoto Protocol, due to expire in 2012. It was expected that an agreement would be reached by December 2009.

Although Copenhagen, Denmark, did not result in the adoption of a new agreement, COP15/CMP5 recognised the common objective of keeping the increase in global temperature below 2°C. Furthermore, industrialised countries undertook to raise $100 billion per year by 2020 to assist developing countries in climate-change adaptation and mitigation. Cancún, Mexico, in 2010 made the 2°C target more tangible by establishing dedicated institutions on key points, such as the Green Climate Fund.

The willingness to act together was reflected in the establishment, in 2011, of the Durban Platform for Enhanced Action (ADP), whose mandate is to bring all countries, both developed and developing, to the table to develop “a protocol, another legal instrument or an agreed outcome with legal force” applicable to all the States Parties to the UNFCCC. This agreement should be adopted in 2015 and implemented from 2020.

In the interval until a legally binding multilateral agreement is implemented in 2020, the Doha Conference (Qatar) in 2012 established a second commitment period of the Kyoto Protocol (2013-2020), which was ratified by a number of industrialised countries, and terminated the Bali track.

The Climate Change Conferences in Warsaw, Poland, in 2013 and Lima, Peru, in 2014 enabled essential progress towards COP21 in Paris in 2015. All the States were invited to submit their Intended Nationally Determined Contributions (INDCs) towards reducing greenhouse gas emissions ahead of COP21.

World leaders kick off climate talks in Paris: PM Modi calls on world to plug into the power of Sun

Declaring that the future of the planet is at stake, more than 150 world leaders assembled outside Paris on 30 November to launch an ambitious attempt to confront climate change by reducing greenhouse gas emissions.

After decades of difficult negotiations and an unsuccessful attempt to strike a deal six years ago, President Barack Obama said a turning point may have been reached. “What should give us hope,” he told fellow leaders, “is the fact that our nations share a sense of urgency about this challenge and a growing realization that it is within our power to do something about it.”

The United Nations conference comes at a time of record high temperatures, more extreme droughts and storms, shrinking glaciers and melting ice packs — events that have helped make climate science more widely accepted. That, coupled with major advances in cleaner energy sources, has increased the willingness of some of the world’s biggest polluters to act.

The leaders of nations responsible for more than 95 percent of the world’s greenhouse gas emissions arrived at the conference at Le Bourget, on the northern edge of Paris, armed with plans to reduce their outputs.

But the proposals on the table are not projected to achieve the target of limiting rising global temperatures to 2 degrees Celsius above preindustrial levels, the threshold at which scientists believe most of the worst effects of climate change could be avoided. Organizers say countries will need to do more.

“The future of your people, the future of the people of the world, is in your hands,” U.N. Secretary-General Ban Ki-moon told leaders as the talks kicked off. “We cannot afford indecision, half measures or merely gradual approaches. Our goal must be a transformation.”

The high-level meeting began with a moment of silence for the victims of deadly attacks in France, Lebanon, Tunisia and elsewhere — a wave of violence that threatened to overshadow longer-term concerns about climate change.

“These tragic events … force us to concentrate on the essentials,” French President Francois Hollande said. “We must leave our children more than a world free from terror. We must leave them a planet that is preserved from catastrophes, a viable planet.”

The biggest issue facing the 151 heads of state and government at the summit is who should bear most of the burden of closing that gap: wealthy Western nations that have polluted the most historically, or developing countries such as China and India, now the biggest and third-biggest emitters of greenhouse gases?

Major issues still have to be resolved, however, including who should assume the cost of shifting the world’s economies to solar, wind and other renewable energy sources.

Developing countries have long argued that the burden should fall on the countries that got rich through the use of fossil fuels.

Severe air pollution has helped persuade China and India to seek to reduce their reliance on coal-fired energy. As the summit got underway, their capitals were blanketed in smog; Beijing issued an “orange” pollution alert, the second-highest level.

Still, Chinese President Xi Jinping said the deal reached in Paris must recognize differences between developing and more established economies, and include aid for poor countries.

“Addressing climate change should not deny the legitimate needs of developing countries to reduce poverty and improve living standards,” he said.

Stressing that the world’s hope for a sustainable planet rests on a bold global initiative, Prime Minister Narendra Modi urged the world community to turn to Sun in order to power the future. The Prime Minister also said that convergence between economy, ecology and energy should define the future of the world. Here are top 5 things PM said at the Climate Change Summit:

1. “President Hollande responded to my long cherished dream of an international alliance of solar-rich countries, with keen interest and ordered immediate support. I am deeply grateful for his support at every step and his decision to co-chair the launch,” said Prime Minister Modi at the launch of the International Solar Alliance COP 21. Speaking about the importance of the Solar alliance between India and France, Prime Minister Modi said that both nations want to bring solar energy into the lives and homes by making it cheaper, more reliable and easier to connect to grid.

2. Talking about the significance of Sun in the Indian tradition, the Prime Minister said that according to the ‘Rig Veda, Sun God is the soul of all beings, moving and non-moving’ and people in India begin their day with a prayer to the Sun.

3. “Today, when the energy sources and excesses of our industrial age have put our planet in peril, the world must turn to Sun to power our future. As the developing world lift billions of people into prosperity, our hope for a sustainable planet rests on a bold global initiative,” PM Modi added.

4. “We will collaborate on research and innovation. We will share knowledge and exchange best practices. We will cooperate on training and building institutions. We will discuss regulatory issues and promote common standards. We will attract investments in the solar sector, encourage joint ventures and develop innovative financing mechanisms. We will partner with other international initiatives on renewable energy. This is an alliance that brings together developed and developing countries, governments and industries, laboratories and institutions, in a common enterprise,” PM Modi said.

5. Prime Minister Modi also spoke about India’s targets in terms of solar power and said that India, at present, has a capacity of 4GW and have set a target of adding 100 GW of solar power by 2022. “By the end of next year, we would have added another 12 GW.”

Indian Prime Minister Narendra Modi said developed nations could make the biggest difference on the environment. “National commitments must be consistent with the carbon space nations occupy,” he said.

Wealthier nations also have a responsibility to make cleaner energy affordable and accessible in the developing world, he said. “This is in our collective interest,” he said.

Many leaders who spoke want the agreement to include legally binding targets. That could be a deal-breaker for the U.S., which needs approval from the Republican-controlled Senate to sign a binding treaty.

In his address to the conference, Obama acknowledged that taking strong action on the environment has not always been a political winner. But he noted that the U.S. and other global economies have grown even as fossil fuel emissions have leveled off.

“We have proved that strong economic growth and a safer environment no longer have to conflict with one another,” he said. “And that should give us hope.”

Speaking at a heavily guarded conference center, Obama said the determination of world leaders to act as one in pursuit of a common goal was itself a rebuke to the Islamist extremists who killed 130 people in Paris two weeks ago.

The president highlighted steps that his administration has taken to curb emissions, and praised the many other nations that have committed to do the same in the lead-up to the summit.

