



### **EU-India Summit: A new momentum for the EU-India Strategic Partnership**

The 13th Summit between the European Union and India took place in Brussels on 30 March 2016. Mr Jean-Claude Juncker, President of the European Commission, Mr Donald Tusk, President of the European Council, and Mr Narendra Modi, Prime Minister of India, participated in the Summit.

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The EU High Representative of the Union for Foreign Affairs and Security Policy / Vice-President of the Commission, Ms Federica **Mogherini**, and the Minister of Commerce and Industry of India, Ms Nirmala Sitharaman, also attended.

The leaders reconfirmed their commitment to give new momentum to the bilateral relationship endorsing the **EU-India Agenda for Action 2020** as a common roadmap to jointly guide and strengthen the India-EU Strategic Partnership in the next five years. The agenda further builds on the shared objectives and outcomes of the Joint Action Plans of 2005 and 2008. It encompasses a wide range of areas for cooperation such as foreign and security policy, trade and investment, economy, global issues as well as people to people contacts.

The leaders strongly condemned the terrorist attacks in Brussels on 22 March 2016 as an unacceptable affront to our open democratic societies and extended their deepest condolences to the families and friends of the victims. The EU and India confirmed their commitment to remain united and firm in the fight against hatred, violent extremism and terrorism by adopting a **joint declaration on Counter Terrorism**. It aims to step up the EU-India cooperation to counter extremism and radicalisation, stem the flow of foreign terrorist fighters and curb sources of terrorist financing and arms supply.

Both sides decided to further strengthen the EU-India economic partnership. The EU's Agenda for Jobs, Growth, Fairness and Democratic Change and India's "Sabka Saath, Sabka Vikas" – ("Collective Efforts, Inclusive Growth") initiatives create new opportunities for mutually beneficial cooperation between people and businesses on both sides. The leaders welcomed that both sides have re-engaged in discussions on how to further the EU-India Broad-based Trade and Investment Agreement (BTIA) negotiations. The EU is India's largest trading partner, accounting for 13% of India's overall trade (in 2015 the total value of EU-India trade in goods reached €77.5 billion) and also first foreign investor. The EU welcomed India's readiness to establish a mechanism to facilitate investments of all EU Member States in India.

The leaders welcomed the European Investment Bank's (EIB) commitment to support long-term investment in infrastructure crucial for environmentally sustainable, social and economic development in India, and in particular the EIB's loan of €450 million in the construction of the first metro line in the city of Lucknow. The EIB and the Government of India signed a first tranche of €200 million. The leaders also welcomed the announcement by the EIB of the upcoming establishment in New Delhi of the Bank's regional representation for South Asia.

The EU and India decided to step up their cooperation to fight climate change and adopted the '**Joint Declaration between the EU and India on a Clean Energy and Climate Partnership**'.

It is key to the implementation of the Paris Agreement and will trigger a renewed climate dialogue with India. It intends to reinforce energy cooperation, mainly on renewable energy sources, promote clean energy generation and increased energy efficiency.

The EU and India agreed to address environmental challenges and work together towards sustainable development enhancing cooperation on environment issues. The '**Joint Declaration by the European Union and the Republic of India on Indo-European Water Partnership**' adopted at the Summit foresees strengthening technological, scientific and management capabilities in the field of water management and supports the Indian 'Clean Ganga' and 'Clean India' flagship projects.

Establishment of the Clean Energy and Climate Partnership as well as the Indo-European Water Partnership will bring together representatives of relevant stakeholders, including interested EU Member States and Indian States, European and Indian institutions, businesses and civil society creating business and technology opportunities between the EU and India.

The EU and India have also agreed to intensify their cooperation on research and innovation particularly addressing current global challenges including Health. The statement highlights the extension of the India-EU Science and Technology Cooperation Agreement until 2020 and setting up of mechanisms for jointly financing research and innovation projects. The leaders also encouraged increasing links between the 'Digital India' initiative and the EU's 'Digital Single Market' through enhanced cooperation in cyber security, ICT standardisation, Internet Governance, research and innovation.

The leaders also endorsed the establishment of the **Common Agenda on Migration and Mobility** (CAMM) between the EU and India, reflecting the importance of India as a strategic partner for the EU in the field of migration and mobility. The CAMM, as a framework for cooperation, is the start of a longer term process which will lead to deeper cooperation and solid mutual engagement on migration, a key global policy area. The CAMM addresses four pillars in a balanced manner: better organised regular migration and the fostering of well-managed mobility; prevention of irregular migration and trafficking in human beings; maximising the development impact of migration and mobility; and the promotion of international protection.

Both sides expressed their commitment to step up foreign policy and security cooperation. They discussed the latest developments in the EU's and India's respective neighbourhoods.

