Europe India Chamber of Commerce

Newsletter

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EU-India Relations is the theme of TIPS 2017 to take place on 5 December in Brussels

EICC's Trade and Investment Partnership Summit (TIPS) 2017 will take place on Tuesday, the 5 December 2017. The TIPS, flagship of its prestigious events, will be held in the Auditorium of **Palace of the Academies,** Brussels. The Summit is dedicated to fostering bilateral trade, investment and economic relations between European Union and India. Taking into accounts the current economic and political environment in the context of EU-India relations in particular and the geo-political developments in general, this year the signature theme of the TIPS 2017 titled as **EU-India Relations in Search of a Transformative Moment in the New World Order.**

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.

During last three years, the Government of India has taken several major economic policy reforms aimed at inviting foreign investment in India and announced sweeping liberalization of the FDI rules including the historic implementation of GST as from 1 July. With these changes, India is now the most open economy in the world for FDI with the aim of addressing investors' concern and offers huge business opportunities for the European companies. The TIPS 2017 thus will provide business leaders and decision makers with the opportunity to discover and analyze how Indian companies and firms can serve as potential partners of European businesses. Should you accept our invitation, you are requested to speak on general trade and investment opportunities in India, about Mahindra & Mahindra of course and also on importance of EU-India cooperation.

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 BEXIT and how it is Impacting the EU-India-UK trade and business; etc. Our business summits have generally been held in the European Parliament but due to some unavoidable reasons we have decided to skip the EP and with the support of the Flanders government, the Palace of the Academies has been booked for the event.

The Summit is being jointly organized in association with important chambers of commerce, trade bodies Eurochambres and Think Tanks Friends of Europe and European Institute for Asian Studies of Europe. Media India Limited remains our media partner and Europe India Foundation for Excellence our partner.

The TIPS is being organised in collaboration of Embassy of India and Flanders Investment and Trade is our main supporting organisation. A total of specially invited 150 participants from India and European countries will attend.

EICC has been organising TIPS for last several years and TIPS is now a brand. EICC has proved to be a business advocacy organization speaking for multilateral rule based trading system and improvement in European and Indian competitiveness through activities in the legislative, regulatory and political arenas and acts as the catalyst for positive change in all areas of economic development. The Chamber is realizing this mission through high level strategic dialogue and debate in which trade and economic policies are intensively discussed.

Chamber invites High Representative of the Union for the Book launch

EICC has invited Ms. Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy & Vice-President to address the TIPS during the Book launch.

In a letter to the Vice President Ms. Mogherini, Chamber Secretary General has said "I have the privilege to serve as the Secretary General of Europe India Chamber of Commerce (EICC) based here in Brussels. The main aim of EICC is to foster good EU-India co-operation and collaboration that is conducive for effective trade and investment partnership for mutual benefit of both.

As the High Representative of the Union for Foreign Affairs and Security Policy, you have been playing a pivotal role in ensuring that the EU-India exchange takes place regularly. I understand that in your recent visit to India you have successfully conveyed to Prime Minister Modi the vital importance for EU and India to collaborate on issues of global challenges for mutual benefit."

The letter adds "The EICC has successfully organised a number of Trade and Investment Partnership Summit (TIPS) over the last several years. This year the TIPS will be held on 5th December 2017 at Palais des Académies, Brussels. The timing is important as it would be taking place after the 14th India - EU Summit in New Delhi in October and would provide a welcome opportunity for stocktaking on both sides. The TIPS continues to be dedicated towards fostering increased bilateral trade, investment and economic relations between European Union and India. The TIPS is being jointly organised by the Friends of Europe and in collaboration with the Embassy of India in Brussels".

Requesting Ms. Mogherini the Secretary General wrote "It would be an honour for the Summit if you or one of your designated, high level representatives from EU could accept the EICC invitation to deliver a Keynote Address to the Summit on the theme of 'Opportunities for India and the EU in the Digital Economy: Dealing with the Skills Mismatch and other Challenges".

