



**WORLD TRADE CENTER™**  
**NAVI MUMBAI**



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# Trade Investment Promotion Service

## TIPS News Bulletin

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Volume IV / Issue No. 7

March-May 2020

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**“Bringing the World Together”**

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## WTC Navi Mumbai brings the World of Information on Trade & Investment....

### Important Developments in Global Trade and Indian Economy

Important developments in international business environments from the viewpoint of India are identified and highlighted below. These will certainly have short as well as long term significance and impact for India's economy and business especially at the global level:

- **COVID-19 Impact:** In continuation of our previous commentary on Corona Virus spread in the world, it is observed that this spread has become so much widespread that it has emerged as a major threat to the globalization of the world. Most of the countries have been directly and indirectly affected and are finding it difficult to contain COVID 19. In fact end of Corona Virus is still uncertain and is not in sight but its impact can be felt in several areas and need to be assessed at this stage.

Most of the countries are operating in Lockdown mode. Obvious conclusion, therefore, is that their economies are facing negative growth. USA, China and Europe—all leaders in global trade and investment—are expected to experience negative economic growth in the range of -5 to -11 percent. In case of India also the growth forecast of +5 percent has been reduced to negative figure. Though this pandemic started in China, it has become a rage in USA and Europe where it has gone beyond control. Further future of this is still very uncertain. What is certain is that this is bound to lead to important changes in the policies at national levels – economic and international relations.

All sectors of any economy such as Agriculture, Industry and Services have been greatly affected. Most significant is the impact on Services sector especially: Health-care, Transportation (Air services), Tourism and Trade. Health-care is operating under stress in many countries. Transportation has become standstill with many international airlines becoming unviable. Tourism has stopped totally. Private sector in such fields is facing stark realities and many units may face closures. Business models of the private sector are in for a substantial change in future.

In most of the countries, peoples' mindsets appear to be changing fast. Security and health have become top priorities of the citizens. It is, indeed, extremely difficult for the people to stay at home and do nothing literally speaking. Social Distancing has become a key word and its real meaning is dawning on the people. Still many people are finding it too tough to implement. In fact this epidemic is bringing several psychological changes that have bearing on thinking abilities of the people in future.

For India, there are many implications in many areas. There are many challenges as well. India's global aspirations have been hit hard. In fact India was very much on takeoff stage in this direction but is finding herself in the third stage of COVID 19. Domestically this has affected all the economic sectors but mainly it has brought on forefront the weaknesses in Health-care sector and inadequacy thereof. Peoples' slow response is a matter of worry for the society at large as well as for the government.

- **YES Bank Story:** The story of YES Bank seems to be a story of riches to rags. Once touted as one of the best operating banks in private sector, YES Bank operations came to halt and Reserve Bank of India needed to intervene and rescue the Bank to keep it floating. The development raises number of questions but most important being the role of RBI in this episode. NPAs seem to have a stranglehold on banking system in India. Unless there is a systemic and positive response to contain this, the efficiency / productivity of banks is never going to improve.
- **Foreign Trade Policy:** India's Foreign Trade Policy for 2020-2025 was to be announced on April 1, 2020. However the Commerce Minister has announced its postponement by three months in the context of Corona situation in the country. This has indeed become obvious to all the stakeholders and everyone was expecting rightly so. Hopefully the situation will improve and we will have the new policy w.e.f. July 1, 2020. Let us also hope that the focus of new policy will be on improving competitiveness of India at all levels.
- **Maharashtra:** New State Government has taken charge of Covid 19 situation quite well and its response is well-thought and action-oriented. It has not taken any harsh measures and is expecting a favorable response from the people at large. But unfortunately people have not taken Government regulations in proper spirit. The Government presented its maiden budget 2020-2021 recently. It envisages growth and focus on agricultural, education, tourism etc. but also raises fuel taxes. In fact the State's taxes on fuel are highest in the country. Hopefully the Covid situation will come under control soon still growth expectations are not likely to materialize.

