



New Year is a time when we should be hoping that we have a great year, but buckling down for what we know is ahead. Bright-eyed optimism may tell you that you are going to find inner peace at last, or get the promotion, get the girl, get the new job, or get the life you always wanted this year, because THIS NEW YEAR is a magical year.

New Year bring new opportunities and, of course new challenges – especially for businesses. Europe India Chamber of Commerce is committed to help you adopt new advances and economic challenges. Our members and stakeholders have right to ask EICC how it can serve them better and EICC would like to assure its services – now and years to come.

EICC wishes for You and your family in the New Year ... 12 month of love, 52 weeks of joy, 365 days of success, 8760 hours of good health, 52600 minutes of inner peace and 3153600 seconds of happiness

May you succeed where no one else has succeeded before, may you fail when it will help you to learn a new lesson, and may you triumph over your failure and rise to ultimate success.

Unresolved EU-India free trade talk in January and Summit in first half of 2016

Months after it called off talks between chief negotiators of the two sides on free trade agreement (FTA) to protest against the ban on sale of around 700 pharma products of a domestic company, India will meet officials from the European Union (EU) later this month to “take stock of the negotiations” on the long-pending FTA. The meeting on the proposed Broad-based Investment and Trade Agreement (BITA), which was earlier scheduled for August 28, will now be held on January 17-18, a senior official said adding that the issue of ban is yet to be resolved.

“This is not a commitment to continue the talks. What will be seen is if the talks can be taken forward,” the official said adding that issue of pharmaceutical industry will also be taken up during the meeting.

Early in July, the EU had banned over 700 pharma products of GVK Biosciences, Hyderabad, for alleged manipulation of clinical trials conducted it and the decision was to come into effect from August 21. The suspension of sales and distribution of generic drugs ordered by the European Commission, which is the executive body of the EU for proposing legislation and implementing decisions, was to be applicable to all 28 member nations.

Following the decision, commerce and industry minister Nirmala Sitharaman decided to call off the talks and examine “all options in this regard” as the pharmaceutical industry is one of the flagship sectors of India.

In June the minister had met her European Union counterpart, trade commissioner Cecilia Malmström, on the sidelines of an informal meeting of trade ministers in Paris and the two sides had agreed to revive talks at chief negotiators’ level.

The official said that "the reason for resumption of talks is German Chancellor Angela Merkel's visit here in October. India was assured that its concerns would be addressed to satisfaction and it is on this assurance that we have decided to move ahead with the dialogue".

The development comes at a time when trans-pacific partnership, a trade deal covering 12 countries including Australia, Japan, Mexico and the US has been announced. Amid a slowdown in its key economies, the EU has intensified its efforts to conclude the negotiations on the FTA with India. In fact it has signalled its willingness to show flexibility on all major issues that have stalled the talks.

The last round of talks, which started in June 2007, was held in May 2013. However not much breakthrough was achieved due to EU's concerns in areas including high tariffs on cars and wines, insurance, banking, retail, legal services, geographical indication, and public procurement while India's concerns were on services.

Exports to the European Union shrank 4.4 per cent to \$49.3 billion in 2014-15 while imports contracted 2.2 per cent to \$48.8 billion. It is nearly certain that India and the European Union will hold their long-pending summit in the first half of next year and resume negotiations on a free trade agreement in January to bring relations back on track.

Newly-appointed ambassador of European Union Tomasz Kozlowski said the issue of European Union restricting sale of around 700 generic drugs clinically tested by India's GVK Biosciences does not stand anymore and both are now set to open a "new page" in their ties. FTA talks between the two sides will be held in Delhi mid-January. Officials sources hinted that the "stock taking" FTA talks will be held on January 18.

"The summit meeting will be held in first half of 2016. We are now working on mutually convenient dates for the summit," he told reporters while describing India an engine of growth of the global economy. The envoy who had earlier served as Polish Ambassador to Pakistan indicated that meeting between Modi and European Union leadership on the sidelines of the G-20 summit in Antalya in Turkey last month paved the way for the decision to hold summit talks in first half of next year and resumption of FTA negotiations.

