



Europe India Chamber of Commerce

Newsletter

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EICC is all set to host TIPS 2017 on 5 December

On Tuesday 5 December, Europe India Chamber of Commerce will be hosting a business summit on EU-India trade and economic relations.

The TIPS 2017 will host more than 30 distinguished panelists and speakers, including business leaders, inventors, investors and policymakers. The TIPS, flagship of Chamber's prestigious events, will be held in the Auditorium of Palace of the Academies.

This year, the TIPS is being held with the theme **'EU-India – Seeking a Transformative Moment in a New World Order'** with the participation of some 175 business leaders, policy makers from Europe and India. Brussels has successfully hosted the TIPS all these years.

“We are very excited about the level of enthusiasm we have received from speakers and attendees for the TIPS,” says Dr Ravi K Mehrotra, Chairman of the Chamber. “We look forward to bringing together the many business leaders for a substantive discussion of real-world solutions to key issues facing the EU-India relations today.”

Speakers during the opening of the Summit will share their vision and thoughts on the dynamics of the current state of EU-India relations and the challenges both EU and India face in the emerging economic, social and political developments. We shall exclusively discuss, within the framework of the debate, a high-level Panel Discussion titled as “EU-India Trade: Making up for a Lost Decade”. As you may know, the EU-India Summit held in New Delhi 6 October reaffirmed their shared commitment to strengthening the Economic Partnership between India and the EU and the ongoing efforts of both sides to re-engage actively towards timely relaunching negotiations for a comprehensive and mutually beneficial India-EU Broad Based Trade and Investment Agreement (BTIA). The FTA despite the differences between the EU’s and India’s negotiating agendas in a tough economic climate, both partners will need to show the determination to successfully conclude the agreement.

Mr. Pieter De Crem, Secretary of State for Foreign Trade, Government of Belgium will deliver the key note address during the opening session.

The Summit will make comprehensive overview on the strategic fundamentals of India-EU bilateral relationship in content and context and will suggest ways to give it a strategic dimension through a full spectrum of debate and inter-active discussions. In this sense, as business and leadership platform, the TIPS 2017 will bring together business and thought leaders, policy makers, regulators, representatives of the European Commission and trade and business bodies with an eye to create innovative ways to strengthen the existing trade and economic partnership between European Union and India.

The Summit is being jointly organized in association with the Embassy of India, important trade body of Europe the EUROCHAMBER, Flanders Investment and Trade, and in collaboration with important

Brussels based Think Tanks, The Friends of Europe and European Institute for Asian Studies. A total of specially invited 175 participants from India and European countries will attend.

In addition to discussing the main theme, the TIPS 2017 will also take up the current state of EU-India free trade negotiations and if this has been a decade of lost opportunities or a promising future; technical issues such as the implementation of Goods and Services Tax (GST) and how this is helping trade and investment; India's revolution in digital economy and business opportunities including bridging the skill miss-match that hinders the development; the uncertain future of BREXIT and how it is impacting the EU-India-UK trade and business; etc.

Within the framework of the summit, one of the key attractions will be the introduction of the book titled as "Dynamics of India - EU Relations: Building on Challenges and the Way Forward" authored by Ambassador Ms. Bhaswati Mukherjee. Ms. Mukherjee has been a seasoned Indian diplomat and has served in Europe in various diplomatic capacities as India's envoy and has followed the changing dynamics and evolution of EU-India relations over last several years.

For more information about conference please visit www.eicc.be

World Bank Ease of Doing Business Ranking 2018: India makes the big leap into top 100

Narendra Modi's dream of steering India into the best countries to do business took a giant stride forward today with the country vaulting 30 places straight into top 100 in the World Bank's Ease of Doing Business ranking 2018. India ranked 100th for the first time on the World Bank's Ease of Doing Business ranking, leapfrogging 30 places from the last year's 130, firmly aided by implementation of reforms in as many as eight out of 10 fronts.

Narendra Modi's dream of steering India into the best countries to do business took a giant stride forward today with the country vaulting 30 places straight into top 100 in the World Bank's Ease of Doing Business ranking 2018. In the World Bank's latest 'Doing Business' report, India ranked 100th for the first time, leapfrogging 30 places from the last year's 130, firmly aided by implementation of reforms in as many as eight out of 10 fronts, including the crucial ones such as starting a business, paying taxes and resolving bankruptcy.