## **A) WTC Navi Mumbai Services & Business Leads**

### **1. WTC Navi Mumbai & IMC Navi Mumbai joint Webinar & Interactive Session on “Indian Exports: Opportunities & Challenges”**

**Date & Time: TBA**

### **2. “Export Advisory Services of WTC Navi Mumbai”**

WTC Navi Mumbai has also started an Export Advisory Services for the benefit of its Members and Associates as well as business visitors and start-ups. These include among others Export Products & Markets Identification, Trade Leads/Buyers, Policies & Procedures etc.

**Venue: - WTC Navi Mumbai Office (Tuesdays & Thursdays with Prior Appointment Only)**

**For Further Details Contact: - Mr. Jayant Ghate: [jayant.ghate@wtcnavimumbai.org](mailto:jayant.ghate@wtcnavimumbai.org) / +91 9820 342535**

**Mr. Jayesh Khade: [jayesh.khade@rediffmail.com](mailto:jayesh.khade@rediffmail.com) / +91 7666 002002**

### **3. Digital Marketing Advisory Services at WTC Navi Mumbai**

WTC Navi Mumbai has initiated this service to upgrade Business Development of MSME’s especially in the Global Arena. In the following areas MSME’s will find this service useful:

- Website Design & Development
- Digital & Social Media Marketing
- Online Business & Search Engine Optimization (SEO)

**Venue: - WTC Navi Mumbai Office (Tuesdays & Thursdays with Prior Appointment Only)**

**For Further Details Contact: - Mr. Jayant Ghate: [jayant.ghate@wtcnavimumbai.org](mailto:jayant.ghate@wtcnavimumbai.org) / +91 9820 342535**

**Mr. Akshay Chaskar: [Akshay@hillsndaes.in](mailto:Akshay@hillsndaes.in) / +91 92242 41900**

## B) WTCs around the World : Business Leads & Events

### ➔ WTCA NY General Assembly 2020 @ Taipei WTC

In February it was announced that the 2020 WTCA General Assembly would be postponed and organized during September 2020. However, due to the continuing impact that the COVID-19 is having on many regions of the world and concerns about the health and safety of the WTC members & Associates, the WTCA board has decided to cancel this year's General Assembly as well as the Members Seminar and this will be organized by WTC Taipei in 2021 and dates and venue will be announced shortly.