The last India-EU Summit had been in 2012. Ties saw some strain after the bilateral summit could not be arranged during the PM's Europe trip in April apparently over the Italian marines issue. Later efforts to arrange it in September and November during Modi's trip to Ireland, US and UK could not materialise. It is scheduled to be held in Brussels. Kozlowski said, "We are now set open a new page in our ties," adding the two sides were also finalising a pact to facilitate better movement of people from India to EU and vice versa. When asked about Italian fishermen issue, Kozlowski said it remained a matter of concern

In the meantime it is learnt that India and Italy are secretly negotiating a "road map" to end four years of bitter diplomatic battles riddled with betrayals and threats over the arrest of two Italian marines. The deal New Delhi and Rome are negotiating will require each to agree to key requests of the other, over a case that is both emotionally and politically sensitive in both countries.

But the negotiations will in no way interfere with the legal aspects of the case being heard at the Supreme Court here and at the Hamburg-based International Tribunal on the Law of the Seas (ITLOS) and will not attempt any out-of-court settlement, the officials said.

If the deal is finalised, the Indian government will not object to any Italian plea before the Supreme Court to allow Salvatore Girone, one of the two marines arrested for shooting dead two Kerala fishermen off India's coast on February 15, 2012, to return to Italy. Massimiliano Latorre, the other marine, is already in Italy. But Italy will first need to commit to withdrawing objections to New Delhi's membership to four key export control regimes - the Nuclear Suppliers Group (NSG), Missile Technology Control Regime (MTCR), the Wassenaar Arrangement and the Australia Group.

Italy, a member of all four clubs that control the world's trade in nuclear supplies, high-end missiles, chemicals that can be used for weapons and "dual use" technology - which can be used for military purposes - had in September vetoed India's membership application to the MTCR. Although Italian Marine case and free trade negotiations are not linked, it is widely believed this issue also contributed in cooling the EU-India relationship.

India, Japan ink pacts on bullet train, nuclear energy, defence, worth \$35-bn pact

Christmas arrived early in India, with Japanese Prime Minister Shinzo Abe on Saturday presenting about \$35 billion to take the strategic partnership between the two nations to a new height. Abe said his country's ties with India had witnessed the dawn of a new era from politics to economy as well as defence ties, as India and Japan inked 16 agreements.

Japan committed to provide a "highly concessional" loan of \$12-15 billion at 0.1 per cent interest to help India build its first Shinkansen, or high-speed train, from Mumbai to Ahmedabad. It put in place a 'Make in India' fund of \$12 billion for Japanese business persons keen to invest in India. The two sides also signed a broad agreement to cooperate in the civil nuclear energy sector.

At a meeting of the India-Japan Business Leaders' Forum on Saturday morning, Abe lauded Prime Minister Narendra Modi for contributing to "ease of doing business" in India, while the Indian PM thanked his "dearest friend" for assisting the amazing speed with which Japan has undertaken projects to invest in India in the last year.

In September 2014, during the Abe-Modi summit in Tokyo, the two sides had agreed that Japan will invest \$35 billion in five years. "The figure had surprised many at that time, but today, within a short time span, unimaginable progress has been made, and the contours of investment are visible on the ground," Modi said.

Abe likened Modi to the Japanese Shinkansen. "PM Modi's speed of implementing policies and reforms is like the Shinkansen and his reform agenda is as safe as the Shinkansen," Abe said in Japanese.

Their delegation-level talks a little later at the Hyderabad House lasted an hour. The 44-point joint statement issued after the meeting focused on strengthening economic and strategic ties. The high point for the Indian side was the memorandum of understanding (MoU), on civil nuclear cooperation.

A FIRM HANDSHAKE

India and Japan signed 16 pacts, some of which were: • Developing Mumbai-Ahmedabad Shinkansen, or high-speed train

- Comprehensive technological cooperation in railway
- MoU on civil nuclear cooperation
- Transfer of defence equipment and technology
- Cooperation in the energy sector between NITI Aayog and the Institute of Energy Economics, Japan
- Forest management
- Japan also expressed interest to develop 11 industrial townships
- India will offer "visa on arrival" to Japanese citizens from March

Abe told the meeting that "no leader other than Modi" could have accomplished the civil nuclear cooperation MoU. India and Japan have been negotiating a civil nuclear cooperation agreement ever since India got the Nuclear Suppliers' Group waiver in 2008, but the Japanese have had their concerns with India not being a signatory to the Nuclear Non-Proliferation Treaty (NPT) and later because of adverse Japanese public opinion after the Fukushima disaster of 2011. The actual agreement will be signed after "technical details are finalised" and it is ratified by the Japanese Diet.

