



Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes.

CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 117 years ago, it is India's premier business association, with a direct membership of over 7100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 250 national and regional sectoral associations.

CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and water, to name a few. The CII Theme for 2012-13, '**Reviving Economic Growth: Reforms and Governance,**' accords top priority to restoring the growth trajectory of the nation, while building Global Competitiveness, Inclusivity and Sustainability. Towards this, CII advocacy will focus on structural reforms, both at the Centre and in the States, and effective governance, while taking efforts and initiatives in Affirmative Action, Skill Development, and International Engagement to the next level.

With 63 offices including 10 Centres of Excellence in India, and 7 overseas offices in Australia, China, France, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 223 counterpart organisations in 90 countries, CII serves as a reference point for Indian industry and the international business community.

Intellectual Property Protection & Enforcement

Emerging knowledge economy and new global order makes it imminent and essential for nations and their institutions to be ready to undergo a major paradigm shift in the process of wealth generation, gaining strategic advantage, achieving global leadership in trade and commerce and influencing geo-politics by laying more and more emphasis on creation and protection of new knowledge, science, technology and art leading to innovations through legal systems of protection for betterment of the nations and human society. Developed countries have been driving the new paradigm for many years now and the developing countries have to follow suit but will have to accelerate the efforts in order to be at par with the developed countries. The journey is long and demands a great deal of effort in terms of formulating proper and adequate policies, law making, facilitating systems for academics, industries and research institutions, setting up of mechanisms for creation of knowledge, translation of knowledge into marketable products and evolving a suitable enforcement environment for meeting national goals and international obligations.

The Confederation of Indian Industry (CII) strongly believes IPR and technology have a very close inter-relationship. Historically, each has been a co-producer of other in one sense or the other. Management of intellectual property of the individuals, institutions, academics, industry and the nation is and would be the key to the success in the knowledge economy. The area of management of IPR in the country is at the early stages of development and there is a need for consolidated efforts by government, industry, civil society and research institutions to continually evaluate the Indian IPR system and develop new models to improve it and make it relevant and competitive. The growth of IPR jurisprudence is at very early stages of its development and is yet to make the desired impact on the social, cultural, economic and political fronts.

CII is clear that IPR help industries and companies in enhancing their economic position, competitive advantage, business, future growth and investment in research and development. Therefore, CII has taken many initiatives in promoting the IPR culture among the Indian industries.

CII is actively engaged in generating well researched inputs to evolve a national strategy on intellectual property (IP) which should encompass a very wide area cutting across all disciplines of knowledge and try to bring about a reasonably good balance between public policy and private and community rights ensuring the strengthening of our democracy. CII has undertaken a survey to collect inputs from 5000 members of CII. The initial responses suggest industry's interest in having a legal framework for protecting trade secrets and enhancing the filings by the Indian entities.

CII has been focussing in creating awareness about the need and importance of anti-counterfeit measures and conducting seminars and workshops for all stakeholders including industries, legal fraternity and customs and police officials in association with different agencies such as US Embassy in India. CII has recently taken a strong step towards creating an IP ecosystem in States and is proposing to engage with state governments to help them come out with comprehensive state-level IP strategy and in building a robust IP ecosystem in the state to protect the interest of IP owners operating from the states. Such a state level IP strategy will focus primarily on creating awareness, encouraging IP protection, providing quality IP education, training the stakeholders and strengthening IP enforcements to fight against infringements, counterfeiting and piracy in the state.

It can be seen that CII is committed to propagate and promote the role of IPR in leveraging competitive advantage by the Indian industries. It has always supported strong protection of IPR in India. In this connection CII has been working closely with the Government of India in different dimensions of IPR policies framing and their implementation.

Compulsory licensing, revocation etc..

India's position on compulsory licensing is not different, in principle, from what has been stipulated in the Paris Convention and TRIPS. How the principles of CL are applied would vary from country to country and many such examples are available globally. The first CL in India was issued last year and has been endorsed by the Appellate Board. It may be noted that the process of issuing CL is complex and many factors need to be evaluated before a decision is arrived at. CII is in tune with the legal provisions of the Patent Act. Everyone is looking towards the effective implementation of the recently issued CL. CII is confident that the desired objectives of issuing the CL will be met.

Position of CII National Committee on ICTE (Information Communication Technology and Electronics) Hardware Manufacturing on Preferential Market Access (PMA) in the ICTE Industry

In the preamble of the Government policy paper, the need for **National Policy on Electronics (NPE)** has been clearly brought out. It has been stated that “at the current rate of growth the domestic production can cater to a demand of US\$100billion in 2020 as against a demand of of US\$400 billion and the rest would have to be met by imports...Unless the situation is corrected it is likely that by 2020 the electronics imports (US \$ 300billion) may exceed oil imports”. This level of imports exceeds the present forex reserves of the country.