“Our task here in Paris is to turn these achievements into an enduring framework for human progress — not a stopgap solution, but a long-term strategy that gives the world confidence in a low-carbon future,” Obama said. “That’s what we seek in these next two weeks, not simply an agreement to roll back the pollution we put into our skies, but an agreement that helps us lift people from poverty without condemning the next generation to a planet that’s beyond its capacity to repair.”By inviting Obama and other leaders to the opening days of the summit, organizers hoped to send a clear signal: Paris is not Copenhagen.

In 2009, a similar effort to reach a binding agreement to address climate change had all but collapsed by the time Obama and his counterparts arrived in the Danish capital near the conclusion of that summit.

Officials hope the participation of world leaders at the start of this year’s conference, with commitments for action in hand as they arrive, will provide the momentum needed to reach a strong accord, even if it falls short of the 2-degree target.

A number of initiatives were announced by governments and private investors, including billions of dollars in investments to support the development and adoption of clean energy technologies and help the most vulnerable countries cope with the effects of climate change.

French Foreign Minister Laurent Fabius, who took over as president of the negotiations, reminded participants that they have just “11 short days” to reach an agreement.

“Success is not yet assured, but it is within our grasp,” he said. “The eyes of the world are upon us.”

PM Modi's UK visit sees $14-bn worth of deals inked

Indian Prime Minister Narendra Modi's visit to the UK has seen $14 billion worth of business deals signed by enterprises of the two sides, including a $4.4-billion investment by Britain's OPG Power Ventures to add 4,200 MW capacity of electricity generation in Tamil Nadu over the next few years.
Among the two dozen pacts and investment commitments acknowledged by Prime Ministers Narendra Modi and David Cameron was one by Merlin Entertainment to open a branch of the famed Madame Tussauds wax museum in New Delhi by early 2017 and one by Vodafone to invest $1.4 billion to support the Government of India's "Digital India" and "Make in India" initiatives.

This apart, the largest solar power generator in Europe, Lightsource, said it was investing a little over $3 billion in India to design, install and manage around 3 GW of solar power infrastructure over the next five years in partnerships with Indian companies, led by Srei Infrastructure.

"Prime Ministers Cameron and Modi noted the deep and fruitful business relationship between the UK and India and welcomed the 9.2 billion pounds ($14 billion) of commercial deals between the UK and India announced during the visit," said a joint statement issued by the two sides after the official talks.

Other major deals announced included: Standard Life, Bupa and Aviva to invest a combined total of $365 million in their Indian joint ventures.

Pact between Britain's cloudBuy for facilitating $5,3 billion worth of transactions using an online marketplace.

British technology company Intelligent Energy's $1.8-billion contract to provide clean energy for 27,400 telecoms towers of GTL.

Holland and Barrett International pact with Apollo to open 1,000 stores in India over the next five years.

Kloudpad Mobility Research's investment in South India to make next generation smart watches, wearables and tablets.

TVS to open an advanced logistics facility at Barnsley, a town in South Yorkshire.

London Stock Exchange and Yes Bank pact for collaborations on bond and equity issuance, with focus on green infrastructure.

HDFC's proposal for rupee-denominated bonds overseas up to $750 million under new Indian central bank guidelines.

Wipro's commitment to increases its investment in Britain.

As per the joint statement, the two prime ministers also announced three UK-India city partnerships with Indore, Pune and Amaravati to support India's ambitious urban development goals through technical assistance, expertise sharing and business engagement. They also launched a new Thames-Ganga partnership for healthy river systems.

UK, India sign deals worth over £1.3 billion

Telecom giant Vodafone's pledge of investing £1.3 billion (Rs 13,078 crore; at £1= Rs 100.6) in its India services was one of the big-bang investment proposals announced by British and Indian companies during Prime Minister Narendra Modi's visit to the UK. Britain and India welcomed £9 billion (Rs 90,540 crore) in more than 20 deals and collaborations.

A statement from British Prime Minister David Cameron said: "During this visit, British and Indian companies are announcing new collaborations, together worth more than £9 billion."

India and Britain had shown political will to push their bilateral relations and it was now for the business communities of the two sides to take them forward, Modi said in an address to the UK-India CEO forum.

"India and the UK are economically made for each other. This relationship has to be driven by private sector CEOs," Modi said.

Cameron also articulated a similar position. "We both have the political will to take our economic relationship forward," he said at the forum meet.

Later, speaking at the Wembley Stadium, Modi promised a new chapter for India in the world and held up all the economic liberalisation measures his government had introduced to eliminate poverty forever.

Vodafone's move to deepen investments in India shows the company has put the bitterness generated by back tax and revenue demands behind it. Vodafone plans to spend Rs 8,000 crore to upgrade its network, Rs 3,000 crore to increase capacity and improve technology and customer experience centres in Pune and Ahmedabad, and Rs 1,000 crore on a data centre. It will also spend Rs 1,000 crore for its payments bank, Vodafone M-Pesa.

Since starting operations in India in 2007, Vodafone has invested Rs 1,11,000 crore and has brought in the largest foreign direct investment into the country. Companies in other industries also responded enthusiastically to Modi's visit. Lightsource, the largest solar photovoltaic generator in Europe, announced a £2 billion (Rs 20,120 crore) investment to design, install and manage three gigawatts of solar power infrastructure in India over the next five years.

UK-listed OPG Power Ventures will add £2.9 billion (Rs 29,174 crore) to its current investment in India, taking it to a total of £3.4 billion (Rs 34,204 crore). The investment will create 4,200 Mw of power capacity, of which 1,000 Mw will be solar power and 3,200 Mw will be thermal and renewable power in Tamil Nadu.

BONHOMIE & BUSINESS

INDIAN FIRMS INVESTING IN THE UK • Indiabulls Housing Finance invests Rs 664 cr into OakNorth Bank. It will be the bank's single-largest shareholder, with nearly 40% stake
• TVS is opening Rs 201-cr advanced logistics facility in Barnsley, generating 100 new jobs, growing to 500 over five years
• Dexler is setting up Dexler Education UK, its European headquarters, with an investment of around Rs 100 cr
• LSE Group and YES Bank ink a deal to foster collaborations on bond and equity issuance
UK COMPANIES INVESTING IN INDIA • UK-listed OPG Power Ventures to add Rs 29,174 crore to its current investment in India
• Lightsource to invest Rs 20,120-crore to design, install and manage three gigawatts of solar power infrastructure in India over the next five years
• Vodafone will invest Rs 13,078 cr in a variety of companies, including a payments bank
• The King's College Hospital NHS Foundation Trust and Indo UK Healthcare sign an agreement to open King's College Hospital in Chandigarh.

The King's College Hospital NHS Foundation Trust and Indo UK Healthcare signed an agreement to open King's College Hospital in Chandigarh. Holland & Barrett International, UK's leading health retailer, will open 1,000 outlets in India in partnership with Apollo Hospitals over the next five years.