Taking advantage of the presence of a number of dignitaries and interested participants that have a keen interest in EU-India affairs, the launch for the book titled "Dynamics of India - EU Relations: Building on Challenges and the Way Forward" by Ambassador Ms. Bhaswati Mukherjee has been scheduled during the TIPS on 5 Dec 2017. Attached please find the Chapter Characterization of the Book which speaks for itself. It examines the growing mutuality and the challenges in EU-India relations including Brexit, the need to redefine the relationship and suggests a way forward to establish a truly meaningful strategic partnership on one hand and a free trade and investment agreement on the other. 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 the last several years.

The book is supported by the European Commission to India and its Ambassador H E Tomasz Kozlowski as well as by the Indian Council of World Affairs, an important Indian Think Tank".

Secretary General further wrote "TIPS in the past has been addressed by EU Vice Presidents and Commissioners, Members of European Parliament including current President of the European Parliament, Mr. Antonio Tajani. Once again it would be great privilege if you or one of your representative could launch this important commentary on the past and ongoing efforts at forging sustainable links between EU and India. This will be a unique occasion for us to launch this book in Brussels, the European Union's seat of power, and more so after the EU-India Summit which is to take place on 6 October in New Delhi".

India's Economic Survey: Highlights of reform measures

The Mid-term Review of the Economic Survey 2016-17 has highlighted the reform initiatives in the various sectors of the economy, including agriculture and food management, industry and infrastructure, social Infrastructure, employment and human development.

The Survey mainly points to the initiatives taken by the government in managing and reducing the various risks in agriculture activities to make the sector resilient, increase profitability and ensure stable income flows to the farmers.

It has suggested the following reforms for increasing productivity in agriculture and allied sector:

Addressing the price risks in agriculture and allied sectors, marketing infrastructure along the entire value chain to be built and strengthened;

Addressing production risks, expanding the share of irrigated area by increasing the coverage of water saving irrigation systems like micro irrigation systems'

Setting standards to enforce better quality and develop pest and disease resistant seeds to increase productivity of crops;

Making changes in trade and domestic policy well before sowing and keeping these till arrivals and procurement is over;

Earmarking funds to enhance women's involvement in the dairy projects through appropriate mechanisms;

Providing timely and affordable formal and institutional credit to the small and marginal farmers to ensure inclusive growth; and Adoption of a regime based on timely interventions.

Industry and infrastructure

Railways should go for more non-fare sources along with station redevelopment and commercially exploiting vacant buildings at the station, monetising land along tracks by leasing out to promote horticulture and tree plantation, and through advertisement and parcel earnings;

Enabling non-major ports to gain more share of cargo handling compared to major ports by enhancing their efficiency and operational capacity; and

Reforms such as privatisation/ disinvestment of Air India, creation of aviation hubs and reconsidering the 0/20 rule to improve Indian airlines' share in the international market.

Social infrastructure, employment and human development

Increasing investments in a knowledge based economy and strengthening social infrastructure by investing in health and education to achieve double digit growth;

Designing education policies with focus on learning outcomes and remedial education with interventions which work and maximize the efficiency of expenditure.

Introduce bio-metric attendance of school staff, independent setting of examination papers, neutral examination and for DBT for schools. Adopting outcome measures for the education and skilling activities to ensure improvement in delivery of schemes/ programmes;

To make the labour market dynamic and efficient, the government has taken several reforms/initiatives, both legislative as well as technological such as notification of 'Ease of Compliance to maintain registers under various Laws/ Rules and introduction of e-Biz Portal. These registers/forms can also be maintained in a digitized form.