In this context it is important to attract investments and encourage domestic manufacturing to meet higher levels of demand through domestic production and to reduce India’s dependence on imports.

The NPE has vision to create a globally competitive Electronics System Design and Manufacturing (ESDM) industry to meet country’s needs and serve the international market.

CII National Committee on ICTE Hardware Manufacturing supports the NPE 2012.

The notification on preference to domestically manufactured electronic products, in procurement of those products which have security implications for the country and in Government procurement for its own use, is a means of encouraging domestic manufacturing with progressively higher value additions.

The policy clearly states that the provision would be consistent with Commitments to WTO (**sl no 1.3 of para IV on Strategies**).

The growth in domestic manufacturing would also create the much needed employment opportunities.

India and the United States: Partners in Prosperity

By Adi Godrej, President, Confederation of Indian Industry
(Published in Washington Diplomat, June 2012)

For 117 years, the Confederation of Indian Industry (CII) has played a critical role in India's economic and social development. In this process, the United States has been a key partner for CII and its member companies, especially since India's economy opened up in the early 1990s.

Recognizing the potential of the bilateral partnership, CII has made great efforts to promote bilateral trade and commercial linkages and encourage the expansion and growth of Indian investments in the U.S. economy. On both these fronts, we have come a long way.

As the US-India bilateral relationship has progressed to what President Obama referred to as 'one of the most defining partnerships of the 21st century', CII has been delighted to a part of this story of transformation.

Collaboration in Critical Sectors

To leverage US leadership in critical sectors, CII has established several joint flagship initiatives which have grown over time:

- During US President Barack Obama's visit to India in November 2010, CII established the **Food and Agriculture Centre of Excellence (CII-FACE)**, with technical support from USAID to work towards building efficiencies across the agricultural value chain from farm to fork and improve food security.
- With technical support of the US Green Building Council (USGBC) and LEED India Committee, CII's Indian Green Building Council has launched LEED – India to meet the Indian priorities and environmental conditions. The initiative was launched during US President Bill Clinton's visit to India in 2000 and heralded the **green building movement in India**. As on date, 1020 green buildings with the built-up area of 632 million sq. ft. are being constructed in India, of which 138 green buildings have been certified.
- To encourage growth in investments and jobs in newly emerging markets, CII in collaboration with the US Department of Commerce launched the Growth in Emerging Metropolitan Centers (GEMS) in 2010.

Attracting FDI from India into the United States

In addition to various initiatives in India, CII has consistently sought to encourage Indian business engagement with the U.S. Through the CII India Business Forum USA (IBF), we provide a platform to Indian companies with operations and investments in the U.S. to come together and discuss areas of concern, and opportunities for growth in the US market. For two years now, the 34 members of the IBF have, through an annual reception on Capitol Hill, engaged with U.S. Senators and Representatives in Washington DC. This effort has helped highlighted attention on the impact Indian businesses are having on the local US economy and society through investments and job creation, and more importantly, through integration with the communities in which they operate.

"CII firmly believes that ushering in the second generation of reforms is necessary to revitalize the Indian economy and to help India remain a favorable investment destination for foreign companies."

--Adi Godrej,

President, Confederation of Indian Industry

This year, CII-IBF released a survey report *'Indian Roots, American Soil: Adding Value to the US Economy and Society'* which revealed that:

- Indian companies have a presence across 40 US states and the District of Columbia, with 70% having increased the number of employees since 2005, despite the U.S. economic downturn.
- More than 34% of companies have manufacturing facilities in the U.S., investing more than \$820 million in those facilities.
- In 2012 alone, companies will invest \$190 million in R&D activity in the US
- Nearly 65% of companies surveyed engage in Corporate Social Responsibility initiatives, including programs that support 27 universities, community colleges and high schools in developing curriculum, establishing training programs and encouraging Science-Technology-Engineering-Mathematics (STEM) education.

The contributions of Indian companies to the US economy are thus incredibly broad based, and are adding value across the spectrum.

In a competitive global economy, where businesses have the freedom to choose where their investment dollars will go, CII has made significant efforts to project the United States as a premier destination. In 2011, CII partnered with Select USA (the Obama administration's initiative to attract and retain foreign investment in the U.S.) to

Looking Ahead....