Indian health care companies also announced investments in the UK. SSPSL, a subsidiary of India's Strides Shasun and a provider of services to the pharmaceutical industry, will invest £8 million (Rs 80.48 crore) in its UK facility. Advatech Health Care said it would invest £5 million (Rs 50.3 crore) in the UK to introduce disruptive information technology for ambulances.

The offshore arm of the UK's Equiniti Group, Equiniti India, provider of technology and solutions for administration, announced an expansion plan in Chennai. Wipro will deepen its investment in the UK with its newest office for Wipro Digital.

Several British insurance companies are poised to come to India should their applications for approval be granted. Standard Life, Bupa and Aviva had committed to invest a combined £2.38 billion (Rs 23,943 crore) in their Indian joint ventures, government sources said. Lloyds intends to invest but no specific plans were mentioned during Modi's visit.

The London Stock Exchange Group and YES Bank have signed an agreement to foster joint collaborations in bond and equity issuance with a focus on green infrastructure finance.

Indiabulls Housing Finance has invested £66 million (Rs 664 crore) in OakNorth Bank, a recently authorised bank lending to small business owners. Indiabulls will be the single largest shareholder of the bank with nearly 40 per cent stake.

TVS will open a £20 million (Rs 201.2 crore) advanced logistics facility in Barnsley generating 100 new jobs, growing to 500 over five years. Integrated learning solutions provider Dexler will set up Dexler Education UK, its European headquarters, with an investment of £10 million (Rs 100.6 crore).

Modi addressed an estimated 50,000-60,000 people from India's 1.5 million-strong diaspora in Britain. Modi was introduced to the gathering by Cameron, whose wife Samantha, draped in a saree, was also present.

Cameron greeted the assembled audience with a "Namaste" which drew loud cheers and followed up with another greeting "kem cho (How are you?) Wembley" in Gujarati.

He renewed his pitch for India getting a permanent seat in the UN Security Council. "When it comes to UN we know what needs to happen - India with a permanent seat at the UN Security Council," Cameron said.

In his Wembley speech, Modi hailed plurality in India and spoke about the programmes he had rolled out after he became Prime Minister - Swachh Bharat, education of girls and electricity within 1,000 days to 18,000 villages that have no power. He spoke with great passion about the changes in FDI regulations that the government had made and predicted the changes would bring great progress. Referring obliquely to restiveness among Muslims all over the world, he said Kabir and Rahim, proponents of the Sufi tradition, preached inclusiveness that everyone must follow. He said India's place in the world had been restored and that it was now seen in the world as an equal, not an inferior or a supplicant.

What India, UK deal worth $ 13.7 billion will bring

Prime Minister Narendra Modi's three day visit to Britain has seen India and the United Kingdom agreeing on $13.7 billion in commercial deals. The two nations also concluded negotiations over a civil nuclear deal that seeks to increase bilateral cooperation in the field of civil and military technology and nuclear research projects.

The major investments made by the private sector on both sides include:

Energy

Lightsource Renewable Energy Holdings has announced a £2 billion investment in India. They will design, install and manage around 3 gigawatts of solar power infrastructure in India over the next 5 years.

Technology company Intelligent Energy is now facilitating an initial order of over 10,000 hydrogen fuel cells, worth over £128 million.

UK-listed OPG Power Ventures plc will invest £2.9 billion in India, creating around 100 UK jobs over the next few years as well as jobs in India. The investment will create 4,200 megawatts (MW) of new power capacity in India, of which 1,000 MW will be solar power and 3,200 MW will be thermal and renewable power in Tamil Nadu.

IT and cyber

Kloudpad Mobility Research's £100 million investment to produce the next generation of smart watches, wearables and tablets in South India will support 50 highly skilled researchers in the UK and create 2,500 manufacturing jobs in India.

Vodafone has announced further investments in India totalling to £1.3 billion. These include: £800 million to upgrade and expand its country-wide network coverage and £300 million in its high-end technology centres in Pune and Ahmedabad that service several international markets, that will create a further 6,000 jobs. A further £100 million will be invested to create a first of its kind, state-of-the-art tier-4 data centre, providing customised communication services for enterprises and businesses. Another £100 million investment will be used to create a payment bank focused on serving the unbanked and under banked and to accelerate India's journey towards a cashless economy.

Indian digital company Wipro is increasing its investment in the UK with the opening of its newest office for Wipro Digital. Wipro Digital currently employs more than 50 people in London with plans to hire another 200 in the next 12 months.

Healthcare

King's College Hospital NHS Foundation Trust and Indo UK Healthcare Pvt Ltd will open King's College Hospital in Chandigarh. This is the first of a proposed 11 new Indo-UK institutes for health that will be developed across India, which, when fully implemented, would amount to a £1 billion investment into India's healthcare system.

SSPSL, a subsidiary of India's Strides Shasun and a leading provider of services to the pharmaceutical industry, will invest £8 million in its facility in Dudley, Tyne and Wear. This investment will create up to 60 new jobs.

Advatech is to invest £5 million and create 30 UK jobs delivering IT to ambulances in the UK.

Education

A partnership between the British Council and Tata Consultancy Services will see the global IT services firm provide opportunities for 1,000 graduate interns from British universities to train and work in India. The 1,000 internships will take place between 2016 and 2020 and will be managed jointly by the British Council and TCS. Each internship will last 12 months.

HSBC announced the launch of its 'Skills for Life' initiative in India, a programme to skill 75,000 disadvantaged young people and women over 5 years. The programme will support non-governmental organisations to implement projects in 3 focus areas namely: employment and entrepreneurship-linked skills training for disadvantaged youth; upskilling of teachers and educators; and financial literacy and entrepreneurship development of women.

Indian integrated learning solutions provider Dexler is setting up Dexler Education UK, its European headquarters, with an investment of around £10 million. They will create approximately 50 UK jobs to deliver their technology assisted learning programmes in the market, for use in the context of corporate training, higher education and individual learning.

Creative and retail

Merlin Entertainments will open the first Madame Tussauds on the sub-continent in New Delhi in 2017. The company will invest up to £50 million over 10 years with a view to opening more of the company's iconic global brands in India in the coming years. The brands include Legoland Discovery Centre and Sea Life Aquarium.

In a deal worth £20 million, Holland & Barrett International has partnered with Apollo Hospitals and will open 1,000 Holland & Barrett outlets in India over the next 5 years. The first store will open in New Delhi in January 2016 with 115 outlets open at the end of the year.

Genus ABS will invest £1 million in India providing the latest dairy genetics and constructing a state-of-the-art facility near Pune in Maharashtra.

Logistics

TVS is opening a £20 million advanced logistics facility in Barnsley generating 100 new jobs, growing to 500 across the TVS Group over 5 years. As part of Team Leidos, the company is integral to delivering £500 million worth of procurement savings to the Ministry of Defence over 13 years. TVS has established an exciting new joint venture with Automobile Association (AA) worth £10 million to establish the first global roadside assistance brand in the Middle East, Africa and Asia.