Government has been imparting short term skill training through Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and long term training through Industrial Training Institutes (ITIs). Model Skill Centers are being set up in every district of the country under Pradhan Mantri Kaushal Kendra Scheme;

Concerted efforts needed to reform the health sector by addressing quality issues, standardising rates for diagnostic tests, generating awareness about alternative health systems and introduction of punitive measures fines on hospitals and private health providers for false claims and providing health benefits and risk cover to poorer sections of the society for more equitable access to health services;

The National Health Policy 2017 aims at attaining the highest level of good health and well-being, through a preventive and promotive health care orientation in all developmental policies, and universal access to good quality health care services, without anyone having to face financial hardship as a consequence; and

Addressing the social security of large number of vulnerable workers in the informal economy by prioritisation by the government along with ensuring the safety and security of women to raise their participation in economic activities.

Consolidated FDI policy seeks to bring more clarity on regulations

The consolidated FDI policy document released by the government on 28 August seeks to bring more clarity on sectoral and overall regulations on foreign investments in various sectors of the economy. While proposals relating to banking, mining, defence, broadcasting, civil aviation, telecoms, pharmaceuticals etc will have to be approved by administrative ministries, the DIPP will be the authority to clear proposals relating to areas, including retail (single and multi-brand, and food).

For investments in financial services activities that are not regulated by any financial sector regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight, the department of economic affairs will clear the proposals.

The policy simplifies the definition of 'venture capital fund' in the FDI policy of as a fund registered under the Sebi (Venture Capital Funds) Regulations, 1996and FDI-linked performance conditions as sector-specific conditions for companies receiving foreign investment.

A non-resident entity can invest in India, subject to the FDI Policy except in those sectors/activities which are prohibited. However, a citizen of Bangladesh or an entity incorporated in Bangladesh can invest only under the government route.

Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the government route, in sectors/activities other than defence, space, atomic energy and sectors/activities prohibited for foreign investment.

NRIs resident in Nepal and Bhutan as well as citizens of Nepal and Bhutan are permitted to invest in the capital of Indian companies on repatriation basis, subject to the condition that the amount of consideration for such investment shall be paid only by way of inward remittance in free foreign exchange through normal banking channels.

While overseas corporate bodies (OCBs) have been derecognised as a class of investors in India with effect from 16 September 2003, the FDI policy allows erstwhile OCBs which are incorporated outside India and are not under the adverse notice of RBI to make fresh investments as incorporated non-resident entities. But they should take prior approval of the government of India if the investment is through government route and prior approval of RBI if the investment is through automatic route.

A company, trust and partnership firm incorporated outside India and owned and controlled by NRIs can invest in India with the special dispensation as available to NRIs under the FDI Policy.

Foreign institutional investor (FII) and foreign portfolio investors (FPI) may in terms of the provisions of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations, as the case may be, respectively, invest in the capital of an Indian company under the Portfolio Investment Scheme, which limits the individual holding of an FII/FPI below 10 per cent of the capital of the company and the aggregate limit for FII/FPI investment to 24 per cent of the capital of the company. This aggregate limit of 24 per cent can be increased to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned through a resolution by its board of directors followed by a special resolution to that effect by its general body and subject to prior intimation to RBI. The aggregate FII/FPI investment, individually or in conjunction with other kinds of foreign investment, will not exceed sectoral/statutory cap.

An Indian company which has issued shares to FIIs/FPIs under the FDI policy for which the payment has been received directly into company's account should report these figures separately under item No 5 of Form FC-GPR (Annexure-1).

A daily statement in respect of all transactions (except derivative trade) has to be submitted by the custodian bank in soft copy in the prescribed format directly to RBI and also uploaded directly on the OFRS website (https://secweb.rbi.org.in/ORFSMainWeb/Login.jsp).

Only Sebi-registered FIIs/FPIs and NRIs as per the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, can invest or trade through a registered broker in the capital of Indian companies on recognised Indian stock exchanges.

GST launch: How India's new tax regime stacks up against other countries

India has chosen the Canadian model of dual GST and honours the federal structure. It categorised different goods and services under four tax slabs -- 5 per cent, 12 per cent, 18 per cent and 28 per cent. The majority of items are taxed at 18 per cent.