In particular, the EU and India support the on-going efforts towards an Afghan-led and Afghan-owned process of peace and reconciliation, leading to an environment free of violence and terror. In this context they looked forward to the Brussels Ministerial Conference on Afghanistan on 5 October 2016 with a view to renew a framework for international partnership and cooperation until 2020. They expressed their support to enhanced and broad-based regional cooperation in South Asia.

The leaders expressed deep concern about the situation in the Middle East hoping that intra-Syrian talks, under the UN auspices, will ensure a Syrian-led and Syrian-owned political transition, bringing an end to the violence in Syria.

The leaders strongly supported a diplomatic solution to the conflict in eastern Ukraine through the full implementation of the Minsk Agreements by all parties in accordance with UN Security Council Resolution 2202 (2015).

The Summit was an opportunity for the leaders also to discuss human rights issues, the ongoing international arbitration under the UN Convention on the Law of the Sea (UNCLOS) in regard to the case of two Italian marines, as well as the case of fourteen Estonian and six UK Guards sentenced to prison by an Indian court.

The Leaders reaffirmed the G20's key role in achieving strong, sustainable and balanced growth to the benefit of citizens and recognised the importance of implementing the comprehensive agenda adopted at the G-20 Summit of November 2015.

The leaders also agreed to start a dialogue on swift implementation of the 2030 agenda for Sustainable Development and of the Addis Ababa Action Agenda.

The PM's visit to Brussels, as part of a three-nation tour, comes days after deadly terror attacks in the Belgian capital.

The India-EU summit is aimed at deepening the strategic partnership between the two sides, which are likely to deliberate on ways to finalise the free trade agreement (FTA). The last summit had taken place in 2012. In Brussels, Modi will meet top businessmen, including a delegation of diamond traders, and will also address the Indian diaspora. He will meet Parliamentarians and a delegation of Indologists, separately.

#### ISSUES ON THE TABLE

- Negotiations on the Bilateral Trade and Investment Agreement — the Free Trade Agreement (FTA) between the European Union (EU) and India is to top the agenda of discussions. The FTA has been pending since 2007
- Issue related to facilitation of greater movement of professionals from one country to another, arising out of the Mode 4 provisions of the 1995 General Agreement on Trade in Services will also be fought over bitterly
- The EU ban on import of 700 generic drugs by Hyderabad-based GVK Biosciences
- The EU is also seeking lower import duties on a range of commodities, including automobiles, liquor, along with greater market access to India
- Prime Minister is expected to hardsell the flagship Make in India scheme, while setting his sights on higher foreign direct investment from Europe.

Other than being India's largest trading partner and biggest export destination, the 28-member bloc has also been New Delhi's "strategic partner" since 2004. Although two-way commerce was \$98.5 billion in 2014-15, the EU's share in India's total trade progressively shrank in recent years. India's exports to the bloc have shrunk from 22 per cent in 2004-05 to 16 per cent in 2014-15. Imports have witnessed a similar slide, going down from 17.3 per cent to 11 per cent. The EU has also been a large source of foreign direct investment (FDI) with India receiving \$25 billion in FDI equity inflows from the region between April 2012 and May 2015.

The 13th India-European Union summit, attended by Prime Minister Narendra Modi, was "rich in results, constructive and positive", a senior EU official said. Speaking to journalists here on the outcome of the summit, the official who spoke on condition of anonymity, said that the summit "produced a multitude of outcomes".

The EU was represented at the summit by Donald Tusk, president of the European Council, and Jean-Claude Juncker, president of the European Commission, while Modi represented India.

The official noted that besides a joint statement, the summit between India and the 28-member European bloc released an EU-India Agenda for Action 2020.

The summit also released four other joint declarations, including a common agenda on migration and mobility, on India-EU water partnership, on clean energy and climate partnership and on the fight against terrorism.

"The best description here is the 'new momentum' used in the statement on the EU-India strategic partnership. There is a clear political will from the leaders of both sides to make every effort to develop that potential fully," he underlined.

"There is not only good words and good intentions but there are also concrete projects," he stated.

The official noted that counter-terrorism was one of the subjects most discussed during the proceedings of the India-EU summit held after a gap of four years.

"The summit discussions were all constructive, but we did not necessarily have the same opinion on everything. But this was a meeting between friends and like-minded partners," added the official.

He, however, lamented that the ambition to re-launch the EU-India Broad-based Trade and Investment Agreement (BTIA) negotiations "was not fulfilled yet".

"But there was clear will by both sides that we will re-launch these negotiations and that the period of silence and stalemate is over", he said.

The official added that there will be an EU-India ministerial-level engagement probably in September in an effort to re-launch the free trade agreement negotiations which are on hold since 2013.

### **PM Modi asks UN to address challenge posed by terrorism**

Prime Minister Narendra Modi addressed the Indian diaspora in Brussels and paid tribute to the victims of the terror attacks.