# 2020 TAIWAN TRADE SHOWS

We Showcase Global Innovations

<p><b>TIFS</b> <b>Taiwan Int'l Orchid Show</b> <small>Rescheduled. Modified event date is yet to be confirmed.</small> Taiwan Orchid Plantation</p> <p><b>TCFB</b> <span style="float: right;">July 17-20</span> ■ Taichung Int'l Tea, Coffee, and Bakery Show</p> <p><b>TWSF</b> <span style="float: right;">July 17-20</span> ■ Taichung Wine &amp; Spirits Festival</p> <p><b>AGExpo</b> <span style="float: right;">August 20-23</span> ASEAN Senior Care And Wellness Expo Kuala Lumpur Convention Center</p> <p><b>Fishery Taiwan</b> <span style="float: right;">September 3-5</span> ★ Taiwan Int'l Fisheries &amp; Seafood Show Concurrent with Taiwan Int'l Fishing Tackle Show</p> <p><b>iMTduo</b> <span style="float: right;">September 9-12</span> ★ Taipei Intelligent Machinery &amp; Manufacturing Technology Show</p> <p><b>TAIPEI PLAS</b> <span style="float: right;">September 9-13</span> ★ Taipei Int'l Plastics &amp; Rubber Industry Show</p> <p><b>ShoeTech Taipei</b> <span style="float: right;">September 9-13</span> ★ Taipei Int'l Shoe Making Technology Show</p> <p><b>COMTECH Myanmar</b> <span style="float: right;">September 11-12</span> Asia Computing &amp; Gaming Show Lotte Hotel Yangon</p> <p><b>TIWW</b> <span style="float: right;">September 24-26</span> ● Taiwan Int'l Water Week</p> <p><b>Circular Economy Taiwan</b> <span style="float: right;">September 24-26</span> ●</p> <p><b>Taiwan Innotech Expo</b> <span style="float: right;">September 24-26</span> ●</p> <p><b>COMPUTEX TAIPEI</b> <span style="float: right;">September 28-30</span> ★</p> <p><b>InnoVEX at COMPUTEX</b> <span style="float: right;">September 28-30</span> ★</p> <p><b>COMTECH India</b> <span style="float: right;">September 29-October 1</span> Asia Computing &amp; Smart City Show Hall 2, Bombay Exhibition Center (BEC)</p> <p><b>Energy Taiwan</b> <span style="float: right;">October 14-16</span> ★</p> <p><b>TILS</b> <span style="float: right;">October 14-16</span> ★ Taiwan Int'l Lighting Show</p> <p><b>Fastener Taiwan</b> <span style="float: right;">October 14-16</span> ■ Taiwan Int'l Fastener Show</p> <p><b>TAIWAN BEAUTY</b> <span style="float: right;">October 15-17</span> ★ Taiwan Int'l Beauty Show</p> <p><b>MEDICALTAIWAN</b> <span style="float: right;">October 15-17</span> ★ Taiwan Int'l Medical &amp; Healthcare Expo</p> <p><b>JM@MEX</b> <span style="float: right;">October 15-17</span> ★ Taiwan Medical Components &amp; Manufacturing Expo</p>	<p><b>TAITRONICS</b> <span style="float: right;">October 21-23</span> ★ Taipei Int'l Electronics Show</p> <p><b>AIoT Taiwan</b> <span style="float: right;">October 21-23</span> ★ Taiwan Int'l AIoT Show</p> <p><b>DATE</b> <span style="float: right;">October 21-23</span> ★ Discover Advanced Trends in E-commerce</p> <p><b>TAIPEI AMPA</b> <span style="float: right;">October 21-24</span> ★ Taipei Int'l Auto Parts &amp; Accessories Show</p> <p><b>AutoTronics Taipei</b> <span style="float: right;">October 21-24</span> ★ Taipei Int'l Automobile Electronics Show</p> <p><b>MOTORCYCLE TAIWAN</b> <span style="float: right;">October 21-24</span> ★ Taiwan Int'l Motorcycle Industry Show</p> <p><b>KAOHSIUNG FOOD SHOW</b> <span style="float: right;">October 22-25</span> ■</p> <p><b>KAOHSIUNG HORECA</b> <span style="float: right;">October 22-25</span> ■ Kaohsiung Int'l Hotel, Restaurant, Baking and Catering Show</p> <p><b>KAOHSIUNG HALAL</b> <span style="float: right;">October 22-25</span> ■ Kaohsiung Int'l HALAL Expo</p> <p><b>Giftionery &amp; Culture Creative, Taipei</b> <span style="float: right;">November 5-8</span> ● Taipei Int'l Gift, Stationery and Culture Creative Show</p> <p><b>AMPA MYANMAR</b> <span style="float: right;">November 12-15</span> Myanmar Int'l Auto Parts, Accessories &amp; Motor Show Yangon Convention Center</p> <p><b>POWER EXPO MYANMAR</b> <span style="float: right;">November 12-15</span> Myanmar Int'l Electrical, Electronics &amp; Electric Power Equipment Fair Yangon Convention Center</p> <p><b>FOOD TAIPEI</b> <span style="float: right;">December 17-20</span> ★ Taipei Int'l Food Show</p> <p><b>FOODTECH TAIPEI</b> <span style="float: right;">December 17-20</span> ★ ★ Taipei Int'l Food Processing Machinery Show</p> <p><b>BIO/PHARMATECH TAIWAN</b> <span style="float: right;">December 17-20</span> ★ Taiwan Int'l Bio/Pharm. Machinery Show</p> <p><b>TAIPEI PACK</b> <span style="float: right;">December 17-20</span> ★ ★ Taipei Int'l Packaging Industry Show</p> <p><b>TAIWAN HORECA</b> <span style="float: right;">December 17-20</span> ★ Taiwan Int'l Hotel, Restaurant and Catering Show</p> <p><b>HALAL TAIWAN</b> <span style="float: right;">December 17-20</span> ★ Taiwan Int'l HALAL Expo</p>
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[www.TaiwanTradeShows.com.tw](http://www.TaiwanTradeShows.com.tw)