The much-awaited Good and Service Tax (GST) has finally come into effect from July 1, 2017. Even as it is considered as one of India's biggest tax reforms, more than 140 countries across the world have already implemented the concept of 'one nation one tax'. The list includes Canada, UK, France, Russia, China, Mexico, South Africa, Australia, Japan, Thailand, Malaysia, among others. Countries like Brazil and Canada operate with a Dual-GST system and European countries follow a single tax system.

Goods and Services Tax: How world went about GST and what lies ahead for India

The GST rollout was followed with anxious periods in markets world over. But, in almost all the countries, GST nervousness subsided after a period of one year or so.

A Google search gives a figure in excess of 150 countries, which have adopted Goods and Services Tax or simply the GST, what India introduced at the stroke of midnight today. NITI Aayog member Bibek Debroy, however, does not agree with the figure.

Speaking at the Tryst With Tax Conclave of India Today, Bibek Debroy asserted that "only 6 or 7 countries, not more than that" have implemented GST. Debroy also asserted that before India, "only country in the world which is federal and has GST is Canada."

However, the Reserve Bank of India and the Finance Ministry seem to have studied the GST or some form of Value Added Tax (VAT) in few more countries while GST Council was busy to make the new tax regime a reality.

GST IN OTHER COUNTRIES

France was the first country to introduce GST in 1954. It has managed well with the GST. Among the latest countries to adopt GST are Seychelles, Congo, Gambia and Malaysia.
Malaysia rolled out GST in 2015 after an intense debate that went on for 26 years. It led to a sharp rise in inflation even though revenue increased considerably. Inflationary trend took one year to subside.

Similar trends were witnessed in Australia and New Zealand where price rise followed GST rollout. Canada is the other country than India which has a separate state GST. Here too inflation rose after switching to new tax regime.

HOW GOVERNMENT TAKES WORLD EXPERIENCE

In December, 2015 Chief Economic Advisor (CEA) Arvind Subramanian released a comparative study of GST implementations in the federal systems around the world. His report was focused on the experiences of European Union, Canada, Brazil, Indonesia, China (a unitary nation) and Australia.

Subramanian found that most of these countries were facing 'serious challenges' in working with the GST.

Titled, Report on the Revenue Neutral Rate and Structure of Rates for the Goods and Services Tax (GST), Subramanian concluded saying, "They are either overly centralised, depriving the sub-federal levels of fiscal autonomy (Australia, Germany, and Austria); or where there is a dual structure, they are either administered independently creating too many differences in tax rates that weaken compliance and make inter-state transactions difficult to tax (Brazil, Russia and Argentina); or administered with a modicum of coordination, which minimises these disadvantages (Canada and India today) but does not do away with them."

THE CHALLENGES AHEAD

The RBI, too, studied the GST implementations in various countries and incorporated its findings in the report titled 'State Finances: A Study of Budgets of 2016-17' and released in May this year.

The RBI took notes from the GST experiences of Argentina, Australia, Brazil, Canada, Malaysia, New Zealand and Russia. It found flaws in all the GST models.

On the basis of the global experience, the RBI listed some of the risks that GST may bring to India in the new taxation regime. The RBI report said, "Small businesses may not register; a trader may under-report actual sales; traders may reduce their liability by exaggerating the proportion of lower tax slabs; tax authorities need to guard against traders who collected tax but were not remitted by the government; traders may make false claims for refunds."

Speaking at the Tryst With Tax Conclave yesterday, Union Finance Minister Arun Jaitley said, some glitches would come up once GST was implemented and the GST Council would appropriately deal with the new problems.

While the experiences of respective countries differ from each other, they have followed the mantra of ‘streamlining and simplifying taxation’ throughout.