Underlining that terrorism needs to be delinked from religion, Modi said the menace posed challenge to humanity and those believing in humanity should collectively fight it

PM also asserted that it was unfortunate that the UN was still unable to define terrorism. He said that India has urged the United Nations to act on a resolution which prescribes action against the countries which support or give shelter to terrorism. Modi noted that India has been facing terrorism menace for over last 40 years. During his one hour address, he also highlighted the achievements of his government and various programmes

Highlighting the dangers posed by terrorism to the world, Prime Minister Narendra Modi said that the United Nations should address such major challenges failing which the global body could be rendered irrelevant.

In the backdrop of terror attacks here last week, Indian Prime Minister Narendra Modi highlighted the dangers posed by terrorism to the world and said the UN should address such major challenges failing which the global body could be rendered irrelevant.

Addressing Indian diaspora here, he said it was unfortunate that the UN was still unable to define terrorism and act on a resolution which prescribes action against the countries which support or give shelter to terrorism. Underlining that terrorism needs to be delinked from religion, Modi said the menace posed challenge to humanity and those believing in humanity should collectively fight it

He said that terrorism cannot be defeated only by guns, but an environment needs to be created in the society to ensure that the youth are not radicalised. He said that while world was feeling the impact of terrorism only now, India has been facing this menace for over last 40 years

"The world was jolted by 9/11. Till then the world powers did not understand what India was going through. But India never bowed to terrorism and there is no question of bowing before it," the Prime Minister said.

Referring to the UN, Modi said it has all means and mechanism to deal with war. But unfortunately the UN does not know what the definition of terrorism is and how to address it.

"The UN could not perform its duty in this regard...if the UN does not address this problem, it will not be too far before the world body loses its relevance," he said. The leaders of the world will have to take the lead to curb terrorism failing which the world can see more destruction, Modi said

During his one hour address, the PM also highlighted the achievements of his government with regard to ending corruption, bringing transparency in the functioning of government while citing various programmes

Pitching strongly for delinking religion from terrorism, Prime Minister Narendra Modi said that terrorism is a problem faced by the entire mankind and not just by a particular nation.

Addressing a boisterous gathering of Indian diaspora here, Prime Minister Modi began his speech by paying homage to the victims of the Brussels terror attack.

Divulging details of various schemes launched by his government and their impact on the day-to-day lives of the people, Prime Minister Modi said that it is his responsibility to give public an account of his work.

"Let me give you a record of the work we have done in 2015, because it is my responsibility to give a record our work to public. Our campaign on gas subsidy led to 9 million people surrendering their subsidy, helping millions of poor families to get gas connections," he said.

He said that the government's decision to transfer LPG subsidy directly to bank accounts had paid rich dividends, adding that around Rs.14-15, 000 crores that was being stolen earlier was saved.

"There was record output of coal in 2015. Also record production of electricity and record cargo handled at major ports. Our decision to have 5% ethanol in petrol led to record production of ethanol in 2015 leading to better income for farmers," he said.

"Our Jan Dhan Yojana has led to 210 million new accounts, bringing millions into the banking sector," he added.

He also said that India has emerged as lone light of hope amid the global recession.

He said the government had done a remarkable job in electrifying the villages, adding that all the villages in the nation would be electrified within the next 1000 days.

"When we assumed office we discovered that there is no electricity in about 18,000 villages. Is this proper.. 18000 villages in India are still without electricity. We will bring them electricity within 1000 days. 7000 have already been electrified," he said.

"There is an App- Garv which tells you about rural electrification," he added.

Asserting that his government had made tremendous advances in solar energy, Prime Minister Modi said that a target of 175 GW of renewable energy is achievable.

***Here are the top ten quotes from his speech***

- I have spoken to many important leaders, including religious ones, and explained them of the need to delink terror from religion. No religion teaches terrorism.
- India has never bowed before terrorism, and there is no question of bending. But the challenge is a huge one.
- Can't tackle terrorism with only bombs and guns. Misfortune of the world is that the UN does not know how to tackle terrorism.
- Terrorism is a challenge for mankind, not just any one country or region. Those who believe in humanity should join together to tackle terrorism.
- Don't know when the UN will tackle terrorism, or how. But seeing the conditions that prevail, it faces the danger of becoming irrelevant. It needs to go along with the times.
- Describing the recent attacks as a terrible act, he said "I express my heartfelt condolences to the families of the victims. It is after long that people here had face such dastardly act."

- He said that while world was feeling the impact of terrorism only now, India has been facing this menace for over last 40 years. "The world was jolted by 9/11. Till then the world powers did not understand what India was going through."
- NRIs who did not have PAN earlier had to face higher rates of TDS. They will get relief (mukti). We will also increase the free baggage limit for NRIs. For FDI investment, NRIs will get same incentives as other investors.
- We managed to resolve the Land Boundary Agreement with Bangladesh which had been pending for decades.
- At a time when the world economy is not doing so well, it is generally agreed that India is a ray of hope.