<p><b>Organizer:</b>  <b>Taiwan External Trade Development Council (TAITRA)</b>            5, Xinyi Rd., Sec. 5, Xinyi District, Taipei 11011, Taiwan            Tel: 886-2-2725-6200    www.taitra.org.tw            Fax: 886-2-2725-1314    E-mail: exhibi@taitra.org.tw</p>	<p><b>Venues:</b></p> <ul style="list-style-type: none"> <li>● <b>TWTC Hall 1</b> 5, Xinyi Rd., Sec. 5, Xinyi District, Taipei 11011, Taiwan</li> <li>★ <b>Nangang Exhibition Center, Hall 1</b> 1, Jingmao 2<sup>nd</sup> Rd., Nangang District, Taipei 11568, Taiwan</li> <li>★ <b>Nangang Exhibition Center, Hall 2</b> 2, Jingmao 2<sup>nd</sup> Rd., Nangang District, Taipei 11568, Taiwan</li> </ul>	<p><b>Official Carriers:</b></p> <ul style="list-style-type: none"> <li>● <b>Taipei International Convention Center</b> 1, Xinyi Rd., Sec. 5, Xinyi District, Taipei 11010, Taiwan</li> <li>■ <b>Taichung International Exhibition Center</b> No. 1, Sec. 3, Zhongshan Rd., West Dist., Taichung City 41408, Taiwan</li> <li>■ <b>Kaohsiung Exhibition Center</b> 39, Chenggong 2<sup>nd</sup> Road, Qianmen Dist., Kaohsiung 80601, Taiwan</li> </ul>
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\*Please Check Website for Updated Information.

→ **WTC Greater Philadelphia, USA**

**PHILLY DOCTOR AWARDED PATENTS  
FOR MEDICATION STUDY**

Dr. Steven Baranowitz, President of Epitek, and a member of the World Trade Center of Greater Philadelphia, was awarded two patents by the United States government on March 31, 2020 and earlier in August 20, 2019 for the study of broad-spectrum anti-viral medications, including COVID-19, Pandemic Influenza and Zika.

“These broad-spectrum antiviral drugs include some medications currently marketed as prescription drugs (such as MMF/MPA) for other diseases, as well as a pipeline of drugs, some of which have been in clinical trials for other conditions,” says Dr. Baranowitz.

Dr. Baranowitz is seeking partnerships with doctors, hospitals, private companies, or government agencies in emergency clinical trials for the treatment of coronavirus patients.

With the help of World Trade Center of Greater Philadelphia (WTCGP) trade specialist, Dale Foote, Dr. Baranowitz has been working with PA Authorized Trade Representatives, in Germany (covering Italy, Austria and Switzerland), South Korea, and India to locate health and hospital officials who will want to learn more.

→ **WTC Denver, USA ( Article )**

**GLOBALIZATION: CAUSE OR CURE OF THE PANDEMIC?**

“You aren’t in traffic, you are traffic,” said my friend Bill Fulton in a recent [blog](#). “This is a lighthearted way to remind us that we are not the center of the universe, surrounded by problems of other people’s making, but that we are very much a part of the problems that confound us.”

This adage holds true for our most significant challenges we face throughout the world: pandemics, climate change, poverty. I’ve heard many pass blame of the quickly spreading COVID 19 virus to certain countries and to globalization or trade, with our ever-increasing global travel, connectivity and integrated supply chains. We learned through this crisis and the subsequent lack of medical supplies that even a ventilator today has parts from over 10 countries, making our reliance on each other a life or death scenario. So, when one country decides to stop exporting their part to the finished ventilator product, it disrupts the entire world’s healthcare systems. Does this mean we should all re-shore our manufacturing and make all parts in our own countries?

While your gut reaction may be to say yes, we know it is neither practical nor affordable to do so. Therefore, you can argue, like the traffic adage above, globalization is not the cause of the pandemic, but it is the pandemic and the cure! After all, not one of us will likely discriminate against the location of a hopeful cure. Won't we all be clamoring for this innovative cure and readily share the knowledge it took to develop it? Isn't this the purest form of globalization that we can all support?