Finance and professional services

Housing Development Finance Corporation (HDFC), India's largest housing finance company, has announced the proposal to issue rupee denominated bonds overseas of up to $750 million (£490 million) under the Reserve Bank of India guidelines, in one or more tranches. HDFC intends to list the initial issue of bonds for trading on the London Stock Exchange.

Bharti Airtel Ltd, announced that it intends to issue its maiden sterling bond of up to £500 million to be listed on the London Stock Exchange. The potential bond issue is subject to market conditions and will help Bharti extend maturities and diversify investor base on its debt portfolio.

Indiabulls Housing Finance Limited has invested £66 million into OakNorth Bank Limited, a recently authorised bank providing lending to UK entrepreneurs and small business owners. The equity investment will allow OakNorth to increase lending to UK growth SMEs to over £0.5 billion, supporting entrepreneurs and creating at least 150 new jobs. With this investment, Indiabulls will hold a 40% stake in OakNorth.

State Bank of India has announced the opening of 2 new branches in Hounslow and Ilford. This is testament to the Bank's commitment to the UK market, and is expected to generate new jobs.

London Stock Exchange Group and Yes Bank, one of India's leading banks, will sign a memorandum of understanding (MoU) to foster the development around bond and equity issuance, with a strong focus on green infrastructure finance. Yes Bank plans to list a green bond of up to £330 million through Medium Term Notes on the London Stock Exchange by December 2016. Yes Bank also intends to raise further capital in London potentially through the listing of Global Depository Receipt as part of its overall £650 million of equity capital raising plans.

State Bank of India (SBI) and London Stock Exchange Group have announced a collaboration to create the 'FTSE-SBI India Bonds Indices' to be used initially by a new investment fund run by SBI. These indices, to be launched in the first half of 2016, will facilitate investment into India's bond markets and support market liquidity and pricing.

Here's a look at some of the highlights of the footloose PM's visit to other major countries.

United States (September 22-28, 2015)

The eventful 5 day trip saw the Prime Minister addressing a United Nations Sustainable Development Summit and pitching 'Make in India' to Silicon Valley. Discussions with leading international financial and investment entities also took place. Modi also met leaders of the three permanent members of the UN Security Council — US President Barack Obama, British Prime Minister David Cameron and French President Francois Hollande. Major agreements included:

- Google to help Indian Railways set up Wi-Fi at 500 stations and Microsoft will take low-cost broadband technology to some five lakh villages across the country. Qualcomm to invest $150 million for Indian start-ups. Apple responded positively for setting up a manufacturing unit in India.

- Modi held meetings with 47 CEOs of fortune 500 companies including PepsiCo, Ford, Lockheed Martin for investments in India. Met eight out of 10 top financial firms. Prime Minister speaks about 'Make in India' programme.

- Meeting held with top executives of media firms including Rupert Murdoch.

- Modi met top energy CEOs and investors, including Ahmad Chatila, CEO SunEdison; Nikesh Arora, President and COO, Softbank; K.R. Sridhar, CEO, Bloom Energy; Jonathan Wolfson, CEO, Solazyme; John Doerr, Venture Capitalist; and Ira Ehrenpreis of DBL partners were present. He spoke of producing 175 GW renewable energy

- He launched the BHARAT Fund - Better Health, Agriculture, Renewable and Technologies.

- Modi's 2014 visit to the US had elicited promises of 41 billion dollar investment in India in the next three years

China (May 14-17, 2015)
India and China signed 24 agreements worth over 10 billion dollar during Prime Minister Narendra Modi's three days visit.

These include:
- Establishing of consulates in Chengdu and Chennai
- Cooperation in vocational education and skill development and setting up of Mahatma Gandhi institute on skill development in India
- Development of consultative mechanism on cooperation in trade negotiations
- Cooperation between Foreign Ministry and Central Committee of Communist Party of China (CCCPC)
- Action plan between national railway administration of China and Indian Railways
- Cooperation in the fields of mining and minerals
- Agreement for cooperation in the field of tourism
- MoU on establishing India-China think tanks forum, MoU between NITI Aayog and Development Research Centre
- MoU on cooperation in geo sciences, establishment states/provincial leaders' forum
- Agreement to establish sister states Sichuan and Karnataka, Chennai and Chongqing, Hyderabad and Gingdao, Aurangabad and Dunhuang,
- MoU between ICCR and Fudan University for establishment of centre for Gandhian studies
- MoU to establish Yoga College in Kunming

Japan (August 30-September 3, 2014)
A total of $35 billion of public and private investment and financing was pledged by Japan as part of the India-Japan Investment Promotion Partnership for projects of mutual interest in the areas of infrastructure, connectivity, transport systems, Smart Cities, rejuvenation of Ganga and other rivers, among others.

This includes Overseas Development Assistance (ODA) loan of 50 billion Yen to India Infrastructure Finance Company Limited (IIFCL) in next 5 years for developing infrastructure projects on public-private partnership mode. Other agreements include:
- Setting up of 10 MW canal top grid connected solar photovoltaic power plant in Gujarat
- Japanese loan pledges of $156 million for Guwahati sewerage project
- Development of industrial cities at Dholera in Gujarat, Shendra-Bidkin in Maharashtra
- Integrated industrial townships at greater Noida in UP & Vikram Udyogpuri near Ujjain, MP
- Expanding Japanese investment in Mass Rapid Transport System (MRTS)
- Financial assistance for Ahmedabad Metro
- Agreement with Toyota Tususho Corporation for trade in rare earth minerals.
- Japanese cooperation in road connectivity projects in the North East

Germany (April 12-14, 2015)
The Prime Minister's visit to Germany did not see the signing of a single agreement. The most important development of the visit was the decision to set up a dedicated mechanism in the Indian government to promote Indo-German trade and investments. Such a mechanism only existed with Japan and the United States earlier.

Key agreements took place between the two nations later in the year in October when German Chancelor Angela Merkel visited India as part of the 3rd Inter Governmental Consultations between India and Germany. This included pledge by Germany to provide $2.25 billion in assistance to India to develop a clean energy corridor and solar projects and inking of 18 MoUs in the areas of agriculture, manufacturing, aviation security among others.

However, the key takeaways of the PMs Germany tour were:

- Both leaders spoke in favour of a free trade agreement between the European Union and India.
- The joint statement by both countries recognized the establishment of a working group on urban development.
- Stronger educational exchanges to be encouraged along with collaborations between universities in both countries.

India, EU set to resume FTA talks: Nirmala Sitharaman

After suspending talks for a bilateral trade agreement with the European Union, India is set to return to the negotiating table to discuss lower import duty for European cars and wines in return for pushing some of its farm products, garments and IT services into the trading bloc.

Commerce and industry minister Nirmala Sitharaman told TOI that the dates for resuming the dialogue are being discussed and the government was trying to push the pedal with the EU trade pact, along with those with Australia and Canada. After taking charge in the summer of 2014, the government had ordered a review of all proposed trade agreements and it was only later that it decided to restart negotiations.