The Japanese side said it was satisfied with India's assurance of exercising moratorium on nuclear testing, but will have to review its civil nuclear cooperation with India if New Delhi were to conduct nuclear tests. India needs a nuclear agreement with Japan to make its civil nuclear cooperation agreement with the United States more effective, given that nuclear reactor suppliers like Westinghouse and General Electric's parent companies are Japan-based Toshiba and Hitachi, respectively. India's Foreign Secretary S Jaishankar termed the MoU as "a very big step" as India needed at least 40 per cent of its power needs from non-fossil fuels.

At their delegation-level meeting, Abe outlined the India-Japan strategic partnership. He said "a strong India was in the best interests of Japan and a strong Japan is in the best interests of India." He stressed that the close relationship between the two countries was important from the strategic point of view. Without referring to China, both sides underscored the challenges India and Japan face in South China Sea, which caters to most of their oil imports and other supplies. The two sides called for all countries in the region, but what is directed chiefly at China, to avoid "unilateral action" and establish a "code of conduct" quickly. To underline the importance of peace in the region, the two sides called their joint statement as "Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World".

India and Japan also decided to take forward their defence cooperation by signing an agreement on transfer of defence equipment and technology, decided that Japan will now be a regular feature in India's annual Malabar naval exercises with the United States. Until now, Japan would feature every alternate year in the exercises. On the economic and infrastructure side, the two sides decided to develop 11 Japanese industrial townships. One each will come up in Rajasthan and Madhya Pradesh and the rest will be decided in due course. Modi announced that all Japanese visitors to India will get visa on

arrival from March 1, 2016. As for Shinkansen, the Japanese have expressed the hope that the cooperation will not be limited to just the Mumbai-Ahmedabad stretch.

Modi also welcomed the setting up of 'Japan-India Make in India Special Finance Facility' of \$ 12 billion by Nippon Export and Investment Insurance (NEXI) and Japan Bank for International Cooperation (JBIC). Japan announced that its Overseas Development Assistance or ODA loan of \$ 5 billion will cover over a dozen projects, including Chennai and Ahmedabad metro projects, road connectivity project in the Northeast, transmission lines in Odisha and Madhya Pradesh, Ganga Rejuvenation and the western dedicated freight corridor project.

Abe accompanied Modi to Varanasi in the evening.

WHAT INDIA GOT FROM JAPAN

Japan has committed to invest about \$35 billion in India over the next 5-7 years • \$12-15 billion in bullet train between Mumbai and Ahmedabad, at 0.1% interest

- \$12 billion in 'Make in India' fund, from Nippon Export and Investment Insurance and Japan Bank for International Cooperation, for Japanese business people to invest in India
- \$5.5 billion for Chennai-Bengaluru Industrial Corridor (CBIC) project
- \$5 billion Official Development Assistance (ODA), for metro projects in Ahmedabad and Chennai, roads in the Northeast, transmission lines in Odisha

Note: Some of the ODA funds could go to CBIC

World seals historic deal in Paris to stop global warming

To rousing cheers and tears of relief, envoys from 195 nations approved Saturday an accord to stop global warming, offering hope that humanity can avert catastrophic climate change and usher in an energy revolution.

French Foreign Minister Laurent Fabius ended nearly a fortnight of gruelling UN negotiations in Paris with the bang of a gavel, marking consensus among the ministers, who stood for several minutes to clap and shout their joy.

"I see the room, I see the reaction is positive, I hear no objection. The Paris climate accord is adopted," Fabius declared.

Turning to a little green hammer with which he formally gave life to the arduously-crafted pact, he quipped: "It may be a small gavel but it can do big things." The deal, to take effect from 2020, ends decades-long rows between rich and poor nations over how to carry out what will be a multi-trillion-dollar effort to cap global warming and deal with consequences already occurring. With 2015 forecast to be the hottest year on record, world leaders and scientists had said the accord was vital for capping rising temperatures and averting the most calamitous impacts from climate change.

Without urgent action, they warned of increasingly severe droughts, floods and storms, as well as rising seas that would engulf islands and coastal areas populated by hundreds of millions of people.

The crux of the fight to limit global warming requires cutting back or eliminating the use of coal, oil and gas for energy, which has largely powered prosperity since the Industrial Revolution began in the 1700s.

The burning of those fossil fuels releases invisible greenhouse gases, which cause the planet to warm and change Earth's delicate climate system. Ending the vicious circles requires a switch to cleaner sources, such as solar and wind, and improving energy efficiency. Some nations are also aggressively pursuing nuclear power, which does not emit greenhouse gases.