The uncertainty and disruption caused by this pandemic have already closed businesses of all sizes and forced others to scale back and focus on core business functions just to stay operational. However, I implore you this is not the time to abruptly abandon your global operations or suppliers. It may be natural to think that you should pull back and focus only on a domestic market during economic downturns and get back to your international markets when things move back to normal. I have seen too many companies retract global efforts during difficulties, only to fail to claim market share during an economic boom. Global business must be your long game, with a steady, tailored effort and sound strategies that complement the overall business plan. There will be no chance to claim your market share once again if you pull out of global markets today. The time our office gets most requests is when companies are desperate for sales and the domestic market doesn't deliver for them, so they try selling to new markets to weather the storm. Global market entry is an investment in patience, risk, timing, relationships and reward, but those rewards come to those who wait out the turbulence and continue to grow within and among your international customers.

Now is our chance, as the largest network of trade professionals around the world, to come to the aid of the businesses we serve. Together we can make a difference. Of course, our roles in the immediate term will be to help our affiliated businesses get access to much needed capital to try to retain their employees. But as soon as companies are fully operating again, they will be looking to us to support their efforts in buying or selling to grow their business. Through our connections, knowledge, expertise and resources, we now can appreciate the importance of trade services within our network. This crisis has presented a perfect storm and an opportunity for World Trade Centers worldwide to show up and make a difference. I am honored to serve in this capacity with you.

We are the pandemic. We are the cure. We will solve this challenge together, globally.

## → **WTC Atlanta, USA**

WTC Atlanta is organizing a World Trade Day Conference 2020 on “Cybersecurity and the Global Impact on Trade & Investment”. Well-known speakers from all over the world will be addressing in this Virtual Conference.

To register for this Conference the Prices are:

Before May 30th- the price is \$115,

After May 30th is - \$135 per WTC individual Member.

For further details & Registration:- <https://www.wtcatlanta.com/world-trade-day/>

At this Conference you will learn about:

1. Strategy Workshop: "Website Globalization Seminar with US Commercial Service"
2. Financing Your Global Expansion: Uncovering Alternative Sources of Funding That Help Your Bottom Line.
3. Geopolitical Forces Impacting International Market Opportunities.
4. How Cybersecurity affects your Business.

## → **WTC Joinville, Brazil**

### **WTC JOINVILLE LAUNCHES NEW BUSINESS PLATFORM**

The Business Desk is a business platform that generates national and international opportunities, made possible through the international network of the World Trade Center Association (WTCA).

"We are a global business network that seeks to open markets and offer new opportunities for our partners and associates. This is a fundamental part of our mission. The concept that guides our initiative is that of ‘business reciprocity’, that assists our associates to access new markets worldwide, as well as take their products and services to new commercial frontiers ", explains Milton Fabricio, executive director of WTC Curitiba and Joinville.

The WTC is a connecting platform for businesses around the world, which communicates to its members all the opportunities arising from its global network and the same goes for the opportunities created or offered by our associates here in Brazil.

For more information visit our website: <https://www.wtccuritiba.com.br/business-desk>

## **Global Market Scenarios for India**

WTC Navi Mumbai jointly with IMC Chamber of Commerce Navi Mumbai and Business leadership League (BLL) successfully organized a Webinar on May 7, 2020. “Global Market Scenarios for India “was theme of the program. The program attracted registration of over 200 participants from all over the world and nearly 150 of them actively participated throughout. This was the first time WTC Navi Mumbai took the online platform to conduct a program with great success.

Mr. R K Jain Chairman of IMC Navi Mumbai welcomed the participants and highlighted importance of the theme for MSMEs in the context of prevailing COVID 19 situation in the world. He mentioned about the government MSME policy package that would be beneficial to the industry and exports sector. He also highlighted the need for new strategies to deal with the emerging situations.