In August, days before talks were to resume, the government had suspended the dialogue with EU, while protesting against a ban on the import of 700 generic medicines from Indian pharmaceutical firms, such as GVK Biosciences. "We have gone back to negotiations because in Bangalore, the Prime Minister (Narendra Modi) had taken up the issue with Angela Merkel (German chancellor) and she had responded positively, saying 'she will look into it and EU will do justice'. So, we have no reason now to doubt their intentions. Our intention was not to dismantle the talks. It was more to make the point about unilateral action by EU," the minister said.

A joint statement during Merkel's visit had mentioned about a commitment from India and Germany for "resumption of the negotiations as soon as possible".

India and EU have been working on Broad Based Trade and Investment Agreement, which has been in the pipeline for close to a decade and there are some gaps that need to be filled for the deal to be clinched. There is a growing view in the government that such trade agreements need to be pursued given the changing global dynamics with the advent of Trans-Pacific Partnership and Regional Comprehensive Economic Partnership (RCEP). At the same time, with the exports falling for 11 months in a row, bilateral trade deals are seen to offer a way forward although they will kick in only after a few years.

Government eases FDI norms in 15 sectors

Unveiling sweeping liberalisation of foreign investment norms on Diwali day, the government has opened up 15 sectors including real estate, defence, civil aviation and news broadcasting to foreign direct investment this week, in a bid to push up reforms just ahead of the Prime Minister's UK visit.

While restrictions in the construction sector were freed up by allowing overseas investors to exit and repatriate investment even before project completion, foreign direct investment (FDI) up to 49 per cent in defence firms and regional airlines has been allowed without having to seek government permission.

Prime Minister Narendra Modi described the easing of FDI norms at 32 investment points as a reflection of "unequivocal and unwavering" commitment of the government to development and reforms as they should touch life of every citizen. He asserted that the country is "unstoppable" on the path of economic progress and the government wanted the world to see the tremendous opportunities India offers

The raft of reforms, aimed at boosting investor confidence and drumming up FDI for faster growth, comes ahead of Modi's visit to the UK. Talking to reporters, finance minister Arun Jaitley said, "Reform is always an ongoing process, there is no finishing line as far as reforms are concerned." Asked whether the FDI reforms would also include multi-brand retail, he said that there is no change in the existing policy for the sector.

As part of the reform exercise, the government has allowed 100 per cent FDI in cable and direct-to-home TV operators, duty free shops and investment through automatic route in limited liability partnerships. It also permitted portfolio investors to buy up to 74 per cent in local private banks, with full fungibility, while palm, coffee and rubber plantations have been opened up for the first time. The rules for sourcing for single brand retailers, particularly for high-tech, have been eased by allowing them to sell online without specific permissions. But there is no change in 51 per cent limit for retailers like Walmart in multi-brand retailing.

The government also raised the power of the Foreign Investment Promotion Board (FIPB) to give single-window clearance for investment projects of up to Rs5,000 crore from Rs3,000 crore currently. "Today's FDI related reforms will touch 15 sectors and benefit (the) youth. Government's commitment to development and reforms is unequivocal and unwavering," Modi tweeted soon after the government made the announcement.

"Today's reforms are another example of emphasis on 'Minimum Government, Maximum Governance'. They will ease, rationalise and simplify processes," he said in another tweet. Department of Industrial Policy and Promotion (DIPP) secretary Amitabh Kant said, "This is a Diwali gift for investors. This is the biggest big bang reform of the government."

In the defence sector, 49 per cent foreign investment has been allowed under the automatic route and anything beyond through the Foreign Investment Promotion Board (FIPB) approval. Earlier, the investors were required to take approval of Cabinet Committee on Security for foreign investment above 49 per cent in the defence sector.

"Portfolio investment and investment by Foreign Venture Capital Investor (FVCIs) will be allowed up to permitted automatic route level of 49 per cent," it clarified. In the broadcasting sector, 100 per cent FDI has been allowed in DTH, teleports, mobile TV and cable networks. Of this, 49 per cent will be allowed under automatic route and beyond that will need FIPB approval. In the case of terrestrial broadcasting, FM (FM radio) and uplinking of news and current affairs' TV channels, the foreign investment limit has been raised from 26 per cent to 49 per cent under the approval route. In the private banking sector, the government has introduced full fungibility of foreign investment and accordingly, "FIIs / FPIs / QFIs, following due procedure, can now invest up to sectoral limit of 74 per cent, provided there is no change of control and management of the investee company". Earlier, portfolio investment was permitted up to 49 per cent. The government allowed 100 per cent FDI under automatic route in duty-free shops.

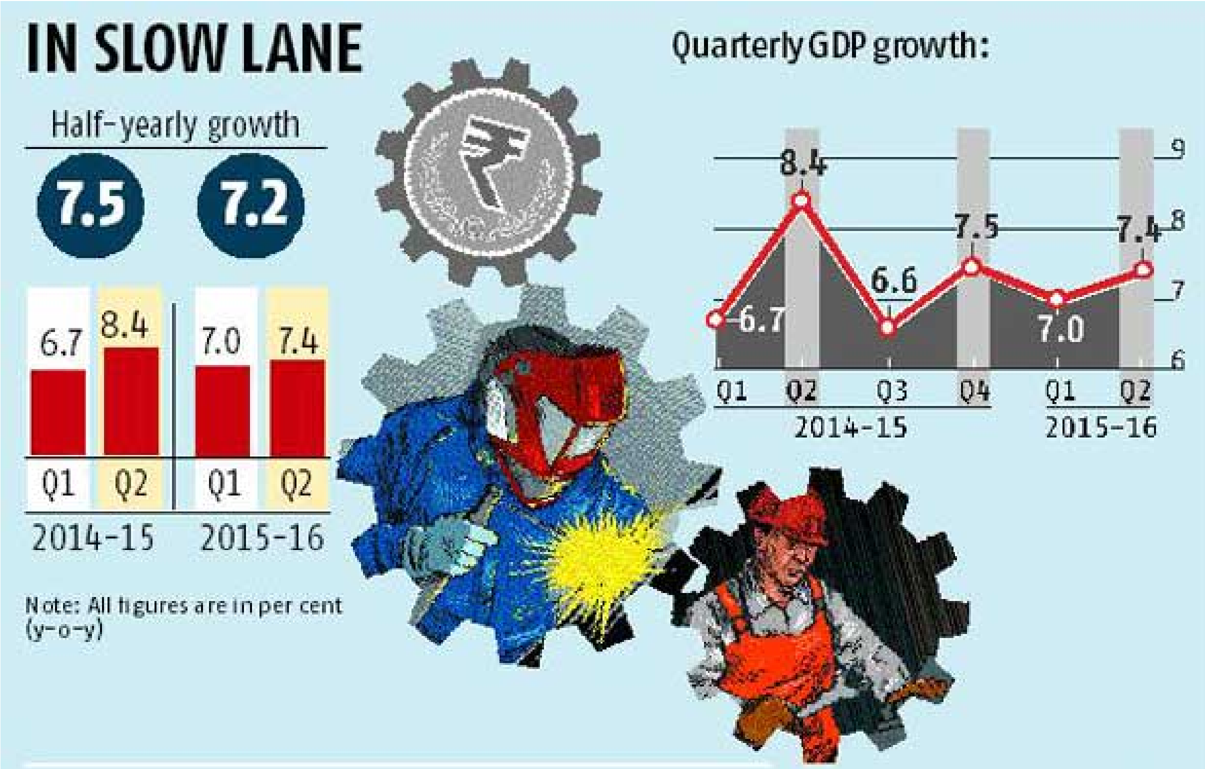
India's Q2 growth at 7.4%, with manufacturing boost

India’s gross domestic product (GDP) for the three-month period ended September 30 grew 7.4 per cent — a tad higher than the seven per cent in the previous quarter — with a boost from manufacturing and financial services.