Ambitious global warming limit

The Paris accord sets a target of limiting warming of the planet to "well below" 2.0 degrees Celsius (3.6 Fahrenheit) compared with the Industrial Revolution, while aiming for an even more ambitious goal of 1.5C. To do so, the emissions of greenhouse gases will need to peak "as soon as possible", followed by rapid reductions, the agreement states.

The world has already warmed almost 1C, which has caused major problems for many people around the world particularly in developing countries, such as more severe storms, droughts and rising seas, according to scientists.

Environment groups said the Paris agreement was a turning point in history and spelt the demise of the fossil fuel industry, pointing particularly to the significance of the 1.5C goal. "That single number, and the new goal of net zero emissions by the second half of this century, will cause consternation in the boardrooms of coal companies and the palaces of oil-exporting states," Greenpeace International chief Kumi Naidoo said.

Enduring money battles

Developing nations had insisted rich countries must shoulder the lion's share of responsibility for tackling climate change as they emitted most of the greenhouse gases since the Industrial Revolution.

The United States and other rich nations countered that emerging giants must also do more, arguing developing countries now account for most of current emissions and thus will be largely responsible for future warming.

On the crucial financing issue, developing countries agreed to muster at least \$100 billion (92 billion euros) a year from 2020 to help developing nations.

However, following US objections, it was not included in the legally binding section of the deal. Ahead of the talks, most nations submitted voluntary plans to curb greenhouse gas emissions from 2020, a process widely hailed as an important platform for success. But scientists say that, even if the pledges were fully honoured, Earth would be on track for warming far above safe limits.

In an effort to encourage countries to improve their ambitions, the agreement will have five-yearly of their pledges starting from 2023. Nations most vulnerable to climate change lobbied hard for wording in the Paris pact to limit warming to 1.5C.

Big polluters, such as China, India and oil producing-giant Saudi Arabia, preferred a ceiling of 2C, which would have enabled them to burn fossil fuels for longer.

Nicholas Stern, a former chief economist for the World Bank who has become a prominent global advocate of climate action, also hailed the deal.

"This is a historic moment, not just for us and our world today, but for our children, our grandchildren and future generations," Stern said.

"The Paris Agreement is a turning point in the world's fight against unmanaged climate change, which threatens prosperity and well-being among both rich and poor countries."

LE BOURGET, PARIS: In the final hours of the 21st round of the UN-sponsored climate talks, the pressure is on ministers and negotiators from 196 countries to adopt a global climate deal that will help reduce greenhouse gas emissions, slow down temperature increases and help adapt to the impacts of climate change.

Mid-afternoon on Saturday, nearly 21 hours after the meet was to officially close on Friday, countries were presented with a final draft of the accord, with time to review it and then formally adopt.

Ahead of the release of the final draft of the text, French Foreign Minister Laurent Fabius, who officiates as the chair of the conference, called on all countries to endorse the "ambitious and balanced draft agreement." Stressing that the draft "reflects the positions" of all the countries, Fabius said that it was "differentiated, fair, sustainable, dynamic, balanced and legally binding".

Fabius told the gathered ministers that not having an agreement in Paris is not option: "Nobody here wants to see a repeat of Copenhagen." Referring to failed climate talks in 2009 in the Danish capital, the French foreign minister made an impassioned plea, "many of you will remember that conference - there were failings and mistakes, and the stars were not aligned; today, they are. But if, today, we were so unfortunate as to fail, how could we rebuild hope?"

Urging ministers to adopt the draft, Fabius said that failure to seal the deal would have serious repercussions. "Confidence in the very ability of the concert of nations to make progress on climate issues would be forever shaken." In an oblique reference to the other global threats such as terrorism, Fabius said the failure to secure an agreement, would undermine the "credibility" of the effectiveness of multilateralism and the international community addressing universal challenges."

The 31-page draft prepared after a full day and long night of consultations contains the convergences on issues, resolving differences between groups of countries, especially those between developing and developed countries. Issues, which were the focus of intense negotiations, include the differential obligations and responsibilities of developed and developing countries, whether all countries provide information on the manner in which efforts to tackle climate change are being implemented. It also has resolved differences over providing funding for tackling climate change.

India Inc's M&A deals at \$31 bn in Jan-Nov: Grant Thornton

Corporate India signed merger and acquisition (M&A) deals worth \$31.16 billion in the first eleven months of this year, while transactions in November were valued at \$3 billion, says a Grant Thornton report.

According to the assurance, tax and advisory firm, the January-November deal tally remained subdued with transactions worth \$31.16 billion this year, while in the corresponding period last year it stood at \$34.62 billion.