The World Bank's Doing Business report assesses 190 economies on ten parameters — starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

Consistent effort

"India for the first time moved into the top 100 in the World Bank's Ease of Doing Business global rankings on the back of sustained business reforms over the past several years," the organisation said in a statement. "India is the only large country this year to have achieved such a significant shift," the statement added.

"Having embarked on a strong reform agenda to improve the business environment, the significant jump this year is a result of the Indian government's consistent efforts over the past few years. It indicates India's endeavour to further strengthen its position as a preferred place to do business globally," Annette Dixon, Vice President, South Asia region, World Bank, said in the statement.

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Editor: **Secretary General**

Election boost

The significant ranking improvement comes as a shot in the arm for Narendra Modi BJP ahead of elections in Himachal Pradesh and Gujarat, and the impending Lok Sabha elections in 2019, as the report expressly notes that of the 37 reforms of the last 15 years behind India's improved ranking, nearly half have been implemented in the last four years — roughly around the time the new government came to power.

India's ranking in the ease of doing business is crucial for the Narendra Modi government as the Prime Minister has been pitching the country as an ideal place for doing businesses with initiatives like 'Make In India' and 'minimum government, maximum governance'. It was a setback for India to improve its rank only by one place last year, leaving room for critics to question Prime Minister's vision to pitch India as an investment opportunity.

Scope for improvement

The report notes that out of the eight areas in which India has made substantial progress, the country still lags in starting a business; enforcing contracts, and dealing with construction permits, it said. "In starting a business, India has reduced the time needed to register a new business to 30 days now, from 127 days 15 years ago. However, the number of procedures is still cumbersome for local entrepreneurs who still need to go through 12 procedures to start a business in Mumbai, which is considerably more than in OECD high-income economies, where it takes five procedures on average," World Bank statement said.

Standing strong

Notably, 'getting electricity', which was a major improvement area for India in the last year's ranking, was not among the eight parameters on which India has implemented reforms this year. Even so, it is one of the three areas in which India performs well, along with "protecting minority investors" and "getting credit", according to the World Bank.

"The country's corporate law and securities regulations have been recognised as highly advanced, placing India in 4th place in the global ranking on 'protecting minority investors'," World Bank statement said, adding that India places in the 29th spot in the global ranking on the 'getting electricity' indicator.

India's ranking is based on the study of the system in the two cities of Mumbai and New Delhi. The ease of doing business is an index created by the World Bank to measure regulations directly affecting businesses and overall environment such as market situations, infrastructure, inflation, crime et al. The 'Doing Business' project provides objective measures of business regulations for local firms in economies and selected cities at the sub-national level.

Here's what foreign investors want to ensure before they put their money in any country, according to another report by the World Bank 'Foreign Investor Perspectives and Policy Implications'.

1. Stable government: For investors what matters the most is a stable government. A stable government ensure that whatever policy relating to business and the economy is put in place, gets implemented properly. 50% of the surveyed investors by the World Bank said that a stable government is "critically important" for them.

2. Domestic market size: Any investor looks how big the domestic market is while investing, as it may prove out to be profitable if the country where the investor is investing also provide a ready-made market for its manufactured goods and services.

3. Macroeconomic stability and favourable foreign exchange: Nearly 30% of the surveyed investors consider a country's macroeconomic stability and a favourable foreign exchange before putting their money.

4. Legal and regulatory environment: For investors, it is very crucial that they face least of legal and regulatory hurdles while investing. For them, easier, simpler and transparent process for starting a business is important, than getting stuck in various clearances and red-tapism.

Infrastructure and labour market also play key roles in attracting foreign investors. While India's labour market is also huge providing favourable conditions to investors, infrastructure is something, the country still needs to work on.

The country's macroeconomic fundamentals are "strong" and the economic growth is only through temporary slowdown due to structural reforms, Finance Minister Arun Jaitley said on multiple occasions. Moreover, due to the full-majority government under the globally acknowledged leadership of Narendra Modi, and efforts to ease legal and regulatory environment, also seem to be in favour of investors. India's huge domestic market is also a big factor for investors to invest in India.