Here is how Indian GST stacks up against other countries:

Canada
Canadian GST was put in place on January 1, 1991, by the then Prime Minister Brian Mulroney to replace the hidden 13.5 per cent manufacturers’ sales tax (MST). The GST was clocked at seven per cent as the first phase of implementation began. Later, Canada reduced it to six per cent on July 1, 2006. Now GST is levied at five per cent. In Canada, Provincial sales taxes (PST) gets levied by the states, and Goods and Services Tax (GST), a value-added tax is levied by the federal government. PST ranges from zero to 10 depending on the state. Goods and services relating to basic needs such as drugs, medical services, basic groceries, agriculture are taxed at zero per cent GST.

Brazil
Like Canada, Brazil also follows Dual-GST system. The federal tax imposed by Centre vary not significantly — 17 per cent in Sao Paulo to 18 per cent in Rio de Janerio. The rate of inter-state supplies within Brazil vary between four per cent and 25 per cent.
China

China's Value Added Tax (VAT) simplified many conflicting tax systems and is clocked at 17 per cent, besides other taxes.

Malaysia

Malaysia implemented GST in 2015. It fixed the rate at six per cent. After the implementation, consumer confidence dipped, inflation went up and anti-GST protests occurred across cities.

Australia

Australia announced GST implementation in 2000, fixing the rate at 10 per cent. The GST replaced the federal wholesale sales tax and state and territory taxes with a single tax rate of 10 per cent. Reportedly, it wants to revise it to 15 per cent.

New Zealand

In New Zealand, GST is fixed at 15 per cent and is applicable on most indigenous goods and services, most imported goods, and certain specified imported services.

Thailand

Thailand keeps its GST at seven per cent besides its other taxes.

Russia

Russian GST is levied at 18 per cent.

India has chosen the Canadian model of dual GST and honours the federal structure. It categorised different goods and services under four tax slabs — 5 per cent, 12 per cent, 18 per cent and 28 per cent. The majority of items are taxed at 18 per cent.

India leading climate fight through solar revolution: World Bank

With a sweeping commitment to solar power, India is emerging as a front runner in the global fight against climate change. And, with solar power taking over from coal as a potential source of energy, a World Bank report says that India is now leading the fight against climate change.

In its report published on 7 July, the World Bank report lauds India for its commitment to solar power, innovative solutions and energy efficiency initiatives to support its vision of supplying its people with much needed electricity

''With its conscious choice to use significantly more clean energy to fuel its growth, India is contributing to global efforts to save the planet from the effects of climate change.''

With solar power increasingly being used to replace coal as a source of energy, the cost of electricity from solar photovoltaic (PV) is currently a quarter of what it was in 2009, and is slated to be slashed by another 66 per cent by 2040.

''Just a few weeks ago, the country also walked away from plans to install nearly 14 GW of coal-fired power plants, largely because it is as affordable now to generate electricity with solar power as it is to use fossil fuels,'' the World Bank noted.

The report also highlights Injdia's enormous potential in the solar segment, with access to as many as 300 days of sunshine every year, which is a major incentive for attracting foreign investment in the segment.

The impact is also duplicated in the market, with the sale of solar power units capped at Rs2.44 per unit or four cents per unit.

"The Indian government is setting ambitious targets that include 160 gigawatts (GW) of wind and solar by 2022, which will not only help hundreds of million people light their homes, but also enable children to study at night, provide families with refrigerators to preserve their food or TVs to entertain themselves," the report noted.

India is playing its part well, the World Bank report noted, as the Paris Climate Agreement aims at containing the increase in global warming to under a 2-degrees Celsius. ''It is imperative for India – the third largest emitter of carbon dioxide - to be a global leader on renewable energy.''

The World Bank said it is committed to supporting India's solar push. Starting with a Grid Connected Rooftop Solar project that aims to put solar panels on rooftops across the country, 100MW of energy has already been financed through this project, it noted.

This has been achieved within one year of World Bank signing an agreement with the International Solar Alliance (ISA), consisting of 121 countries led by India, to collaborate on increasing solar energy use around the world and mobilize $1 trillion in investments by 2030, the report noted.

The World Bank's backing will increase the availability of private financing, introduce new technologies, and enable the development of common infrastructure to support privately developed solar parks across India, it added.