There were 47 M&A transactions worth \$2.97 billion in November this year, witnessing a massive plunge of 58 per cent over the corresponding period last year, when deals worth \$7.11 billion were announced.

The deal momentum is likely to see an uptrend in the coming months on account of easing inflationary pressures and good growth numbers.

"With inflation in control and GDP growth being revised to now end higher than anticipated, all necessary ingredients seem to be in place, for growth in deal activity as well," Grant Thornton India LLP Partner Prashant Mehra said.

"The recent FDI norms and the much awaited GST will perhaps be a game changer and will further accelerate the deal activity from an inbound investment, domestic M&A and PE perspective," Mehra said.

According to Grant Thornton, though domestic M&A deal activity remains subdued, cross border M&A deals have driven the growth in deal values.

"Cross border deal values increased by 26 per cent year-on-year, driven by 11 deals worth over \$500 million and 27 deals worth over \$100 million," the report said.

Sector-wise, telecom players lead with 40 per cent of the total deal value. Deals in banking and financial services increased after foreign JV partners raised stakes to 49 per cent after the relaxation of the FDI limit.

November also witnessed Reliance Communication's merger with Sistema Shyam Teleservices marking the first major consolidation in the Indian telecom industry since 2009.

Other major deals in November include Idea Cellular's pact with Videocon Telecommunications to buy its airwaves in Gujarat and Uttar Pradesh West for \$517 million.

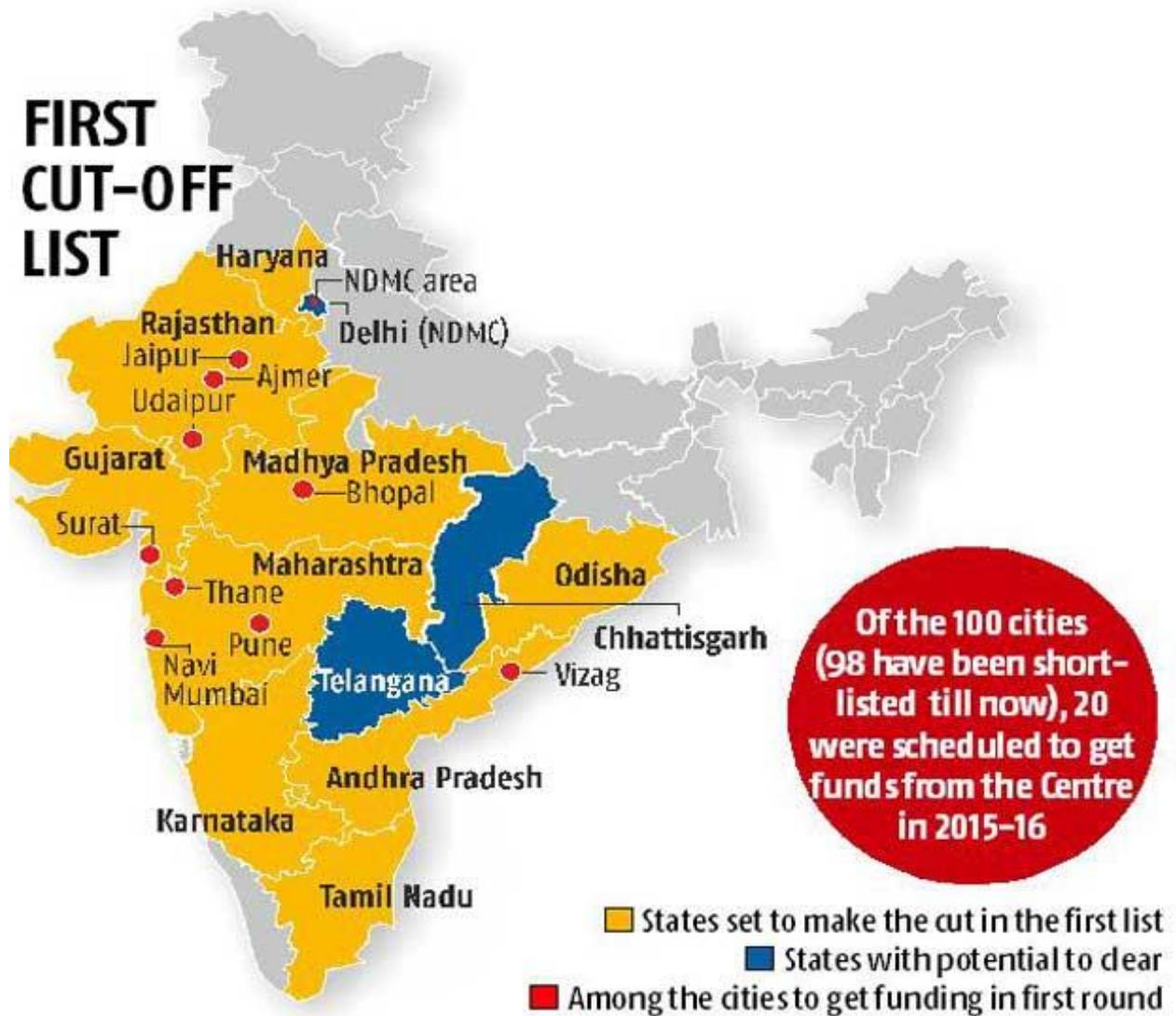
Japanese firm Nippon Life's acquisition of another 23 per cent stake in Reliance Life Insurance for \$342 million was the other major deal during the month.