The growth of the manufacturing sector — more than nine per cent — pleased the finance minister, Arun Jaitley. He said despite adverse global conditions, factory production had increased. The statistics and programme implementation ministry released the figures on 30 November. There was a slight increase in investments because of the government’s capital expenditure, but the domestic demand continued to be a concern. The growth was, however, much slower than the 8.4 per cent in the corresponding quarter of the previous financial year. Economists had projected that GDP would grow by 7.3-7.6 per cent this quarter.

The gross value added (GVA), comprising agriculture, industry and services, increased to 7.4 per cent in the September quarter, against 7.1 per cent in the June quarter.

According to the new methodology, the GDP is calculated as the GVA plus indirect taxes, excluding subsidies. However, over 35 per cent growth in indirect tax collection was not factored in, as additional measures such as the hike in excise duty on oil, service tax rate and the withdrawal of excise duty sops to the auto industry were not taken into account while calculating economic growth.



AIM & DISTANCE

Some of the projections for India's GDP growth this financial year and how much more is required in the second half of 2015-16 to meet these numbers:

Organisation	Projection	Required 2nd-half growth
IMF	7.3	**7.4**
World Bank	7.5	**7.8**
RBI	7.4	**7.6**
Finance ministry	7.5-8**	**7.8-8.9**

** The finance ministry's original projections were 8.1-8.5. After the first quarter growth of 7, officials said the revised figures would be 7.5-8. Official revisions are yet to be released

Note: All figures are in per cent (y-o-y)

For the July-September period, the manufacturing sector grew 9.3 per cent, a record since the new series of GDP was introduced in 2011-12, compared to 7.2 per cent in the previous quarter. Gross fixed capital formation, a proxy for investment, showed an uptick by expanding 6.8 per cent in the second quarter against 4.8 per cent in the previous three months. However, much of this has come on the back of increased government capital expenditure.

The impact of deflation was clearly visible as the GDP, without adjusting for inflation, rose just six per cent this quarter, against 8.8 per cent in the previous quarter.

Data showed that for the first six months of 2015-16, India's GDP growth stands at 7.2 per cent at 2011-12 prices and 7.4 per cent at current prices.

The July-September quarter GDP numbers will certainly lead to a downward revision of the official GDP growth estimates of 8.1 to 8.5 per cent, laid out in the 2014-15 economic survey.

Even eight per cent growth for 2015-16 requires the economy to grow 8.9 per cent in the next half.

In its last monetary policy meet in September, the Reserve Bank of India had downgraded its real GDP forecast to 7.4 per cent from 7.6 per cent. In early October, Chief Economic Advisor Arvind Subramanian had said the government would work on fresh forecasts for the year once the second quarter data came out.

"I think the second quarter figures give us a sense of satisfaction... We expect growth this year to be better than last year and even better the next year," Jaitley said.

Financial, insurance, real estate and professional services sector grew 9.7 per cent compared with 8.9 per cent in the last quarter and 13.5 per cent in the same period last year.

The agriculture, forestry and fishing sector grew 2.2 per cent in the three-month period ended September 30, compared to 1.9 per cent for the April-June period and 2.1 per cent in the July-September period in 2014-15. In fact, much of the increase was on the back of allied sector such as forests produce, fisheries and livestock.

France's Alstom wins $3 billion Indian Railways contract

French engineering company Alstom has won a contract worth around 200 billion rupees ($3 billion) to supply Indian Railways with 800 electric locomotives and set up a local manufacturing plant, a railways spokesman said recently.

The contract is one of the largest awarded to a foreign firm since India last year opened up limited parts of its state-owned railways to 100 percent foreign direct investment, and comes as the government tries to modernise its vast but outdated rail network.

US company General Electric said it had won a deal worth $2.6 billion to supply India with diesel locomotives over the next 11 years

A proponent of sustainable mobility, Alstom provides a complete range of systems, equipment and services in the railway sector. Alstom India is comprised of four businesses: Rolling stock & Components, Systems & Infrastructure, Transport Information Solutions and Train Life Services. With a full range of highly advanced products and solutions and a strong local footprint, it is well geared to participate in the upcoming rail transportation projects in India and South Asia, including high speed train projects.

Alstom is a leading supplier of train control systems for metros in India. In the past, under a transfer of technology agreement, Alstom provided rolling stock for India's fastest trains - Shatabdi and Rajdhani – which include the Alstom-designed LHB coaches. Since then, Alstom has partnered in the development of several metros and has established a strong presence in India.

Our centres of excellence in engineering and manufacturing offer end-to-end solutions for local and global markets. With more than 1200 experienced professionals, we 'Make in India' for India and the world. More than 1200 employees in India.

India can be next global powerhouse; barriers remain: EIU

Identifying India as one of the 'few bright spots' in an otherwise gloomier global economy, IMF has also projected that Indian economic growth is set to be higher than China's.

India can be a China-like global growth powerhouse of 2020s, but it needs to address several challenges including infrastructure and gender gap to realise the potential, Economist Intelligence Unit has said.

“India is the only country that has the potential to change the world in the 2020s in the way that China changed it in the 2000s. It will probably take a little longer than that before India really takes off but, even so, it is going to be a global growth powerhouse of the 2020s,” EIU’s Chief Economist Simon Baptist said.

In a newsletter, Baptist further said that a key driver could be expanding India’s industrial base.

Acknowledging that this was indeed the idea behind the government’s ambitious ‘Make in India’ campaign, a policy to turn the country into a manufacturing hub, he said “the preconditions for a Chinese-style take-off of manufacturing do not yet exist in India”.

His comments follow a special report on ‘what is needed to unlock India’s growth potential’, prepared by EIU for ABB, a global leader in power and automation technologies.

“Basic skills and education are at a much lower level than they were in China in 2001, when its manufacturing sector globalised. There is a huge gender gap — narrowing in the case of education for girls, but still wide in employment.

“A long-standing electricity deficit and massive infrastructure needs from urbanisation are also key challenges,” Baptist said.