Mr. Jayant Ghate Advisor WTC Navi Mumbai, in his opening remarks, flagged the emerging issues and questions and sought answers from the Guest Speakers. He said that even a small but important business etiquette like a handshake would undergo change and changes in the lifestyle of people in future will impact the global markets for India. He also underlined importance of government policy changes, timeframe for return to normalcy and role of services sector.

Mr. Virendra Gupte of TATA International efficiently analyzed COVID situation in terms of VUCA (Volatility Uncertainty Complexity Ambiguity) principles of management and identified internal and external risks. He mentioned that the consumers/customers would spend more money on basic needs such as food, healthcare etc. and less on luxuries like cars, travel and entertainment. He expected more barriers (S&P measures for example) in exports and imports in future in many countries.

Mr. Arun Sehgal of Chempro Group expressed the need for structural changes in government foreign trade policies to be more conducive to business. Mass production, quality, competitive prices and delivery in time are the keys to export success. Cost of electricity, raw materials and finance must be controlled to focus more on exports. He asked the participants to leverage on regional trading blocs to improve exports from India.

Dr. R Gopal of D Y Patil School of Management highlighted the need of new norms, importance of online education, shift from knowledge to application and new

topics like data analytics that would contribute significantly to global markets in future. He expressed the view that the situation would require three years to recover to normalcy.

Mr. Jayant Khadilkar of Jay Polymers and Mr. Harshwadan Parikh of HardChem Group also shared their views and thoughts on the theme in their respective fields namely Chemicals and Electrical's. Both mentioned about the important roles to be played by the trade promotion organizations like WTC and IMC in future.

Participants posed a number of questions to the speakers and received satisfactory answers. Ms. Swetapadma Mohanty of BLL ably moderated the Webinar.



## **When Global Giants Relocate- Will India be The Destination?**

### **What Indians Must Do To Become The Next Global Manufacturing Hub?**

The process of de-globalization started a few years ago when Chinese manufacturing sites started facing closure on account of pollution. While the world welcomed cheaper imports from China, little did they realize that it was at the cost of environment. Chinese Government set-up a robust infrastructure for manufacturing and exports over the past several years to attract global giants to set-up their manufacturing operations in China. China became the global manufacturing hub for the leading giants. China's share of exports in total exports of all countries rose to impressive 13%, with USA being second at around 8% sharing this place with Germany, and India at 1.7% in the year 2019.

While problems relating to industry closures on account of pollution problems in China over the past few years pushed the global industry to think of alternate destinations for creating a more reliable supply chain, the current Corona pandemic has only accelerated this process. Investigations with most global giants who have relied on Chinese suppliers for a long time over the past decade reveals that most of them made huge efforts over the past five years to develop a second source in other countries for their demand and many of them succeeded. Few did not mind accepting a bit higher price for their requirements coming from other countries like India. They did manage to infuse reliability in their operations by creating a non-Chinese option as a second option for their supplies. India may have been a small beneficiary in terms of incremental exports, but Indians were still not price competitive against China. Main suppliers continued to be Chinese with Indians being a second source for a much smaller share. In terms of investments too, India did not gain much.

A very important question that we must ask therefore is, "Did India succeed in attracting the global giants to set-up a manufacturing site in India over the past few years when they were facing enormous difficulties in China to get their supplies on time due to pollution problems?" The answer is "No". It is a fact that FDI in India's manufacturing sector has been decreasing in the past few years and it was the lowest in the year 2018-19 at USD 7 billion; most of this was in the Telecommunications sector (USD 4.8 billion) followed by the services sector (USD 2.8 billion). Most FDI has been in sectors where the foreign players wanted to increase their global market share by selling to Indian consumers.