Only 10 smart cities may get funds from Centre this year

The National Democratic Alliance government is getting ready to scale down the size and speed of its signature Smart City Mission, if the need arises. Not keen to delay the project, the Centre may fund only 10 cities, instead of the proposed 20, in the first year, if proposals don't match quality yardsticks. The idea is to not slip on the target date (January 26) for announcing the first list of smart cities, a segment that could mean a long-term opportunity of \$50 billion in India.

December 15 is the cut-off date to be eligible for the Centre's funds. If states submit "inadequate or incomplete" area development plans to the urban development ministry by then, the number of cities to be picked up for the first round would be lower, a source in the government told Business Standard. "The government is sure of at least 10 quality proposals, though it would like to start with 20," the source said. Most BJP-ruled states are ready with their city development plans, according to an official in the urban development ministry. The states that are expected to submit "quality" proposals by the

FIRST CUT-OFF LIST



due date include Maharashtra, Haryana, Gujarat, Rajasthan, Madhya Pradesh, Odisha, Tamil Nadu, Karnataka and Andhra Pradesh.

The Delhi government could also submit its plan because it's meant only for the New Delhi Municipal Council (NDMC) area, a small part of the city. Telangana and Chhattisgarh are among the others that are seen as "serious" with their planning, and could end up submitting good proposals, officials said. The cities which could make it to the first list include Pune, Thane, Navi Mumbai, Vizag, Jaipur, Udaipur, Surat, Bhopal and NDMC area of Delhi, people tracking the process said.

Of the 100 cities (98 have been shortlisted till now), 20 were scheduled to get funding in 2015-16. The Centre would spend Rs 500 crore on each city, in phases, while the remaining amount is to come from states, urban bodies and private partners.

A few months ago the Cabinet had cleared Rs 50,000 crore for the project and another Rs 48,000 crore for AMRUT (another city rejuvenation plan) — both schemes were part of the election plank of NDA last year.

Many of the states are going slow on their smart city plans because of the push and pull between greenfield, or new projects, and brownfield, or retrofitting projects, sectoral experts pointed out. The recent Chennai floods may also have delayed the plans of some states.

Estimates suggest that building a new smart city with one-million population would cost Rs 20,000 crore a year for the next 10-15 years. Building on existing cities would be cheaper, depending on the nature of retrofitting work required. But once a brownfield plan is selected, it is hard to go back to a greenfield one, experts say.

The minimum area under a greenfield project is 250 acres and that for brownfield is 500. Any redevelopment has to be done on an area of more than 50 acres. Though the guidelines permit both plans in "contiguous" areas, the interpretation lacks clarity, some state government representatives have said. "Opportunities will lie in the cities that don't make it to the first list as everything will go back to the drawing board for them," said Pratap Padode, founder and director at Smart Cities Council India. That will be the real churn of urban planning, as these states correct the situation after the first cut-off is over, he pointed out.

The 98 probable cities were picked up through a 'City Challenge'. But, the names will change as the competition moves from one round to another. More than 15 countries have collaborated with Indian cities in some manner so far.

2.46 lakh patent applications, 5.32 lakh trademark registrations pending due to manpower shortage

About 2.46 lakh patent applications and 5.32 lakh trademark registrations were pending with the government due to manpower shortage, minister of state for commerce and industry Nirmala Sitaraman informed Parliament.

The minister's revelation comes against the backdrop of India's ranking in the Global Innovation Index falling to 81 in 2015 from 64 in 2012. The GII ranks 141 economies around the world and uses 79 indicators across a range of themes.