On positive side, India has one thing that China has — the potential to be of interest as a huge market in its own right, as well as a base for export manufacturing.

“One thing holding that back is the maze of state-level regulations and the lack of a truly national single market.

While state-based competition can be beneficial, as those states with the will can move faster, those barriers will need to be removed for India to really capitalise on its potential,” Baptist added.

A number of economists as also the government leaders have talked about India replacing China as the next driver of global economic growth, but a number of experts have warned about the challenges that India faces to achieve this feat.

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Finance Minister Arun Jaitley has also said that the world needs more growth engines after the recent slowdown in China and India is well-positioned to capitalise on this opportunity and its economic growth is expected to improve despite global headwinds.

After a drubbing for the NDA alliance in politically important Bihar state elections, the Modi government has this week announced a slew of reform measures including for the power sector and on FDI regulations as it looks to reinforce its image as a growth-focussed regime.

About results of the Bihar polls, Baptist said in a tweet that “India will still be growth hotspot, but we are revising down our 2018-2020 forecast as Bihar problem means no upper house majority for Modi”.

As per the EIU report, India has become the world’s third largest economy in terms of purchasing power parity after three decades of growth.

"But its manufacturing sector has barely grown as a proportion of GDP (17 per cent) over the past 20 years. To realise its growth potential, India needs to expand its industrial base, diversify its energy mix, and upgrade its electricity and urban infrastructure," it added.

The 'Unlocking India's potential' report, commissioned by ABB, further said the government wants to increase the manufacturing output to 25 per cent of GDP by 2022, with the creation of 100 million jobs.

To expand its industrial base, India will need to accelerate and implement reforms to improve conditions for business and attract investment. At the same time, companies will need to engage actively with trends such as high-quality manufacturing, smart manufacturing practices, automation and the Internet of Things.

With industrialisation, India will need to accelerate the expansion and upgrading of its energy sector. The country already imports 75 per cent of its oil and faces persistent shortfalls in power supply and the challenges will become even greater given that manufacturing is much more energy intensive than the services sector, the report added.

When it comes to energy efficiency, the EIU specialists say India could benefit from being a late starter in this area, because it can adopt the latest technologies.

The challenge here, especially for small and medium-sized enterprises (SMEs), is access to financing because energy- efficient machinery typically has a higher fixed cost but a lower operating cost.

The EIU further said a key criticism of energy policy in India is that capacity expansion has not been accompanied by grid expansion and an upgrading of existing power plants, resulting in imbalances that prevent optimal operation of the network.

By using microgrids and renewable energy sources, the electricity supply could be decentralised, which would minimise risks while also making the power system more resilient.

"In order to sustainably develop its power sector, India needs to diversify its energy mix. The government has pledged that non-fossil-fuel energy sources will make up 40 per cent of its electricity generation capacity by 2030. It also aims to reduce the emissions intensity of its GDP by up to 35 per cent over the same time period," it added.

India's urban population has grown by 150 million since 1990 and the Organisation for Economic Cooperation and Development (OECD) predicts that it will grow by another 500 million by 2050.

"Without appropriate planning, say the authors of the EIU report, the pressure on India's resources, including land, water and clean air, will intensify," the EIU report said.

It concluded that "many of the building blocks are in place for India to transition to the next level of growth and development. "At the same time, the country faces significant constraints on growth, especially in terms of implementing the necessary reforms and gaps in infrastructure.

"Taken together, the EIU expects economic growth in India to average 7 per cent a year until 2018, and then to accelerate to 8.5 per cent in 2019/20, making India the world's fastest growing large economy."

Paris climate talks: India Inc gets directly involved

A fortnight ahead of the summit, business chambers sending delegations, buoyed by sector experts, to probe, explain and negotiate. Ahead of the Paris climate change negotiations beginning November 30, Indian chambers of business are sending some senior representatives, and experts, to engage in 'Track-II' climate change diplomacy, across developed world capitals.

Supported by the Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (Ficci), these representatives, along with climate and energy experts from think tanks in this country, would be travelling to Washington, Brussels, Berlin, London and Tokyo. The Paris meet is expected to result in a new global compact on addressing climate change, one that would impact specific sectors, beside the Indian economy in general. The delegations are expected to engage with policy makers, business representatives, experts, civil society and the media in these five capital cities on the negotiations.

The representatives include Mukund Rajan of Tata Group, Jamshed Godrej from Godrej Group and K Krishnan, co-chair of the Ficci Climate Change Task Force and chairman of the CVC Infrastructure group. Sector experts from CII and Ficci are also expected to be in the teams.

The team for Washington, Ficci said, includes Shankar Venkateswaran, chief, sustainability, at Tata Sons; ex-ambassador Ajai Malhotra, a Distinguished Fellow at the The Energy and Resources Institute; and Anshu Bharadwaj, executive director in Bengaluru-based think tank CSTEP, beside K Krishnan. The business reps and the bodies they represent have requested the government to help facilitate these meetings through the respective Indian embassies. Officials in the government said this would be done.

Ficci said the delegation to Washington DC, which it is supporting, would meet Todd Stern, the US President's special envoy on climate change, and other senior officials from the department of energy. The delegation would also interact with a range of US-based companies, including First Solar, Aramco, Eaton Corporation and representatives from the American Council on Renewable Energy. Also, meetings with officials from the World Bank and leading think tanks in the US, beside interacting with the media.

While the teams travelling to other capitals are being finalised, Business Standard learnt of some other names on board. These include, Soma Banerjee, in charge of energy & infrastructure at CII; Kirit Parikh, chairman of Integrated Research and Action for Development; Chella Rajan, professor at IIT, Madras; Ardeshir Contractor from Kiran Energy and Karan Mangotra, project manager at the United Nations Development Programme.

On most occasions, India has seen foreign delegations of officials, business representatives and experts visit this country to advocate their interests in the climate change negotiations and the potential Paris agreement. This venture, a first of a kind, Indian business, with experts, would emphasise how they'd like to see the global agreement to shape up by December 11, when the talks end.

One of the organisers at the business chambers Business Standard spoke with said the teams flying to various capitals hoped to explore spaces for cooperation on economic and climate change issues. And, to explain the Indian scenario, which leads to its specific demands and stance at the negotiations. his endeavour before the 196 countries meet at Paris is expected to be topped-up by the presence of senior officials from corporate houses such as Mahindra & Mahindra in France's capital at the venue. The chambers have marked their presence earlier, too, at such annual negotiations but their delegations this time are expected to be larger and working more closely with the Government of India.