### **Brussels Attacks Tear at the Fabric of the European Union**

The atmosphere of fear and suspicion that is sure to follow the 22 March terrorist attacks in Brussels following those in Paris, have the potential to reignite anti-Muslim sentiments in Europe.

The March 22 terrorist attacks in Brussels come as the European Union is still reeling from the November Paris attacks and scrambling to solve the migrant crisis. More important, they come as nationalist forces are challenging key principles of the Continental bloc, including the free movement of labour and the Schengen Agreement, which eliminated border controls among several member states. The atmosphere of fear and suspicion that is sure to follow will only worsen these social, political and economic crises. The first outcome of the Brussels attacks will be a fresh round of debate over EU border controls, in particular those in the Schengen zone.

Indian trade body deplores 'horrible' Brussels terror. EICC expressed deep shock over the "heinous and horrible" terror attacks in the Belgian capital that left at least 28 people dead.

Europe India Chamber of Commerce secretary general Sunil Prasad said the "barbarity" was against humanity. "We condemn these attacks and the terrorists who carried out this heinous and horrible barbarity."

Our heart and soul goes to the near and dear ones of the victims and to the injured. The terrorist attack in the heart of Europe is also a reminder that terrorism has become a global phenomenon and requires a strong and calibrated response. Such terrorist attacks do have far-reaching geopolitical consequences for the entire Europe. It will also have a significant impact on the Belgian's economy, the financial markets, and the Europe's economic outlook.

Such terrorist attacks also pose a significant economic effects on societies and a long term effects on the country's security. EICC condemns these attacks and the terrorists who carried out this heinous and horrible barbarity. They claim to have done it in the name of God but far from it their work is against the teaching of Islam as Islam does not allow, promote, hate or inspire terrorism.

The Schengen Agreement came under fire at the start of the migrant crisis in early 2015. The Paris attacks escalated the controversy, particularly because the perpetrators moved between France and Belgium without detection. Consequently, France and other countries enhanced their border controls. The European Commission has since said that it wants all border controls in the Schengen area lifted by the end of 2016. However, the latest attacks - and the potential that more will follow - will make this difficult. Several governments in Western Europe will likely soon announce new national security legislation, improved controls on fighters returning from conflicts in the Middle East and North Africa, as well as enhanced intelligence sharing with their neighbors.

EU members will also resume discussions on how best to combat terrorism abroad in troubled nations such as Libya and Syria. Europeans will become more willing to contribute to the coalition against the Islamic State, possibly with more weapons and training for the Iraqi military and Kurdish militants, increased deployment of combat aircraft and participation in NATO surveillance missions in Turkey.

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Another casualty could be the recent, tenuous agreement between Turkey and the European Union to limit the arrival of asylum seekers in Europe. Renewed awareness of the threat of terrorism among EU member states will bring focus on the bloc's external borders, possibly justifying deeper cooperation with Turkey. But the attacks could also reignite anti-Muslim sentiments in Europe and increase popular demands on EU governments not to grant visa-free travel to Turkish citizens - a key stipulation from Ankara for cooperation on migrant issues.

Anti-Muslim sentiment could also lead to more support for nationalist parties across the Continent. France's National Front already receives substantial support in electoral polls. In Germany, the anti-immigration Alternative for Germany party recently achieved record performances in regional elections and is currently the country's third most popular party. Both France and Germany will hold general elections in 2017, in votes that will happen against the backdrop of the immigration crisis and the multiple terrorist attacks. In both cases, the mainstream parties will be under electoral pressure from their nationalist rivals. As a result, they will likely adopt some elements of nationalist party platforms.

The same can be expected in other Northern European countries such as the Netherlands or Sweden, which also have relatively strong nationalist movements. Political parties and groups that want the United Kingdom to leave the European Union could also use the recent terrorist attacks to justify greater isolation from the Continent. Lastly, the Brussels attacks will hurt European economies, though likely only for a short time. In the coming days, some people in Belgium and other Western European countries may decide to avoid travel or densely crowded areas, such as cafes and shopping malls, out of fear of another attack. It will temporarily stifle domestic consumption and the tourism sector. For most Europeans, the threat of terrorism is by now a part of their daily lives. Beyond national politics and economics, the long-term impacts of the attacks will affect the very fabric of the European Union.

#### **EICC Netherlands organizes India Symposium with focus on "Make in India"**

After a successful launch in Amsterdam in December, ASSOCHAM together with EICC took one more step towards further strengthening ties between India and Europe.