(The article was compiled through two reports appeared in Financial Express, 31 October 2017)

India, European Union restart talks on civil nuclear agreement

From treating the EU with a degree of exasperation, Modi signalled a change this summer when, in the presence of Angela Merkel, he declared, "the cohesiveness of EU is very important."

India and European Union have restarted negotiations on a civil nuclear agreement that was virtually mothballed after being signed way back in 2009. European Union experts from Brussels held discussions with officials from department of atomic energy last week in Mumbai. With Europol beginning a working relationship with India's NIA to tackle terrorism and track terror groups that might target either side, there is a greater emphasis on security, counter-terrorism and foreign policy between India and EU, indicating the two are moving beyond their stalled free trade agreement.

The India-EU civil nuclear agreement, unlike others, focuses on nuclear safety and "non-power technologies in the areas of water, health care and medicine, environment, etc." Indicating a new interest in cooperating on maritime security, EU has asked India to escort World Food Program (WFP) ships through the Indian Ocean as they travel to African states with food aid, recognising India's capacities and intentions of being a security provider in the Indian Ocean.

India is re-engaging Europe, which is a significant development as the world enters a period of profound changes. The UK is peeling away from the EU creating a great deal of uncertainty. Over in the US, Trump appears to be upending an international order with his inexplicable tactical moves. To the east, the growth of China as an aggressive expansionist power impacts both India's interests and growth trajectory. From treating the EU with a degree of exasperation, Modi signalled a change this summer when, in the presence of Angela Merkel, he declared, "the cohesiveness of EU is very important."

Nevertheless, the lack of progress on a free trade agreement sends the wrong signals. German ambassador Martin Ney lent voice to this collective frustration when he said last week that India and EU had "failed" to realise the true potential of their relationship. The lack of a bilateral trade and investment agreement (BTIA) is telling on many European investments which cannot invest in India in the absence of an investment protection environment. After a meeting between commerce minister Suresh Prabhu and his European counterparts in Marakesh, sources said, chief negotiators from both sides are scheduled to meet in Delhi in mid-November to restart negotiations.

A proverbial late entrant, India will be playing catch-up, as EU is on the verge of completing FTA negotiations with Vietnam among a host of Asian countries. However, EU sources said they had stepped up EU public investment via the European investment bank which has pledged euro 1.5 billion in key infrastructure projects like Lucknow and Bengaluru metros and climate change projects. To give a helping hand to European investments, sources said, a bilateral committee acts as a facilitator by working through the difficult Indian system.

India is trying to reach out to EU for development cooperation and implementation of Modi government's flagship projects. Officials point to the growing canvas of the India-EU relationship. It is significant, diplomats said, that the initiative for scheduling the 2017 India-EU summit was taken by India. Europe and India took a similar stand on a "rules based international order," giving a thumbs down for the China model of development.

(This article was originally published in The Times of India)

India-EU FTA: chief negotiators to meet mid-November

Chief negotiators for the proposed India-EU free trade agreement will meet in New Delhi on 13-14 November to discuss the way forward for the resumption of the long-stalled talks over it.

Ambassador of the European Union (EU) to India Tomasz Kozlowski said the chief negotiators would meet around mid- November.

"We need India as a partner," he said during a session hosted by a city-based think-tank.

His remarks assume significance as the negotiations for the proposed India-EU Broad based Trade and Investment Agreement (BTIA) have witnessed many hurdles due to major differences on crucial issues such as intellectual property rights and duty cut on automobile and spirits.

"The 14th India-EU Summit this year was different from the one held before that. For the first time we called each other a 'natural partner' as expressed in the joint statement too. We are both governed by values and principles of democracy and rule-based international order.

"And, now we have transformed those values into clearly identified interests... and our partnership is forward- looking," Kozlowski said during the session on 'India-EU Relations: Can it be a factor of stability in an Uncertain World?' at the India International Centre here.

"For India, the EU is the biggest trading partner. And, after the Brexit it will only grow bigger," Kozlowski said.

On the resumption of talks on the FTA, the EU envoy said, "We want concluding of a broad and comprehensive FTA."

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Editor: **Secretary General**

"It has to be a win-win situation," he said.

"The chief negotiators will be meeting here soon, mid- November. We (EU) want to move this forward and I'm rather optimistic," the EU envoy said.

The 14th India-EU Summit was held in New Delhi on October 6, during which the two sides had held extensive deliberations on bilateral, regional and international issues, including the the Rohingya crisis and the volatile situation in the Korean peninsula.