Trade and Investment:

Lowering barriers to trade in Goods and Services
Enhancing two way-flows of Foreign Direct Investment
Concluding a U.S.-India Bilateral Investment Treaty as a first step to a potential Free Trade Agreement

Connecting Clusters:

Helping propagate ideas and best practices by connecting regional, industrial clusters

Mobility of Labor

Facilitating freer movement of skilled professionals in an increasingly globalized economy

Small Business:

Establishing an official platform for U.S. and Indian Small and Medium-scale Enterprises to engage

Education, Innovation, Entrepreneurship:

Encouraging education and skills-based partnerships to foster innovation in R&D and encourage entrepreneurship

bring out a report, *'US Business Climate: Local Economy, State Incentives and Growth Prospects'* which compiled investment attraction and incentives data from all 50 US states and four territories. The effort, I am sure, serves as a handy guidebook not only for Indian companies, but companies across the world.

Partnering for Economic Growth

CII firmly believes that ushering in the second generation of reforms is necessary to

revitalize the Indian economy and to help India remain a favorable investment destination for foreign companies. CII has been working with the Government of India to make the case for reforms and closer cooperation with business. CII through its partners in the United States will sustain efforts to push for greater and more collaborative business and commercial linkages, and a stable and secure business

climate in both countries, conducive to the growth of industry.

The promise of partnership between the world's oldest and largest democracies is indeed potent, and there is tremendous room for collaboration and cooperation on virtually every front. CII will, with the help of its partners, and through active collaboration with the governments of both countries, keep pushing to bring this promise to fruition.

Deepening US-India Ties

(Op-Ed published on November 12, 2012 in The Economic Times)

By Chandrajit Banerjee

Director General, Confederation of Indian Industry

Democracy is the core value at the heart of the India-US bilateral partnership—a partnership built on mutual and growing trust, and shared values, which has only become stronger under Mr. Obama’s leadership.

In the last four years, the engagement between our two countries has deepened in substantive ways. This enduring friendship is perhaps best exemplified by a thriving people-to-people relationship, while the shared entrepreneurial spirit helps drive the business partnership.

In 2009, President Obama welcomed PM Manmohan Singh as the first State visitor in his (first) Presidency, which was followed by his own visit to India in 2010. Through these exchanges, Obama has re-affirmed faith in India as a strategic partner, whether through the support for India’s seat at the UN Security Council, the relaxation of export controls and removal of several Indian organizations from the ‘Entities list’, or through the establishment of the US-India Strategic Dialogue—initiatives that have helped further the common aspiration for peace and prosperity.

Bilateral engagement in a range of sectors like higher education, homeland security, cyber security, green energy and climate change, women’s empowerment, science and technology, healthcare and innovation have further helped expand the agenda for cooperation. Business-to-business ties remain strong, with bilateral trade set to cross the \$100 billion mark in 2012.

Much progress has been made, but much also remains to be done. The bilateral business and trade agenda can specifically focus on some key areas.

One, the US-India Agriculture Dialogue needs to be revived through private sector participation and a technology-driven agenda. Government of India has announced 100% FDI in multi-brand retail, which would enable U.S. corporations to cater to Indian consumers and strengthen India’s agricultural supply chain. Both countries can collaborate on food security, particularly through US know-how and investments in cold chain technologies, and on weather forecasting, information dissemination, and water management.

Two, India has provided defense contracts worth over \$9 billion to US companies in the past few years. Facilitative procurement processes and closer cooperation in offsets can enhance partnership between small and medium enterprises. Both sides can engage in joint development and production, R&D collaborations and technology sharing for a defense partnership.

Three, creation of the US-India Infrastructure Debt Fund has been a notable development recently. India’s infrastructure sector presents a \$1 trillion opportunity for US companies in roads, highways, power plants, telecom lines, sea ports, airports etc.

Four, conversation on clean technologies and renewable energy development is picking up pace on both sides, especially with regard to exploration of new sources such as shale gas, and financing options, in the recent US-India Energy Dialogue. Joint manufacturing and R&D in the area of green energy and renewables could be an important agenda item for the next four years.

Finally, the two sides need to reach out to SMEs, states and Tier-II cities by connecting sector-based clusters, and by encouraging SME networks.

To provide additional boost to two-way trade and investment, CII hopes that both governments will encourage early completion of the Bilateral Investment Treaty as a prelude to a Free Trade Agreement. Renewed negotiations towards timely conclusion of a bilateral Social Security Agreement should take place, as well as engagement on the mobility of high skill labor, a critical component of corporations' value chains.

India counts among the top 10 fastest growing sources of Foreign Direct Investment into the United States. Indian companies across the US are operating in a range of sectors such as pharmaceuticals, healthcare, financial services, manufacturing, telecommunications, iron and steel, information technology and media and entertainment. These companies are not only investing and creating revenue in the US, but critically, are saving, creating and growing jobs. India's IT industry alone employs some 35,000 US workers and R&D activity is on the upswing. Indian companies have brought in \$30 billion in investments into the US economy in the last five years and paid \$15 billion of taxes, as also contributed \$3 billion to social security. Also, Indian students, the largest from any country in the US after China at 1,65,000 in 2009-1010, add to domestic university strength and contribute to local economies as well.