On 16th March, ASSOCHAM Europe and Europe India Chamber of Commerce organised India Symposium, a mega event at World Trade Center in Rotterdam to attract European companies to make in India. Chief Guest of the event was Mayor of Rotterdam Mr Ahmed Aboutaleb. Theme of the event was Logistics for Make in India with a special session on Indian budget as announced recently by finance minister of India. This symposium takes place at an apt moment when the business relationship between Europe and India is gearing up for next level - also in view of Prime Minister Mr Modi's visit to Brussels on 30th March to attend India-EU summit.

During the symposium various investment opportunities between India and Europe were discussed. Various eminent speakers discussed the areas of possible co-operation between the Netherlands and India. City of Rotterdam showcased their expertise and emphasized how the city is becoming an eminent logistics hub for Indian companies. Adani port has signed a significant MOU with Port of Rotterdam which will enhance the business between India and the Netherlands to next level.

Recently Jet Airways has announced Amsterdam as its hub for Europe. It is estimated that over 100 million Euros of new business will be generated from decision of Jet Airways in setting up the base in Amsterdam.

EICC Chairman Dr. Ravi Mehrotra CBE delivering his Key-Note Speech said that Holland has proved to the world that SMEs play an important role in the economy and in fact it is backbone of economic development and therefore if countries take care of your SME'S the countries industrial base remains healthy and strong and you create a nucleus for innovation and thus your Industry remains relevant to the current economy. This is the reason despite Netherlands being a relatively small Country landwise but its economy has been quite stable for last few decades.

Turning to India, Chairman observed that India is a country very large and still ridden with old traditions. Somehow it missed the last Industrial Revolutions. Since Independence in 1947 it developed some larger Industries but it did not develop the SME's. So it lost its Innovative power which resulted in lopsided development of Industrial base. Also it was not able to create enough job opportunities for its youth.

On Europe Dr. Mehrotra said that it did very well during the first two Industrial revolutions and created large SME base with lot of Innovative power but now it is slowing down due to lack of young population s which creates both Industrial labour and also generates its own consumer demand. Therefore Europe has landed up with twin problem, lack of youth in European countries and lack of consumer demand.

Dr. Mehrotra also mentioned about synergy between these two population centres. He said that Europe has 360 million people with mean age of around 50 years plus with negative population growth of its own. Whereas India has 1.25 billion people with 55% of population is still below 30 years of age and lot of pent-up consumer demand due to low per capita GDP as economy, primarily dependent on agricultural economy and low vale industries which do not give enough value addition to pay a decent wage. Main cause of this is it does not have enough innovative culture and to innovate its industries on its own. Another synergy is both populations cherish democracy and rule of law.

Therefore, by concluding the trade deal between Europe and India would create a win-win situation for Europe and India. He suggested, come in and "Make in India". He added "You will have youths of India to work for you, and you these new-found earnings who will unleash the pent-up demand in the economy. See he is not telling you to come to India and invest. He is telling "make in India". There is subtle difference in both statements. The first one is only asking your capital whereas his statement is come and employ India's youth in Innovative Industries and let's improve economies of both areas (Europe and India) without creating a huge influx of migration".

Dr. Vikas Chaturvedi, founder of ASSOCHAM Europe and Director Europe India Chamber of Commerce said "There is a revitalised energy in the business relationship of India and Europe and in particular The Netherlands. Recent announcements like Jet Airways making their European hub in The Netherlands, Amity University setting up in the Netherlands are new milestones that will open a plethora of new business opportunities between India and the Netherlands. Also the re-start of discussions on India-EU free trade agreement is a positive signal and signifies how Europe and India are walking closer to foster business relations. Mr Modi's travel to Brussels will be significant in capturing the momentum created between Europe and India."

More than 120 participants representing various companies, business and trade organisations participated in the event.

### **World Bank need to change with global economy**

Indian Prime Minister Narendra Modi has called for more changes in the structure and functioning of global institutions like the International Monetary Fund (IMF) and the World Bank so as to reflect the changing global economy.

Addressing at a joint conference organised by the finance ministry and the IMF on 'Advancing Asia: Investing for the Future,' the prime minister said while the long-pending quota revisions agreed in 2010 have finally come into effect, the IMF will be able to build on this success.

"Reform of global institutions has to be an on-going process. It must reflect changes in the global economy, and the rising share of emerging economies. Even now, IMF quotas do not reflect the global economic realities. Change in quotas is not an issue of increasing the 'power' of certain countries. It is an issue of fairness and legitimacy. The belief that quotas can be changed, is essential for the fairness of the system. For poor nations to respect the legitimacy of such institutions, they must be able to aspire and to hope. I am, therefore, very happy that the IMF has decided to finalize the next round of quota changes by October 2017."