However, there was no major headway on the much-delayed free trade agreement (FTA) at Modi's meeting with the European Council President Donald Franciszek Tusk and European Commission President Jean-Claude Juncker.

India and the EU have been strategic partners since 2004. The 13th India-EU Summit was held in Brussels on March 30 last year during Modi's visit.

The last year's summit meeting had also failed to make any headway on the resumption of long stalled negotiations for a free trade agreement.

Kozlowski also asserted that the EU was a "credible, predictable, and reliable partner" of India in all fields of cooperation. The EU Ambassador also praised the Narendra Modi-led government for becoming "more outspoken" on various international issues such as Paris Climate Change Conference and the stability of Afghanistan.

The envoy later also fielded questions on various other global issues, including the US-North Korea tension, Iran nuclear deal and the proposed Comprehensive Convention on International Terrorism.

He said that the EU had designated the terror outfit Hizbul Mujahideen as a terrorist organisation in 2005, much before the US did, but not many know about it.

Kozlowski also pitched for enhancing flow of information.

On the US-North Korea issue, he said, "As far as the DPRK (Democratic People's Republic of Korea) issue is concerned, I can only say, confrontation and military action is not a solution.

New policy on the cards to boost medical tourism

The government plans to bring out a policy to promote India as a key destination for medical tourism. The proposed policy aims to promote integrated treatment with allopathy, ayurveda, yoga, unani, siddha and homoeopathy (AYUSH) streams.

The Union commerce ministry, along with ministries of tourism and health, has already launched a portal, www.indiahealthcaretourism.com, in three languages - Arabic, Russian and French— to provide comprehensive information to medical travellers .

Experts say India is emerging as one of the most credible destinations worldwide for curative treatment. With the given scale of healthcare infrastructure and projected growth, India can further strengthen its standing among the currently popular medical value tourism destinations such as Thailand, Singapore, Malaysia, and Mexico.

A latest knowledge paper by FICCI and QuintilesIMS shows over 5,00,000 foreign patients seek treatment in India each year. SAARC countries such as Bangladesh, Afghanistan, and Maldives are the major sources of medical value travel, followed by African countries such as Nigeria, South Africa and Kenya. Proximity, cultural connect and connectivity are the key reasons for inflow of patients to India from these regions.

Medical tourism in India is projected to be a \$9 billion opportunity by 2020. Currently, medical tourism industry is pegged at \$3 billion. Globally, the medical tourism market is estimated at around \$40-60 billion.

Of late, the government has taken several steps to ease travel processes and promote medical tourism. For instance, the process to issue medical visas has been made much more efficient, thus reducing the time taken in visa procurement.

The scope of e-tourist visa has been expanded to include short- term medical treatment. Separate immigration counters and facilitation desks have also been set up at major Indian airports to boost the medical travel industry.

While India is considered a preferred destination for cardiology, orthopaedics, transplant and ophthalmology in curative care, it also enjoys high credibility in wellness and prevention and alternative medicine. With increased government focus and endorsement of AYUSH medicine, the traffic seeking AYUSH medicine and care is expected to increase in coming years.

"We are going to set up six facilitation enters like Bengaluru, Chennai, Hyderabad, Kolkata, Delhi, and Goa by January next year to cater to medical tourists. We are also focusing on promoting homestay for medical tourists to bring down their cost of stay in India," said Satyajeet Rajan, director general in the Union tourism ministry.

Crackdown on India shell companies unearths \$1 billion cash

India is intensifying its crackdown on dubious companies after it unearthed over \$1 billion in suspicious cash deposits as part of its investigations into corruption and efforts to boost foreign investment, a minister said.

India is intensifying its crackdown on dubious companies after it unearthed over \$1 billion in suspicious cash deposits as part of its investigations into corruption and efforts to boost foreign investment, a minister said. While the government has already revoked permissions for over 200,000 companies and restricted their bank accounts, it is now working on limiting property transfers to trace any further generation of black money, said PP Chaudhary, junior minister for corporate affairs, in an interview on Oct. 18 in New Delhi.

The ministry is probing deposits of over \$1 billion made by around 20,000 companies during the cash ban last year, while its Serious Fraud Investigation Office is investigating 1,505 companies for allegedly violating the Companies Act. It is examining another 809 listed companies, found untraceable by SEBI, to check their status, existence of their offices and directors, the minister said.