The rankings are based on data collected during earlier years and thus do not truly reflect the status in the country in 2015, Sitaraman said, adding that several patent and trademark applications are also pending due to a shortage of manpower at the patents office.

"There is pendency in patent and trademark applications, which are disposed of with the available manpower and infrastructure. The pendency as on November 1, is 2,46,495 in patent applications and 5,32,682 in trademark applications.

"This pendency is primarily due to shortage of manpower. The government has taken measures to augment available manpower and other necessary infrastructure," commerce and industry minister Nirmala Sitaraman said in a written reply to Lok Sabha.

The government, she said, had sanctioned 373 additional posts in the patent wing, including 252 posts of examiners of patents and designs and 76 posts of controllers of patents and designs. "Recruitment process to fill 459 vacant posts of examiners of patents and designs is underway. besides, as a short-term measure, 263 contractual posts of examiners of patents and designs have also been created," she said. Also, according to her, amendments had been proposed in both the patent rules as also trade mark rules to streamline procedures for filing and disposal of applications.

She said India had granted 3,581 patents and registered 37,799 trademarks during this financial year till 31 October. In the same period India had rejected 605 patent applications and 6,543 trademark registrations.

IPR policy to help India become innovative economy

The national Intellectual Property Rights (IPR) policy being prepared by government will help India become an innovative economy over the next 10 years, a top official said.

Secretary in the Department of Industrial Policy and Promotion (DIPP) Amitabh Kant said that recognising the need to scale up the process of IP creation and increase commercialisation of the technology, the government has embarked on the process of preparing a national IPR Policy.

"We expect it to be a visionary document that can guide the journey of India towards becoming an innovative economy in the next 10 years," he said here at a CII function.

A draft policy, which is in the public domain, seeks to encourage innovation by providing tax incentives and modifying intellectual property rights.

Kant said it has been formulated with a mission to foster innovation, accelerate economic growth, employment and entrepreneurship besides protecting public health, food security and environment.

However, he added that it is important to have an innovative ecosystem which supports translation of inventions into commercial use.

This ecosystem can only be created and nurtured through initiatives of the government in collaboration with industry, Kant said while seeking specific inputs in improving overall environment to facilitate commercialisation of inventions.

Further expressing concern over less numbers of patent applications filed by domestic companies, Kant said considering that the country has one of the largest reservoirs of scientists and technologists, it was extremely unjustified that the levels of patent filings are still "fairly low".

There is a need to improve the level of IP awareness across all sectors and it is critical that the need for IP creation and protection percolates down across industries, institutions and PSUs, he said.

He also urged businesses and organisations to protect their trademarks as it will help them leverage their brand value towards development of their business.

IPR is widely recognised as a key component for a company's growth and in improving its competitiveness.

Kant said Indian IPR laws were amended in compliance with the WTO which has lead to a comprehensive, legislative, administrative and judicial framework to safeguard IPRs. He also said that the government has taken several measures to improve the delivery of services provided by IP office such as processing of IP applications.

"I am concerned about the fact that domestic filings of patent applications have remained static in the past few years at about 20 per cent of the overall filings," he said. About 2.46 lakh patent applications and 5.32 lakh trademark registrations are pending with the government due to shortage of manpower.

India has granted 3,581 patents and registered 37,799 trademarks till October 31 in the current financial year.

India 97th On Forbes Best Countries For Business List

India has been ranked 97th, three notches below China, in Forbes annual ranking of the best countries for business, with Denmark topping the list for the sixth time in ten years.

European countries represent two-thirds of the top 25, with the U.S. sliding four spots to No. 22, continuing a six-year descent since 2009 when the US ranked second overall.

Denmark ranked in the top 20 in all but one of the 11 metrics used by Forbes to gauge the Best Countries for Business. It finished 28th for red tape.

New Zealand moved up one spot to No. 2; it ranked first in 2012. Rounding out the top five are Norway, Ireland and Sweden.

While the U.S. fell in Forbes ranking, the world's next four biggest economies all improved their overall standing. Britain and Japan both moved up three spots to No. 10 and No. 23 respectively.

Germany improved two places to No. 18. China rose from No. 97 to No. 94.

India is developing into an open-market economy, yet traces of its past autarkic policies remain, Forbes said.

India's rankings on the 11 metrics were: Trade Freedom 125, Monetary Freedom 139, Property Rights 61, Innovation 41, Technology 120, Red Tape 123, Investor Protection 8, Corruption 77, Personal Freedom 57, Tax Burden 121 and Market Performance 65.