The Bank is also supporting India's UJALA program, through which the country has distributed more than 241 million LED bulbs, making it the largest and the first zero-subsidy national LED lighting program in the world.

Residential consumers can get LED bulbs from UJALA distribution centers or through participating retailers and pay upfront or in smaller installments, which make the bulbs more accessible for poorer customers.

The programme has helped save more than 6,000 MW of energy and resulted in a 25-million ton reduction in CO_2 emissions per year. India plans to replace all of its 770 million incandescent bulbs with LEDs by 2019.

In turning to solar, India has sought creative solutions to challenges such as limited land availability to host solar panels for a rapidly growing population. It must go beyond what Morocco has done, for instance, with its concentrated solar power that requires large tracts of land to set up giant mirrors and lenses. So, in addition to its solar parks, it also has ambitious plans to only sell electric cars by 2030.

India's greenhouse gas emissions are predicted to keep increasing at least until 2030 – something it is working hard to change with serious energy efficiency measures.

France rolls out red carpet to banks, financial institutions to exit post-Brexit London

France is aggressively wooing banks and financial institutions that may consider moving out of London due to Brexit, as the government came out with proposals aimed at making Paris more appealing.

A document presented by the French prime minister, Édouard Philippe, yesterday listed reforms to see Paris become a financial powerhouse after Brexit. Paris is in competition from Dublin, Frankfurt and Luxembourg in the effort.

Under the proposals, France plans to scrap the highest bracket of a payroll tax levied on each salaried employee. France also plans to cancel plans its 0.3 per cent tax on financial transactions.

Bankers' bonuses will not be considered when labour courts decided on unfair dismissal compensation under the proposals, easing the cost of labour disputes for French financial institutions.

The document also makes it easier for EU financial regulations to be absorbed into French law and to make sure red tape is aligned with other countries so as not to hinder business.

According to commentators, of France's largest obstacles was the ease of doing business in English for international staff, a hurdle that the programme of reforms revealed yesterday would also address.

''To investors, and to those disappointed by Brexit, I want to say that we are ready to roll out the blue, white and red carpet for you," Paris regional president Valérie Pecresse said at an event announcing the plan. ''Welcome back to Europe.''

According to commentators, following Brexit, the UK might lose the "passporting rights" financial firms used to deal with clients in the rest of the EU, meaning that employees in direct contact with customers might need to be based in EU territory in the future.

Also, EU regulations required that certain positions, such as risk management workers, be located in Europe.

However, according to commentators, these measures alone are not likely to be enough to make Paris more attractive than Frankfurt or Dublin, its two main rivals.

Air India Break-up an Option as Govt Pushes for Quick Sale

The government is considering selling state-owned Air India in parts to make it attractive to potential buyers, as it reviews options to divest the loss-making flagship carrier, several officials familiar with the situation said.

Prime Minister Narendra Modi's cabinet gave the go-ahead last month for the government to try to sell the airline, after successive governments spent billions of dollars in recent years to keep the airline going.

Air India—founded in the 1930s and known to generations of Indians for its Maharajah mascot—is saddled with a debt burden of $8.5 billion and a bloated cost structure. The government has injected $3.6 billion since 2012 to bail out the airline.

Once the nation's largest carrier, its market share in the booming domestic market has slumped to 13 percent as private carriers such as InterGlobe Aviation's IndiGo and Jet Airways have grown.

Previous attempts to offload the airline have been unsuccessful. If Modi can pull this off, it will buttress his credentials as a reformer brave enough to wade into some of the country's most intractable problems.

His office has set a deadline of early next year to get the sale process underway, the officials said, declining to be named as they were not authorised to speak publicly about the plans.

The timeline is ambitious and the process fraught, with opinion divided on the best way forward: should the government retain a stake or exit completely, and should it risk being left with the unprofitable pieces while buyers pick off the better businesses, officials said.