After winning the 2014 election in a landslide on the promise of tackling corruption and improving the ease of doing business, Prime Minister Narendra Modi has been taking measures to prevent money laundering, counterfeiting, hoarding and tax evasion. In November last year, he withdrew 86 percent of

currency on circulation aiming to crackdown on unaccounted wealth and put an end to India's vast shadow economy. In an Independence Day speech on Aug. 15, Modi claimed the move had unearthed over 300,000 shell companies.

"Our purpose is to increase compliance so that investors' confidence increases in Indian companies," Chaudhary said. "This will also attract foreign investors who would be sure that the companies they are investing in are genuine. We will have to curb shell companies if we want to increase confidence of investors in India."

Following Modi's speech, the ministry of corporate affairs struck off the names of 217,239 companies for failing to comply with regulatory requirements and disqualified directors on these companies' boards from assuming directorship at other firms.

"The final list of disqualified directors may touch up to 450,000," Chaudhary said. "The companies which deposited money during demonetization are being investigated using artificial intelligence".

Breather Needed

While the government's move will boost investors' confidence in India, authorities should ensure that companies and directors with genuine cases are given a breather, according to Abhishek Goenka, a Bangalore-based corporate tax leader at PwC India. "Currently the directors who have been disqualified have no recourse available to them," Goenka said over the phone.

The ministry is conducting massive data mining exercise to trail ultimate beneficiaries of these companies. Using data analytics and artificial intelligence, the information gathered will be used to take action against the offenders, the minister said.

It's also developing a state-of-the-art early warning system using artificial intelligence that will throw up red flags and provide information in case a company's financial health deteriorates or if it's transactions are suspect. "In the absence of technology we can be reactive but not proactive," the minister said. "To be proactive it is necessary that we develop artificial intelligence."

Signing of MoC on Technical Intern Training Programme (TITP) between India & Japan

On the occasion of the visit of the Union Minister for Petroleum & Natural Gas and Skill Development and Entrepreneurship Shri Dharmendra Pradhan to Tokyo, India and Japan concluded the Memorandum of Cooperation (MoC) on Technical Intern Training Programme (TITP) on 17th October 2017.

2. The MoC was signed by Shri Dharmendra Pradhan on behalf of the Ministry of Skill Development and Entrepreneurship of Government of India with Mr. Katsunobu Kato, Minister of Health, Labour and Welfare of Japan in a solemn ceremony at the Ministry of Health Labour and Welfare in Tokyo, Japan. The MoC on TITP is expected to significantly expand the bilateral cooperation between India and Japan in the field of skill development. India is the third country with which Japan has signed the MoC as per the requirements of the Technical Intern Training Act scheduled to enter into force in November 2017.

3. In the bilateral Joint Statement issued during the visit of Prime Minister Shinzo Abe's visit to India in September 2017, the two Prime Ministers expressed confidence that synergy between Japan's advanced technology and India's rich human resources can transform both countries into new centres of production in the global industrial network. In this regard, they underscored the potential to further

cooperate in human resources development and exchanges utilising such frameworks as Japan's Technical Intern Training Program (TITP).

4. The MoC on TITP paves the way for sending Indian technical interns to Japan for on-the-job training for a period of three to five years. As per Government of Japan's data for end-2016, approximately 230,000 technical intern trainees from multiple countries are on training in Japan. In 2016, about 1,08,709 technical interns entered Japan from various partner countries such as Vietnam, China and Indonesia that account for large numbers.

5. According to Ambassador of India to Japan, Sujan R. Chinoy, there is scope for India to enhance its participation in Japan's Technical Intern Training Programme, thereby contributing to Prime Minister Shri Narendra Modi's vision of India as the largest provider of skilled workforce for the world. The Technical Intern Training Programme is an ideal platform through which complementary strengths of India and Japan could be leveraged for mutual benefit. The technical interns trained in Japan under the TITP would be an asset for the Skill India initiative upon their return to India.