India's growth in 2014 fell to a decade low, as India's economic leaders struggled to improve the country's wide fiscal and current account deficits, the business magazine noted.

Rising macroeconomic imbalances in India, and improving economic conditions in Western countries led investors to shift capital away from India, prompting a sharp depreciation of the rupee, Forbes noted.

However, investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee.

The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy, Forbes said.

However, India has many challenges that it has yet to fully address, including poverty, corruption, violence and discrimination against women and girls, an inefficient power generation and distribution system and ineffective enforcement of intellectual property rights, it said

India fourth-largest source of black money, China, Russia and Mexico maintained the top spots

India has been ranked the fourth-biggest source of black money by a US-based think tank, with \$510 billion worth of illicit financial flows during 2004-2013, or \$51 billion annually, on average.

The report, released on Wednesday by Global Financial Integrity (GFI), a research and advisory group based in Washington, says \$1.1 trillion flowed out of developing and emerging economies illicitly in 2013 alone. It said the capital outflow stemmed from tax evasion, crime, corruption and other illegal activities.

The report says China tops the list for 2004-2013, with \$139 billion average illicit financial flow per annum, followed by Russia (\$104 billion per annum) and Mexico (\$52.8 billion per annum).

GFI's report puts out data for 10-year periods. Its previous two editions had rankings for 2003-2012 and 2002-2011. India was at fourth and fifth spots in these periods, respectively. However, its average illicit financial flow per annum has steadily grown, being \$34.4 billion for 2002-2011 and \$44 billion for 2003-2012.

China, Russia and Mexico have maintained the top three spots for these periods.

The figure of India's average illicit financial flow per year for 2004-2013 is astounding considering the country's defence budget for 2015-16 was Rs 2.46 lakh crore, or \$36.80 billion at an exchange rate of 66.88.

In all, during 2004-2013, GFI estimates that more than \$510 billion went out of India. In the case of China the figure was \$1.39 trillion and Russia \$1 trillion.

Titled 'Illicit Financial Flows from Developing Countries: 2004-2013', the study shows that illicit financial flows first surpassed \$1 trillion in 2011 and have grown to \$1.1 trillion in 2013, marking a dramatic increase from 2004, when outflows totalled \$465.3 billion.

EVER-GROWING MENACE

| Ranking | 2002-2011 | | 2003-2012 | | 2004-13 | |
|---------|--------------|------------------|--------------|------------------|--------------|------------------|
| | Country | Average IFF/year | Country | Average IFF/year | Country | Average IFF/year |
| 1 | China | 107,557 | China | 125,242 | China | 139,228 |
| 2 | Russia | 88,096 | Russia | 97,386 | Russia | 104,977 |
| 3 | Mexico | 46,186 | Mexico | 51,426 | Mexico | 52,844 |
| 4 | Malaysia | 37,038 | INDIA | 43,959 | INDIA | 51,029 |
| 5 | INDIA | 34,393 | Malaysia | 39,487 | Malaysia | 41,854 |

IFF: Illicit financial flows; All figures in \$ million

China also had the largest illicit outflows of any country in 2013, amounting to \$258.64 billion, the report said.

"This study clearly demonstrates that illicit financial flows are the most damaging economic problem faced by the world's developing and

emerging economies," said GFI President Raymond Baker in the report.

"This year at the UN the mantra of 'trillions not billions' was continuously used to indicate the amount of funds needed to reach sustainable development goals. Significantly curtailing illicit flows is central to that effort," he said.

Noting that these UN goals called on countries to significantly reduce illicit financial flows by 2030, the report said the international community had not yet agreed on indicators, the technical measurements to provide baselines and track progress made on underlying targets.

In its report, GFI recommends that world leaders focus on curbing opacity in the global financial system, which facilitates these outflows.

The Narendra Modi government enacted a black money law on May 26 this year that put in place a compliance window under which officials were expecting as much as Rs 20,000 crore to be declared. But only Rs 4,000 crore was disclosed.

- The black money law was passed by Parliament in the Budget session this year. It became a law on May 26
- Offenders were given a window from July-September to declare. Tax and penalty of 30% on the assets was to be levied
- Govt was expecting Rs 20,000 cr in declarations
- Only Rs 4,160 cr worth of illegal wealth was declared, with Rs 17 cr in taxes & penalties till Nov 26
- Anyone declaring assets after the window was to pay tax of 30% and penalty of 90% & face prosecution