Indian industry looks to President Obama's continued leadership in ensuring a business climate in the US that is not protectionist, while providing a level playing field to all companies.

The US-India bilateral relationship has progressed to what President Obama referred to as 'one of the most defining partnerships of the 21st century'. Indian industry congratulates President Obama and wishes him all the very best for the next four years.

A Growing Stake

Indian IT Companies Ramp up Hiring in the United States
(Op-Ed published on September 06, 2012 in The Economic Times)

By Chandrajit Banerjee
Director General, Confederation of Indian Industry

Indian based IT companies have been investing in the US for almost 30 years. And the quality of the investment – in facilities, research, and employment has only deepened over time. These companies are in the U.S. for the long haul. And they will continue to invest—not only in terms of employment and facilities, but also in the people and the communities in which they operate. While the global economy has slowed down, these companies continue to hire. The Indian IT industry spearheaded the two-way street of U.S.-India collaboration and it intends to keep leading it.

Indian IT giant, Tata Consultancy Services (TCS) is planning to hire 2,000 U.S. employees in the 2012 fiscal year (April 2012-March 2013). Infosys Ltd., another major IT company, has also said that it plans to hire 2,000 employees in the U.S in 2012. The company will be establishing a new delivery center in Milwaukee, Wisconsin (its 17th location in the US) which will cater to its clients in the Mid-West.

MindTree Ltd. aims to recruit more local talent to staff the four software-development centers that it plans to set up in the U.S. over the next five years. MindTree has already established a center in Florida while several others are in the pipeline. Larsen and Toubro hired over 370 professionals locally in the U.S. in 2011 and in 2012 is planning to hire 40% more than last year's number. Additionally it is planning on opening a new center in Florida this year.

Similarly, HCL Technologies hired 2,600 professionals in the U.S. during its last fiscal year (ended June 30, 2012), and plans to increase U.S. hiring by 30% over the coming year, in a larger initiative under which the company expects to hire 10,000 new employees in the U.S. and Europe by 2015. Another major IT services company, Wipro Technologies, has also declared its commitment to creating and increasing jobs in the US with robust hiring plans.

Increasingly, Indian IT companies and U.S. companies are collaborating and innovating to create products and services that are globally competitive by leveraging talent in each country, in the most efficient manner. The imperative of the need to be closer to the client base and managing projects and contracts in a timely manner are major reasons why Indian companies have recruited locally and continue to do so. In a tough economic climate, Indian IT companies in the U.S. are continuing to provide value to the U.S. economy, not only in terms of jobs created, but also in terms of community engagement and philanthropic activities.

Indian companies are also not sparing any effort in training and re-training workers in the continuously evolving technology field. Companies are working with local colleges and universities in the U.S. to hire students, and many are also taking the lead in encouraging interest in STEM fields (Science, Technology, Engineering and Mathematics) amongst high school students. For example, TCS has been running the goIT program, which, since its inception, has reached over 2,000 students across numerous school districts in Ohio and Michigan through in-school workshops and summer robotics camps. Companies like HCL and Wipro are also providing specialized training and recruitment programs for US Army Veterans.

India counts among the top 10 fastest growing sources of foreign direct investment into the United States and Indian companies are operating in a cross section of sectors such as pharmaceuticals, healthcare, financial services, manufacturing, telecommunications, iron and steel, and media and

entertainment. The Indian IT industry in the U.S. has in particular significantly scaled its operations in the country and has forged long standing partnerships with US companies. Through cutting edge innovation, research and development, these companies have significantly helped enhance the competitiveness of U.S. companies in the global marketplace. Indeed, Indian IT industry has in some ways, led the way for additional Indian investment in the U.S.

India is proud of its corporate sector, which has helped drive innovation and growth not only in our country, but across the world. Our only hope is that during the U.S. Presidential election season, these companies will not be targeted unfairly.

CII realizes that the global economic scenario continues to be weak, and that economic recovery in the U.S. is also not progressing as fast as we would all like. At the same time, it must be remembered that Indian companies have a critical stake in the vitality of the U.S. economy. The global economy and its increasing interconnectedness mandates that our economic futures are intertwined in a way that was unimaginable just a few years ago.

In other words, we are all in this together. CII hopes that policymakers in the U.S. will take into account the positive story of the U.S.-India trade and commercial relationship, especially in the context of the IT industry and will help foster a business climate and labor environment that is conducive to the growth of business on both sides.

We owe this much to both of our peoples and economies.