6. During the visit of Prime Minister Shri Narendra Modi to Japan in November 2016, India and Japan had concluded an MoC on skill development under the "Manufacturing Skill Transfer Promotion Programme" through the establishment of Japan-India Institutes for Manufacturing (JIM) and the Japanese Endowed Courses (JEC) in engineering colleges designated by Japanese companies in India. The Manufacturing Skill Transfer Promotion Programme aims to train 30,000 persons over next 10 years with Japanese style manufacturing skills and practices. The first four JIMs were established in the States of Gujarat, Karnataka, Rajasthan and Tamil Nadu in July-August 2017 respectively by Suzuki, Toyota, Daikin and Yamaha. The first Japanese Endowed Course (JEC) in was established in NBKR Institute of Science & Technology Andhra Pradesh by Meidensha Co. in September 2017.

Why countries like Switzerland, Singapore, Sweden and Japan focused on making Indians employable

At 287 million, India currently has the world's largest illiterate adult population, says UNESCO. Over 45% of India's workers are employed in low productivity agriculture.

Last week, India and Japan signed a memorandum of understanding (MoU) to send 3 lakh Indian workers for on-job training to Japan. Not too far away, two World Bank-backed schemes of Rs 6,655 crore for skill development got the government nod.

Around the same time in Sweden, a delegation led by minister Suresh Prabhu, while soliciting investments, also made a pitch to Swedish honchos to partner in skilling Indian workers. And last month, backed by the government, LinkedIn signed a pact with IL&FS Skills Development Corporation to roll out the first-ever platform to upskill blue-collar Indian workers and help them network and find jobs. Earlier, National Skill Development Council (NSDC) had joined hands with Google to train Indian app developers. Then, Asian Development Bank is helping roll out skill programmes from Himachal Pradesh to Odisha.

Ties are being forged with academic institutions like Australia's Deakin University and Harvard Business School, US, to monitor and aid NSDC's skill development programmes. Talks are on with community colleges from the US and Canada to beef up India's vocational training infrastructure. India is staring at a job crisis. In a country with over 470 million workers, how to create jobs and make Indians employable is the government's biggest worry. Efforts within the country are on to find some answers.

Equally, an overseas push too is intensifying. PM Narendra Modi's tenure has been marked by warm diplomatic ties. This warmth has traditionally given a boost to bilateral trade, investment and defence ties. Skilling Indian workers and helping them find jobs just got added to that list.

MoUs and partnerships with countries and companies, universities and trade delegations, have surged. Collaborations with MNCs and their respective industry bodies (say, Business Sweden) are in the works. Avenues to open up global job markets for Indian workers are being explored; example: geriatric caregivers for Japan's ageing population.

Sweden wants 50,000 fresh women IT graduates from India. Help is coming India's way from multilateral and bilateral bodies like the World Bank, Japan International Cooperation Agency (JICA) and the ADB. NRIs too are chipping in, with some wanting to set up skills universities. "Jobs and skilling workers is a tough problem to solve. It cannot be done overnight. But we will do everything we can to solve it," says Manish Kumar, MD of NSDC.

Helping Hand

There are multiple reasons for countries, companies and multilateral bodies becoming willing partners in Kumar's endeavours. "Today, one in every five young persons in the world is an Indian. Our role as a multilateral agency is to present India as the human resource capital," says Shabnam Sinha, lead education specialist, World Bank. Adds Kenichi Yokoyama, country director, ADB: "India is our largest borrower, and also among the best performing.

Now we are focusing our attention on low-income states... skill development and capacity-building will be critical."

Japan has multiple reasons for its multi-level support to India's skill development push. An ageing population, a shrinking home market and surging Japanese investments in India are nudging a culturally insular Japan to support India. "India has supported us in difficult times. Now it is our time to help," says Takema Sakamoto, head of JICA India.

India could do with a helping hand. At present, a disparate set of factors — slowing growth, elusive investment, demonetisation and GST along with automation (like banking), global headwinds (in IT services) and structural shifts (in telecom and even agriculture) — has led to rising unemployment in a populous country that adds close to a million new workers every month.

High inflation or high unemployment or both can often decide electoral fortunes. The government is in its fourth year and the 2019 general elections are on the horizon. On the one hand, desperate efforts are on to revive investment and create jobs. On the other, the government is trying hard to equip millions of unskilled and uneducated workers for a tech-led world.