Modi thanked IMF managing director Christine Lagarde for putting her weight behind quota reforms. The quotas of emerging countries will now better reflect their weight in the world economy. This will give them more say in collective decisions in the IMF, he pointed out.

India has always had great faith in multi-lateralism, he said, adding that as the world becomes more complex, the role of multilateral institutions will also increase. India was represented at the Bretton Woods Conference in 1944, which gave birth to the IMF, and is taking as much interest in the Asian Infrastructure Investment Bank and the New Development Bank, he said.

He also announced a partnership with Bangladesh, Bhutan, Maldives, Nepal, Sri Lanka, India and the IMF to set up the South Asia Regional Training and Technical Assistance Centre with help from the IMF which will help in building capacity for policy making.

Emphasising that the 21st century is, and will be, the Asian Century, he said, three out of every five people in the world live in Asia. Its share in global output and trade is now close to one-third. Its share in global foreign direct investment is about 40 per cent. It is also one of the world's most dynamic regions, he added.

And, despite the recent slowdown, it is still growing at a rate three times greater than that of the advanced countries. It is, therefore, the ray of hope for global economic recovery, he said.

On the theme of the conference, 'Investing for the Future', he said, "Asian families tend naturally to save more than people in other parts of the world. Thus they invest for the future. Economists have commented on the savings ethic of Asian countries. Asians tend to save to buy a house, rather than borrow to buy a house.

"Many Asian countries have relied more on developmental financial institutions and banks than on capital markets. This provides an alternative model for the financial sector.

"Social stability built on strong family values is another feature of Asia's development. Asians tend to leave things behind for the next generation.

On gender equality, Modi said India and almost all Asian nations, including Sri Lanka, Bangladesh, Pakistan, Indonesia, Thailand, Korea, Myanmar, and the Philippines: all of these countries have had women as national leaders.

"Today, four large states of India – West Bengal, Tamil Nadu, Gujarat and Rajasthan – are headed by democratically elected women. The Speaker of the Lower House of Parliament in India is also a woman."

India, he said, "has had a lasting influence on the continent's culture. It also demonstrated clearly that the sense of nationhood, could be broad and inclusive. It need not be defined by narrow linguistic or religious identities. The Sanskrit saying "Vasudhaiva Kutumbakam" – the world is one family - refers to this sense of the oneness of all identities."

India has dispelled the myth that democracy and rapid economic growth cannot go together. India's growth rate of over seven per cent is being achieved in a country that is also a vibrant democracy.

"India has also shown that a large, diverse country can be managed in a way that can promote economic growth and maintain social stability. One way in which we are doing this is through cooperative and competitive federalism. The states and the centre come together to pursue common objectives. States which pursue good policies and deliver essential services for the poor, induce others to follow.

"Our rapid economic growth is also very distinct in Asia. We have never tried to gain in trade at the expense of our partners. We do not follow "beggar thy neighbour" macro-economic policies. We have never undervalued our exchange rate. We add to world and Asian demand by running current account

deficits. We are therefore good Asian and good global economic citizens, and a source of demand to our trading partners.

We all want Asia to succeed. I firmly believe that India can contribute to Asian prosperity and development by being economically strong, he added.

### **India ranks 90th in terms of energy security**

India has been ranked a lowly 90th in a list of 126 countries compiled by the World Economic Forum on the basis of their ability to deliver secure, affordable and sustainable energy. The list was topped by Switzerland.

The latest Global Energy Architecture Performance Index Report explored the energy architecture of 126 countries based on their ability to provide energy access across three dimensions of the "energy triangle" - affordability, environmental sustainability, and security and access.

Switzerland was followed by Norway and Sweden in the second and third place respectively. Others in the top 10 include France, Denmark, Austria, Spain, Colombia, New Zealand and Uruguay (10th), in that order.

Among the BRICS nations, Brazil was the top performer in the 25th place, followed by Russia (52nd), India (90th), China (94th).

Regarding India, the report noted that it is "facing a vast array of challenges in the power sector in order to meet its growth targets".

Nevertheless, electrification appears to have progressed. The proportion of the population covered having grown over the past six years by 4 percentage points to 79 per cent, it said.

"The need to become more energy-efficient, more diverse and less carbon-intensive is especially acute for major emerging economies, making it critical to progress with government responses to these pressures through energy reform," it added.

Meanwhile, major global economies continued to perform "less well" on the index with the exception of France which was placed at the 4th place. Among other major economies Germany was ranked at the 24th place, while the United States was at the 48th rank and Japan was at the 50th rank.

The report, prepared in collaboration with Accenture, noted that large emerging economies are pressed both by the need to support economic growth and build resilient and sustainable energy architecture. World energy production and imports rose by 3,200 million tonnes of oil equivalent over the last decade, driven by the boom in the Asian economies and led by China and India.