Already, a labour union that represents 2,500 of the airline's 40,000 employees has opposed the idea of a sale even though it is ideologically aligned to the BJP.

Officials who have to make it happen are grappling with the sheer scale of the exercise. Air India has six subsidiaries – three of which are loss-making – with assets worth about $4.6 billion. It has an estimated $1.24 billion worth of real estate, including two hotels, where ownership is split among various government entities.

No one has properly valued the company's various businesses and assets before, two officials with direct knowledge of the process said. Earlier this month, about $30 million worth of art, including paintings by artist MF Husain, went missing from its Mumbai offices, chairman Ashwani Lohani said.

"The exercise is complex and there is no easy way out," said Jitendra Bhargava, operational head of Air India in 1997-2010. "At this juncture, selling even part of Air India is far from certain."

Lohani declined to comment on the sale process. The Prime Minister's Office and the civil aviation ministry also declined to comment.

BACK TO TATA?

A committee of five senior Union ministers, led by Finance Minister Arun Jaitley, is expected to meet this month and begin ironing out the finer details of the plan. Besides deciding about the size of the stake sale, the panel will set the bidding norms. It will also take a call on the carrier's debt, demerger and divestment of its three profit-making subsidiaries.

Modi's office has said the government has no business being in hospitality and travel, suggesting the prime minister wants to sell as much of Air India as possible, the officials said.

Analysts say the government may prefer to keep the airline in Indian hands. At least two potential Indian suitors – the Tata Sons conglomerate and IndiGo - have shown early interest.

In recent weeks, officials in Modi's office and from the civil aviation ministry met Ratan Tata, the patriarch of the $100 billion-a-year Tata Sons, to gauge the company's interest in a deal, a close aide to Modi said.

Tata would be an attractive buyer for the government. The company founded and operated Air India before it was nationalised in 1953.

"Seems like Tata will come forward and make the best offer," the aide said, adding the government would be keen to see that jobs are not lost.

Tata, however, already has two other airline joint ventures in India, and it's not clear what parts of Air India it would be interested in. A Tata spokeswoman declined to comment.

IndiGo has said it was interested in the international operations and in Air India Express, a low-cost carrier.

Modi's office has told officials to work out exactly how much each of Air India's subsidiaries are worth to make it easier to break up the carrier if needed, two of the officials said. The government is expected to appoint outside consultants to help with the exercise.

Anshuman Deb, aviation analyst at ICICI Securities, said splitting the airline will maximize value for the government.

“Let us be realistic. It’s very clear that a single buyer cannot buy an entire state-owned company, “ said a senior aviation ministry official involved in the process

From France and Germany to Poland and Scandinavia, education options for Indian students have exploded in EU

Ten thousand Indian students by 2020. That’s the target France has set, and ambassador Alexandre Ziegler reckons that it “looks very possible”

“In the first six months of this year, there has been an increase of 40 per cent in the number of Indian students going to study in France over the previous year’s corresponding year, in which 4,500 students made the trip,” Ziegler told ET Magazine.

According to estimates from the European Union, there are around 45,000 Indian students in the continent at present. While the US is still a favourite, with some 1,65,918 Indian students in 2015-16, European countries are fast playing catch-up. The UK — now out of the Union — has been a perennial favourite within Europe for some time now — in 2016, some 11,300 UK tier-IV student visas (for those over 16) were issued to Indian students, a 2 per cent increase over the previous year. The total number of Indian students in the UK is estimated at around 20,000. Of late, though, the options extend beyond Blighty.

Consider, for instance, Germany, which in 2015-16 had over 14,000 Indian students enrolled. The number of Indian students choosing Germany has been consistently growing by 15-20 per cent per year, and the trend is likely to sustain this year as well.

According to Ziegler, more and more Indian students are choosing a non-traditional destination like France as it has some top higher education institutions in engineering and business. What is more, foreign students, like their local counterparts, are entitled to education subsidies.