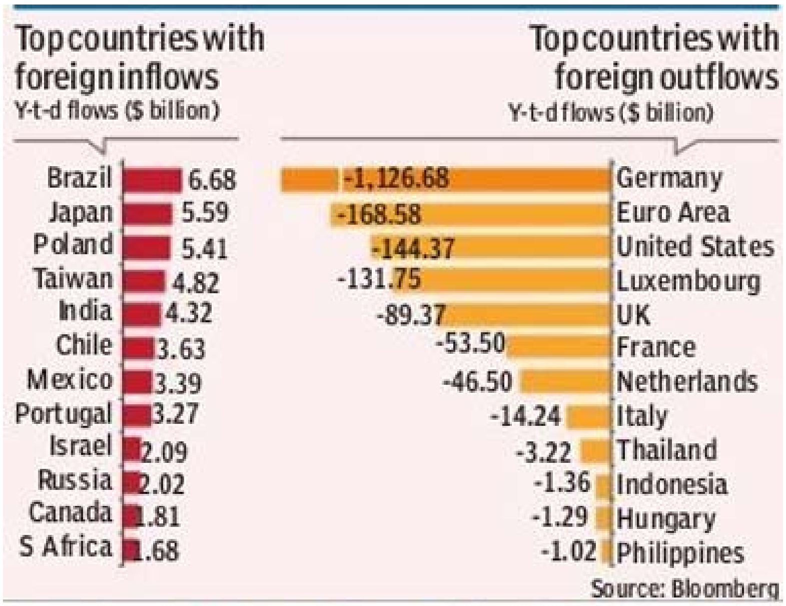
The latter plans a pavilion at the venue to showcase its ventures and work on climate change. The government has committed to send a separate team, headed by an officer of the rank of joint secretary, to be in charge of the 12 days of activities, side events and meetings at the pavilion. It has also hired a private agency to help in the organisation, while around three dozen officials engage in the main negotiations.

Foreign flows into India 7th highest

While foreign flows into India's equity markets in 2015 may have been the worst in the last four years at just $4.32 billion, the amount is nevertheless the seventh highest among countries tracked by Bloomberg. Further, this is the third largest fund flow among Asian and emerging markets (EMs) after Brazil and Taiwan. As such, experts say, the Indian market continues to be a favoured destination for foreign funds given its fairly strong macroeconomic prospects and potential for growth.

Andrew Holland, CEO, Ambit Investment Advisors, attributed the foreign inflows to good prospects for the economy as the reforms process gained momentum. "Investor sentiment about Indian markets is improving as the government is pushing reforms like GST (goods and services tax), allowing FDI (foreign direct investment) into more sectors of economy and the new bankruptcy code. Earnings are also on the verge of improvement. If you see the corporate earnings during Q2FY16, the operating margins of majority of the companies have improved," Holland said.

After a lull, economic reforms appeared to be picking up again with the government announcing changes in FDI norms across 15 sectors earlier this week, making it easier and more attractive for foreign firms to invest in the country. The 15 sectors included defence, banking, construction, single-brand retail, broadcasting and civil aviation.



The Foreign Investment Promotion Board (FIPB) can now clear proposals of up to Rs 5,000 crore, up from Rs 3,000 crore earlier. Foreign portfolio investors (FPIs) invested $16.16 billion in Indian equities in 2014 while the quantum was $19.7 billion for 2013. CY12 was the best year for India in terms of FPI inflows as foreign funds invested $24.54 billion.

During 2015, India accounted for 33.2% of foreign funds across Asia and EMs; it had attracted 33.8% of Asian and EM inflows in 2014 and 62.6% and 44.9% in the years prior. While FPIs had invested more than $7 billion between January and August, sales during August and September amid concerns about China trimmed inflows by nearly 40%. In August alone, FPIs sold equities worth $2.59 billion in the cash segment, making it the worst monthly outflow in more than seven years. In September, the amount of selling was $860.62 million, data showed, impacting India's share of inflows within the Asian and EM universe.

India needs to invest over Rs9,00,000 cr each year on energy by 2040: IEA

India's energy needs are rising the fastest, so much so that it will have to invest more than Rs900,000 crore ($140 billion) each year to meet its energy needs by 2040, International Energy Agency (IEA) said recently.

Of this, it needs around Rs700,000 crore ($110 billion) per year in energy supply - 75 per cent of which is required to meet India's burgeoning need for electricity - and a further Rs200,000 crore ($30 billion) per year to improve energy efficiency, IEA executive director Fatih Birol said releasing IEA's 'India Energy Outlook 2015'.

"India's energy transformation requires three things: investment, investment and investment," he said. "A lot is being done already to overhaul the energy regulatory system and get the incentives in place; this is vital, as India will need to call upon a wider range of investors and sources of finance than it has in the past." He said over the next 25 years, 315 million people, almost the population of the United States today, will be added to India's urban population, raising demand for energy.

"India is set to contribute more than any other country to the rise in global energy demand over the next 25 years, underlining its ever-greater influence in Asia and on the world stage; even so, its energy demand per capita in 2040 would still be 40 per cent below the world average," he said. By 2040, India will become the largest source of worldwide coal demand growth, most of which is met by expanded domestic production. Oil demand also increases by more than in any other country, approaching 10 million barrels per day by 2040, but in this case is met by increased imports, particularly from the Middle East, that push India's oil import dependence above 90 per cent.

McKinsey study underscores need to bridge India's gender gap

A report by McKinsey Global Institute estimates that bridging the gender gap in India by just 10 per cent could add Rs46 lakh crore (about $0.7 trillion) to the country's gross domestic product (GDP) in 2025. This economic boost, the report states, translates to 1.4 per cent per year incremental GDP growth. "About 70 per cent of the increase would come from raising India's female labour force participation rate from 31 per cent at present to 41 percent in 2025. This would bring 68 million more women into the economy over this period," says the report.

Women's contribution to India's GDP is at 17 per cent, much lower than the global average of 37 per cent, and the lowest among all ten regions in the world analysed by Mckinsey Global.

Twenty-six countries in McKinsey dataset of 95 have a lower per capita GDP and Human Development Index than India. However, many of these countries have higher levels of gender parity.

In the India Labour Organization's Global Employment Trends 2013 report, out of 131 countries with available data, India ranked 11th from the bottom in female labour force participation. "The Indian economy will obviously gain if we bridge the gender gap in the workplace, but this gap cannot be plugged if we don't consider gender equality in society and change our social attitudes and unconscious bias towards women," says Rajat Gupta, director, McKinsey & Co India.

Gender inequality in India is high or extremely high on three dimensions in MGI's framework -gender equality in work, legal protection and political voice, and physical security and autonomy - and medium to high on the fourth dimension of essential services and enablers of economic opportunity.

MGI believes India's policy makers, business leaders, and social-sector leaders need to focus concerted action in these eight areas:

•Closing gender gaps in secondary and tertiary education in India's large states;
•Lowering barriers to job creation;
•Expanding skills training for women in key sectors;
•Expanding the reach of financial and digital services to enable women entrepreneurs;
•Stepping up gender diversity policies and practices in private-sector organisations;
•Further strengthening legal provisions for women and the enforcement of laws;
•Improving infrastructure and services to address the high burden of routine domestic work, childcare and elder care; and
•Reshaping deep-rooted attitudes about the role of women in work and in society.