As a result, fuel trade patterns have dramatically changed during this period. In particular, Asia accounted for less than 20 per cent of the world fuel trades in 2004, but this figure has sharply risen to 35 per cent in 2014, leading to a redistribution of forces and new alliances around the world, it said. As per IEA's World Energy Outlook 2015, by 2040, China's net oil imports will be nearly five times those of the United States, while India's will easily exceed those of the EU.

### **India needs 1,600 planes worth \$224 billion in next 20 years: Airbus**

European aviation major Airbus has said India will require 1,600 planes, including 1,230 narrow body aircraft, valued at \$224 billion in the next 20 years as the country logs the fastest growth globally coupled with an expected 8.4 per cent per year growth in passenger traffic during this period.

At present, among the two major global aircraft makers, US -based Boeing Co. being the other one, Airbus is the market leader in India in terms of single-aisle planes.

According to Airbus' latest global Market Forecast for the 20 years between 2015 and 2034, India will require over 1,600 new passenger and freighter aircraft -- valued at \$224 billion -- to help meet growth in demand.

These will include 1,230 new single-aisle aircraft and 380 wide-body passenger and freighter aircraft, the company said, adding that by 2035, the number of Indian cities with over one million monthly air passengers would have more than tripled.

"The growth is significantly better in India. Today we have 210 aircraft in service with seven Indian carriers. Another over 500 more planes are to be delivered to the airlines in India in the coming years. That gives us over 70 per cent market share excluding Kingfisher (now defunct) orders," Airbus Vice President for marketing for Asia Consumer Affairs, V Joost Van Der Heijden said here.

On the status of the now-defunct Kingfisher Airlines order, the official said, "We have already reduced (the number of Kingfisher's order) in last year's order book. We will continue to do so as we go along."

Air traffic in India is set to grow at 8.4 per cent per year over the next 20 years, well above the world average of 4.6 per cent, Airbus said, adding that domestic traffic will grow more quickly, at 9.3 per cent, making India the world's leading emerging aviation market.

"Aviation in India has a bright future. As India's industrial might grows along with it comes economic development, wealth generation and a rise in the number of regular and first-time flyers. Airbus offers the most comprehensive aircraft product range from 100 to over 600 passengers to serve the Indian public and this growing demand," said Kiran Rao, Airbus EVP Marketing and Strategy.

According to Airbus, today some 56 per cent of in-service fleet operated by most of the Indian carriers are Airbus aircraft, including the latest engine technology, fuel-efficient A320 neo.

Significantly, budget airline IndiGo recently inducted its first such aircraft in its fleet.

Preference for Airbus aircraft was further consolidated in 2015 with 250 new firm orders, lifting market share of orders and the in-service fleet to over 70 per cent, it said.

### **India to see highest rise in employment in 2016: Survey**

Buoyed by positive economic sentiment, employment scenario in India is set to move up and the country is expected to see the highest rise in hiring process this year among Asia/Australia region, a survey says. According to the ninth annual Global Business and Spending Monitor survey conducted by American Express in partnership with CFO Research, 83 per cent of Indian executives expect their companies to hire more and 52 per cent respondents expect employment to grow by over 10 per cent.

"Sustained high level of optimism towards growth will see India as a bright spot for hiring as companies get ready to add to the government's initiative towards improving job-oriented skills in the country," American Express Global Corporate Payments Country Business Head Saru Kaushal said.

The survey based on sampling of senior finance and corporate executives from large companies around the world said that globally financial executives expect their companies' headcount to increase by 9 per cent on an average in 2016, largely owing to decent rise in recruitments by companies in the US, Mexico, and India (13 per cent each).

However, talent crunch is expected to affect the recruitment drive of Indian companies going forward.

"7 out of 10 Indian executives polled that their companies' performance goal has been impeded by inability to hire requisite positions in sales and marketing," the report said, adding that 60 per cent of respondents say their companies have been affected by difficulty in hiring more skilled and specialised workers.

Moreover, half of the respondents find it difficult to fill positions for IT staff, administration and support staff and offshore or outsourced positions.

The survey further noted that around 60 per cent of Indian executives expect to raise wages or salaries in order to attract or retain employees, while 53 per cent would be looking at improving the working environment and rotate key employees through different functions or departments in order to retain them.

"From improving working environment to rotating employees through various departments, companies are planning to introduce measures in this direction and trying to keep their attrition rates at the lowest levels," Kaushal added.

### **Why Scandinavian countries are the happiest in the world**

Denmark has reclaimed its place as the world's happiest country, while Burundi ranks as the least happy nation, according to the fourth World Happiness Report, released recently.

The report found that inequality was strongly associated with unhappiness — a stark finding for rich countries like the United States, where rising disparities in income, wealth, health and well-being have fueled political discontent.