It is a tough problem to solve. At 287 million, India currently has the world's largest illiterate adult population, says UNESCO. Over 45% of India's workers are employed in low productivity agriculture. Worryingly, 31% of India's youth (15-29 years) are NEETs or not in employment, education or training, as per an OECD survey. Dated and poor quality education has created a serious employability issue. Over 80% of engineers are unemployable, according to various studies. Compounding this is India's growing demographic bulge. By 2027, India will have the world's largest workforce (between 15 and 64 years) crossing a billion and outpacing China.

It was for this reason that the Congress-led UPA government set up NSDC in 2010. In 2015, the BJP-led NDA government went a step further, targeting to train 400 million workers by 2022 under PMKVY (the Pradhan Mantri Kaushal Vikas Yojana). It has failed miserably. Of the 30.67 lakh candidates trained under the programme (as of July 2017), just 2.9 lakh got jobs. Many issues have riddled the initiative. Multiple authorities, an ill-equipped NSDC, a poor job-creation climate, sub-par training institutes, data fudging and misaligned incentives are just a few. “I see it not as a failure but as a part of the learning curve. Other nations have taken decades to reach where we are today in such a short time,” says Narayanan Ramaswamy, partner, KPMG India. Since last year, as part of a course correction, a raft of measures, including a top deck reshuffle, has been rolled out.

It is in this context that new global partnerships must be viewed. “Combining scale with speed and being flexible as a government body — that’s the toughest part. How do you forge partnerships within those boundaries to deliver?” is what keeps NSDC’s Kumar awake at night. How to ensure that the electorate keeps the faith will also be giving the government some sleepless nights.

World Bank: Training of Thought

The mission: A \$250 million Skill India Mission Operation (SIMO) was approved early this year for Skill India programme

The journey: The World Bank is allocating \$250 million to help the Indian government in its Skill India programme. SIMO will focus on four result areas — institutional strengthening to deliver high-quality training programme; improving workers’ quality and market

relevance; enhancing access for women and disadvantaged groups and expanding skill training through PPP. SIMO is creating a Skills Fund with \$38 million, or 50% of the fund, the other half coming from private-sector CSR money; the fund will be operated by NSDC. SIMO will tap into global experience to bring in financial incentives to deliver high-quality training packages at scale. To bring in some competitive spirit, states’ performance will be graded based on their scores. Good ones will be incentivised through state incentive grants.

ADB: Into the Skilling Fields

The mission: With \$10 billion funds over the next five years, ADB is focusing on skills, besides infrastructure-building, to boost India’s growth.

The journey: ADB's plans stand on two important strands — focus on poorer states like UP, Bihar, Jharkhand, Odisha and Chhattisgarh, and a special emphasis on employability and capacity building.

It aims to create well-paying jobs in India and upskill workers through skill development programmes. In Himachal Pradesh, it is lending \$80 million (Rs 524 crore) for the \$100 million programme for modernisation of the state’s technical and vocational education and training institutes that will impact 65,000 youth by 2022.

A similar tourism-focused programme is being rolled out in Uttarakhand. Another Rs 628 crore loan to develop tourism infrastructure in Himachal includes training local residents in tourism-related skills like adventure training and tourist guide activities.

A \$102 million (Rs 568 crore) loan is in the works for the Odisha government’s \$162 million project to train 2 lakh youngsters in the state by 2022. In Madhya Pradesh, the state government has launched a

Rs 1,600 crore programme to beef up skill development infrastructure there, helping train 7.5 lakh youth. ADB will provide a Rs 1,005 crore loan for the project. ADB is also funding a skilling project in Meghalaya.

The mission: ITE Education Services started in 2012 with a World Class Skill Centre (WCSC) in Delhi. Has recently expanded to Assam and Jaipur

The journey: Led by ITE Education Services of Singapore, its Delhi centre runs two courses for retail and hospitality sectors. In 2015, it set up a training centre in Udaipur that offers six courses in tourism and hospitality. Eventually, the one-year programme envisages training 480 students annually. In 2016, it set up a northeast centre in Guwahati and is still vetting demand to zero in on courses to be run there. ITE Education will be the advisor in creating the programme, pedagogy, infrastructure development, training, monitoring and reviewing performance.