On account of the current Covid pandemic, once again there is a growing sentiment to move manufacturing out of China. Recently Japan, USA and S Korea have openly expressed their desire for this geo-economic shift. With variables like youngest pool of skilled and Englishspeaking manpower at its disposal, India should be able to attract FDI in the manufacturing sector now provided other variables are favorable. While the anti-China sentiment exists right now; it is not a guarantee that it will stay forever. The time window for this opportunity for India is limited. Indians will have to accelerate the reforms to create a highly appealing and conducive environment for attracting global investment in manufacturing. Foreign investors are looking for comparable costs of production. Indians; both government and industry, will have to ensure that we create a comparatively advantageous environment for producing competitively. Indian products will have to compete with China; both in terms of costs and quality. Countries like Vietnam have already done better recently in attracting FDI in manufacturing than India. Indians will have to speed up their confidence building efforts to attract foreign investors. In order to do this India needs to immediately correct the structural design faults that have traditionally been in the way of promoting FDI in India's manufacturing sector.

Let us take a closer look at the variables that drive away FDI in manufacturing. First and foremost is the cost of finance. When the world is moving towards low or negative interest rates today, India still has the highest rates. The gap is over 6% even today and has been higher in the past. Combined with this is 3-4% devaluation of our currency that further diminishes attractiveness of any project's profitability unless it is

designed to cater to the world market and earn foreign exchange. This has not happened so far. Even giants like Samsung have invested in India more for their Indian domestic sales while they have invested in Vietnam for catering to global markets. Their turnover in India was approximately one third of the turnover in Vietnam in 2019. Their turnover is higher in Vietnam because of exports. Why India is not considered favorable for setting up manufacturing for exports? It is time to pause and analyze.

When companies design operations for “Made in India but Made for the World”, instead of just “Make in India” then the export earnings from the project will augment their profitability making it more attractive to invest. Soft financing with interest moratoriums and longer payback must be considered as a policy by the government other than the current incentives to attract FDI in India. India must incentivize the global industry not just for “Make in India” campaign but the business environment should be made so conducive that foreign companies are also compelled to “Make it for the World”. This can be done only if the government and industry come together and overcome a few challenges first that create manufacturing competitiveness that generates ease of doing business, clarity on policies, competitive cost of manufacturing, quality and highly efficient logistics that compare with the best in the world.

Next major hurdle before India can become an attractive destination for global investment in manufacturing is the productivity of our labor force and our labor laws. Rigid laws on downsizing labour and cumbersome compliances currently force companies either to remain small, employ fewer workers or use capital-intensive methods of production. Industrial relations bill allowing companies to hire workers on fixed-term contracts of any duration is yet to be passed in parliament. The bill in its current form still does not permit companies to hire and fire at will but allows the government to relax conditions through a special executive order. This may not be enough in current times where investors may look for greater flexibility and ease of downsizing. Besides, India ranks 103 out of 141 countries on the competitiveness of its labour market, according to the World Economic Forum.

Even though government agrees that labour reforms are necessary to provide employment to the nearly 1 million job-seekers entering the market each month, the fears of a trade union backlash and partisan politics have been a deterrent to major labour reforms in the past. This process of reforms needs to be accelerated now. India has no option but to succeed in becoming a global manufacturing hub as otherwise the vast Indian manpower resource looking for employment will soon be a source of future social problems.

China has been working with robust strategy over the years. They have been able to deliver world class quality consistently. Chinese have created an ecosystem with very effective industry-academia collaborations that encourage innovations. The number of patents filed by Chinese have grown over the years giving power to the Chinese industry to develop their own technologies after assimilation of imported technologies. This is what the Japanese did after world war two and emerged as one of the global leaders in new technologies and products development. India needs to replicate this model.

India will have to bring in long pending reforms in its education system that promote innovative and application-oriented thinking amongst students. Indian education system is designed to test memorized knowledge and not its application. This needs to be changed immediately. Indian technical institutions need higher budgets, better facilities and competent educators for carrying out fundamental research. Salaries and perks for the educators need to be such that the best talent gets attracted by our leading universities. Industry-academia collaborations for R & D need to increase. Government needs to incentivize R & D in manufacturing and create an ecosystem that encourages research and development for developing new products at par or better than the rest of the world. Indians have proved to the world that they are good at technology assimilation, but they are yet to prove that they can be good at fundamental research for development of new products.