Denmark topped the list in the first report, in 2012, and again in 2013, but it was displaced by Switzerland last year. In this year's ranking, Denmark was back at No. 1, followed by Iceland, Norway, Finland, Canada, the Netherlands, New Zealand, Australia and Sweden. Most are fairly homogeneous nations with strong social safety nets.

At the bottom of the list of more than 150 countries was Burundi, where a violent political crisis broke out last year. Burundi was preceded by Syria, Togo, Afghanistan, Benin, Rwanda, Guinea, Liberia, Tanzania and Madagascar. All of those nations are poor, and many have been destabilized by war, disease or both.

Of the world's most populous nations, China came in at No. 83, India at No. 118, the United States at No. 13, Indonesia at No. 79, Brazil at No. 17, Pakistan at No. 92, Nigeria at No. 103, Bangladesh at No. 110, Russia at No. 56, Japan at No. 53 and Mexico at No. 21. The United States rose two spots, from No. 15 in 2015.

From 2005 to 2015, Greece saw the largest drop in happiness of any country, a reflection of the economic crisis that began there in 2007.

The happiness ranking was based on individual responses to a global poll conducted by Gallup. The poll included a question, known as the Cantril Ladder: "Please imagine a ladder, with steps numbered from 0 at the bottom to 10 at the top. The top of the ladder represents the best possible life for you and the bottom of the ladder represents the worst possible life for you. On which step of the ladder would you say you personally feel you stand at this time?"

The scholars found that three-quarters of the variation across countries could be explained by six variables: gross domestic product per capita (the rawest measure of a nation's wealth); healthy years of life expectancy; social support (as measured by having someone to count on in times of trouble); trust (as measured by perceived absence of corruption in government and business); perceived freedom to make life choices; and generosity (as measured by donations).

The report was prepared by the Sustainable Development Solutions Network, an international panel of social scientists that includes economists, psychologists and public health experts convened by U.N. Secretary-General Ban Ki-moon.

Though the findings do not represent the formal views of the United Nations, the network is closely tied to the Sustainable Development Goals, which the organization adopted in September aiming, among other things, to end poverty and hunger by 2030, while saving the planet from the most destructive effects of climate change.

The field of happiness research has grown in recent years, but there is significant disagreement about how to measure happiness. Some scholars find people's subjective assessments of their well-being to be

unreliable, and they prefer objective indicators like economic and health data. The scholars behind the World Happiness Report said they tried to take both types of data into account.

In a chapter of the report on the distribution of happiness around the world, three economists — John F. Helliwell, an economist at the University of British Columbia; Haifang Huang of the University of Alberta; and Shun Wang of the Korea Development Institute — argued against a widely held view that changes in people's assessments of their lives are largely transitory. Under this view, people have a baseline level of contentment and rapidly adapt to changing circumstances.

The three economists noted research showing that people's evaluations of their lives "differ significantly and systematically among countries"; that within countries, subgroups differ widely in their levels of happiness; that unemployment and major disabilities have lasting influences on well-being; and that the happiness of migrants approximates that of their new country, instead of their country of origin.

The three economists noted that crises can prompt vastly different responses based on the underlying social fabric. In Greece, where the economy began to plummet in 2007, setting off a crisis in the eurozone that has resulted in three financial bailouts, widespread corruption and mistrust were associated with the diminishing sense of happiness over the past decade.

In contrast, trust and "social capital" are so high in Japan that scholars found, to their surprise, that happiness actually increased in Fukushima, which was devastated by an earthquake and tsunami in 2011, because an outpouring of generosity and cooperation contributed to the community's resilience and rebuilding.

"A crisis imposed on a weak institutional structure can actually further damage the quality of the supporting social fabric if the crisis triggers blame and strife rather than cooperation and repair," the economists wrote. "On the other hand, economic crises and natural disasters can, if the underlying institutions are of sufficient quality, lead to improvements rather than damage to the social fabric."

The report, which was released in Rome, included a chapter analyzing Pope Francis' influential encyclical last year, called "Laudato Si'," or "Praise Be to You," which included a cutting assessment of a world in which continuous technological progress was accompanied by environmental degradation, growing anxieties about the future, and persistent injustice and violence.

Jeffrey D. Sachs, a Columbia University economist who edited the report with Helliwell and Richard Layard of the London School of Economics, praised Pope Francis' admonition against hedonism and consumerism.

He also forcefully rejected the notion that happiness and freedom — especially when narrowly defined as economic liberty — are interchangeable.

"The libertarian argument that economic freedom should be championed above all other values decisively fails the happiness test: There is no evidence that economic freedom per se is a major direct contributor of human well-being above and beyond what it might contribute towards per-capita income and employment," Sachs wrote. "Individual freedom matters for happiness, but among many objectives and values, not to the exclusion of those other considerations."

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