Japan's Magic Bullet

The mission: Amid warm political ties, Japan is pouring money (over Rs 1.5 lakh crore of soft loan since 2007) to build India's infrastructure. Training and upskilling of Indian workers is a major component

The journey: Earlier this week, India and Japan signed a memorandum of cooperation for a technical intern training programme under which three lakh technical interns will be sent to Japan for on-the-job training for three-to-five years. The two nations had earlier, under the manufacturing skill transfer promotion programme, agreed to set up Japan-India Institutes for Manufacturing (JIM) and Japanese Endowed Courses (JEC) in Indian engineering colleges. The programme will train workers in Japanese style of manufacturing. The first four JIMs have been set up by Suzuki, Toyota, Daikin and Yamaha.

For its Rs 1.1 lakh crore bullet train project, Japan is setting up a Rs 600 crore high-speed rail training centre in Gujarat. Equipped with simulators and training equipment, over 4,000 rail engineers are expected to be trained by 2020, with 300 of the first batch to be trained in Japan. Talks are underway for a skill development programme to train Indians on geriatric care and sensitise them to Japanese culture, which would help them get absorbed in Japan.

The Swiss Touch

The mission: SkillSonics started in 2011 in Bengaluru. National Skill Development Corporation has a small stake in it; SkillSonics has a subsidiary in Zurich that helps coordinate between India and Switzerland.

The journey: Has adapted Swiss vocational training in India, playing the role of a knowledge partner to Swiss companies and institutes here. Has developed courseware (three months to three years) based on Swiss standards for engineering technicians in sectors like automobiles, aerospace and defence, and across verticals like production, maintenance and service. Partners companies for training and rolling out programmes that upskill shopfloor workers for high-tech manufacturing.

Since 2013, it has conducted training programmes at over 28 locations for companies like ABB, training over 5,000 workers. Takes in 200 students for its two-year programme.

The Swedish Way

The mission: Recently initiated, the plan is still under discussion and being concretised

The journey: Alongside 180 firms already here, a new wave of Swedish firms are entering India, led by Ikea, defence major Saab (will make fighter jets in India in a JV with Adani Group) and H&M. Many of them are starting operations from scratch. Working with Business Sweden as country partner, NSDC is in discussions with over 10 Swedish firms, including Scania, ABB, SKF, Oriflame, Atlas Copco and Volvo Bus, to set up skill academies. Swedish firms will take the lead in identifying job roles, providing pedagogy and in supplying equipment and master trainers. Over 20 Indian private universities will run the programme on their campuses. Swedish skill training provider Kunskapsskolan will also sensitise workers in Swedish culture. The initiative will train workers for Swedish firms in India, some of whom could also be sent overseas. Stockholm Chamber of Commerce wants 50,000 fresh women IT graduates in Sweden. If all goes well, the project could be rolled out by the end of 2017-18.

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Indian companies top global list on reporting CSR

India has emerged as the top country for reporting corporate responsibility information in the annual financial report of companies, but the quality of disclosures has to improve, according to a KPMG survey.

Steps taken by the Securities and Exchange Board of India has helped the country score high on this parameter. In February, Sebi asked the top 500 listed companies to adopt integrated reporting on a voluntary basis, although only five companies published such information. But 99% of the companies reported on their sustainability performance. The 10th KPMG Survey of Corporate Responsibility Reporting studied annual financial reports and corporate responsibility reports of the top 100 companies by revenue in each of 49 countries it covered.

In India, 95 companies acknowledged human rights as an issue to their business, ranking the country well above the global average. The business risks of climate change, however, were acknowledged by only 34 in India in their non-financial disclosures, according to the survey.

“The quality of disclosures has to improve. Companies in India are not going beyond their organisation to study violation while globally companies even examine their supply chains ... private sector has started taking the initiatives and corporate India is discussing these issues,” said Santhosh Jayaram, partner, sustainability services, KPMG in India.

“Pressure on firms to up their game on disclosure is growing by the day. Some investors are already taking a hard line approach to demanding disclosure; some countries are considering regulation to mandate it,” said KPMG’s global head of sustainability services, José Luis Blasco.

The survey explored trends in corporate responsibility reporting, including reporting on the UN’s Sustainable Development Goals (SDGs), on human rights and carbon reduction targets. The reporting or linkage of SDGs in India was below the global average of 39%, with only 18 companies linking their business activities with the goals in their business reporting. Almost three quarters of large and mid-cap companies worldwide do not acknowledge the financial risks of climate change in their annual financial reports, as per the survey findings.