India needs to develop comparable infrastructure for manufacturing, storage and transport at par with China and this needs to be done quickly now. Environment clearances need to be accelerated too with single window for time bound clearances to encourage FDI in manufacturing. Sectoral experts need to be empowered in the government departments for giving speedy clearances after ensuring that all environmental concerns are addressed. Finally, just the way India is looking at FDI in manufacturing, every other country is looking for FDI too in order to create jobs. With tariff barriers increasing to promote indigenous manufacturing and job creation, Indian industry will have to accept challenge for setting up overseas manufacturing in different trade blocks to augment their revenue and profits in future. This is a definite future trend which will promote free movement of capital, technology and skilled manpower instead of free movement of goods. Indian government will have to incentivize overseas investments and Industry will have to accept this challenge too. Free movement of goods will happen only within the trade blocks and therefore country to country trade agreements will gain higher importance in future.

To conclude therefore, Indian government and industry have tough tasks on hand, but they will have to move in unison and act speedily to repair the structural faults as cited above. The world will not wait, and investments will go to the best destinations that create competitively priced high quality products for the global players along with all the other ease of business-related comfort levels for investments in any country. Indians will have to augment their effort levels and accelerate their reforms to enhance attractiveness for FDI in manufacturing else the young English-speaking skilled manpower which is their strength could soon become a troublesome social concern.

**(Article by:- Mr. Arun Sehgal, CMD, Chempro Group of Companies)**

## **WTC Navi Mumbai Important Membership Benefit**

- WTC Navi Mumbai is pleased to announce an additional membership advantage that will provide special facilities offered by Raheja Universal Group as part of its Raheja Care initiative.
- Besides providing the International Networking/ Access benefits to the WTC members, complimentary membership of Raheja Care will provide access to wide range of domestic advantages such as Lifestyle, Institutional Alliances as well as Special Alliances.
- Raheja Group has taken this important initiative leveraging its strength in core business and to provide these special benefits to its associates.
- New organisations/companies interested in WTC membership are requested to send the completed membership application form along with payment. The form is attached at the end of this bulletin.

### **Membership Advantages / Benefits:**

#### **Global Recognition**

- WTCA and WTC network is a Global Brand known for Best Quality Practices. Your Membership brings you Global Recognition to start with.
- 330 WTCs operating in 92 countries provide Reciprocal Membership Services such as: Office Space, Business Centre, Exhibition / Meeting Rooms, B2B Opportunities, Seminars / Workshops, WTC Club, Hotel Discounts etc.
- WTCA / WTC Card to the Member for Access to these Services.
- There are 750000 Business and other organisations and 15000 Experts associated with WTCs Network. You can count on this for any of your International Business Needs.

#### **National & Local Benefits**

- WTC Navi Mumbai offers significant benefits in terms of Access to the Global WTCs Network  
Knowledge Services include : Trade Information , Education , Trade Mission
- International Trade Library & Databases for Reference
- Participation in Seminars & Training Programs , Mentor Events
- B2B Meetings with Incoming Trade Delegations
- Referrals to Overseas Embassies / Consulates in India for Visa purpose
- Facilities : Temporary Offices & Meeting Rooms
- Value-added Market / Export Surveys, Industry Studies , Research (@ cost)

## MEMBERSHIP APPLICATION FORM

1. Name of the Company  
(In Block Letters) : \_\_\_\_\_
  
2. GST No : \_\_\_\_\_
  
3. Year Of Establishment : \_\_\_\_\_
  
4. Office Address : \_\_\_\_\_  
\_\_\_\_\_
  
- Telephone No/Fax No : \_\_\_\_\_
  
- Email : \_\_\_\_\_
  
- Company Website : \_\_\_\_\_
  
5. Representative Name : \_\_\_\_\_
  
- Mobile Number : \_\_\_\_\_
  
- E Mail : \_\_\_\_\_
  
6. Company Profile (Attach Brochure) & Business Interests ( Pls Specify): Export ,Import, Countries & Products, Investment, Technology etc  
\_\_\_\_\_  
\_\_\_\_\_
  
7. Annual Fees : **Rs. 2,950/- All Inclusive Payable by Cheque / DD in Favour of “Raheja Universal Pvt Ltd.”**

**Authorised Signature & Company Seal**