“We offer over 1,000 courses, in English, at among the lowest costs internationally. Besides, there are 400 French companies that have operations in India which means access to jobs. And we have eased our visa regulations, allowing students to work part-time for 20 hours a week and for graduates and masters’ students to stay back in France for two years after they finish to look for jobs,” Ziegler added. Indian alumni from French universities who return to France can get up to five years’ resident permits.

Vignesh Narasimhan Janakiraman calls himself an entrepreneur researcher who work as the chief technology officer of a young startup called Algobiotech, near Paris. “Holding a doctoral degree from France made a huge difference in the progression of my career,” says Janakiraman who finished a PhD from the Universite de Bordeaux before getting a job. Though he first thought of the US for higher education during his undergraduate studies, a semester project in France made him change his mind.

“Being my first experience abroad, I came to like their culture and the high-level scientific expertise; and this was reciprocated by the professor responsible for my internship who was impressed with my aptitude and potential.” In addition to the quality of education, the quality of life in France too attracted him.

Other European Union countries that are attracting Indian students include Spain, Italy, Poland and Denmark. “The Erasmus scholarship programme for higher education in the EU is attractive for Indian students with around 650 on these scholarships at any given time,” says Thibault Devanlay, counsellor, political affairs at the delegation of EU in India.

Diverse Options

According to Devanlay, Indian families are looking at different options for education rather than only the traditional UK and US models. “There are diverse higher education institutions and costs are competitive across Europe.” The Erasmus scholarships provide the option of fully-funded joint masters’ degrees across multiple countries in EU and partner nations. Besides the English-speaking countries such as Ireland and Malta, others too offer courses in English. An example is Bulgaria, which offers various specialised courses in medicine in English.

“Poland too is putting in a lot of effort to attract Indian students and recently a country as small as Lithuania has a club of Indian students studying there. Many European companies are expanding in India and globally, thus providing employment opportunities from Indians graduating from EU,” says Devanlay.

Scandinavian countries too are reaching out to Indian different options for education rather than only the traditional UK and US models. “There are diverse higher education institutions and costs are competitive across Europe.” The Erasmus scholarships provide the option of fully-funded joint masters’ degrees across multiple countries in EU and partner nations. Besides the English-speaking countries such as Ireland and Malta, others too offer courses in English. An example is Bulgaria, which offers various specialised courses in medicine in English.

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Scandinavian countries too are reaching out to Indian students in a big way. "Sweden is attracting many Indian students looking for niche specialisations in technology and medical fields. The methodology too is non-hierarchical and encourages students to think differently," says Sanjoo Malhotra, who went to Stockholm 20 years ago for masters in international business at Stockholm University.

There are lessons even for entrepreneurs from India, explains Malhotra, who now runs a consultancy to create platforms for Indian businesses and cultural organisations in Sweden. "Here there are no language problems since everyone communicates in English. This is also becoming the Silicon Valley of Europe and technology companies are looking to attract Indian IT talent in a big way."

With Germany already the second-most popular destination for Indian and other international students in Europe, some forecast that the country may well overtake the UK as the leading international study destination in Europe in the years to come.

"Germany's attractiveness as a study destination has had a boost in recent years from its low tuition rates, ready availability of English-taught masters programmes, generous scholarships and funding support and improved post-study work rights for Indian students," a spokesperson for The German Academic Exchange Service (DAAD), said.

Rounak Changediya, a student of mechatronics engineering at the University of Applied Sciences, Kaiserslautern, Germany, was attracted to German technology when looking for a course to study textile machines, which would help him in his family business. "Besides the technological advantage; the lifestyle in different options for education rather than only the traditional UK and US models. "There are diverse higher education institutions and costs are competitive across Europe." The Erasmus scholarships provide the option of fully-funded joint masters' degrees across multiple countries in EU and partner nations. Besides the English-speaking countries such as Ireland and Malta, others too offer courses in English. An example is Bulgaria, which offers various specialised courses in medicine in English.

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(Source Economic Times)