



Report on IACC Annual Convention 2018

21st September 2018, Hotel The Leela Sahar, Andheri East, Mumbai

Inaugural Session



(From L to R): Mr. Suresh Kotak, Chairman, IACC Textile Forum; **Dr. Lalit Kanodia**, Immediate Past President, IACC; **Mr. Tanil Khilachand**, MD, Polychem Ltd; **Dr. Lalit Bhasin**, Executive Vice President, IACC; **Mr. Vasant Subramanyan**, National President, IACC; **Mr. Suresh Prabhu**, Hon'ble Minister, Industries & Civil Aviation, Govt. of India; **Mr. Nanik Rupani**, Past Regional President, WIC, IACC; **Ms. Rajyalakshmi Rao**, Executive Vice President, IACC; **Ms. Madhulika Gupta**, Regional President, IACC; **Mr. Vivek Nair**, Chairman, The Leela Group

Stressing the critical importance of United States as strategic trade partner for India, the Union Commerce and Industries Minister, Shri Suresh Prabhu today said a vital India-US strategic commercial dialogue will be held in New Delhi in December, 2018.

“The commerce secretary and high level delegation from US will come to have detailed discussion with their Indian counterparts to strengthen the commerce tie-up and chart out future agenda for both the nations”, Shri Prabhu said here in his inaugural speech at the Indo-American Chamber of Commerce. The Annual convention theme for IACC this year is “Indo-US Economic Relations” Building a Durable Partnership”.

“We have identified key industries and sectors, where we can work in tandem with US and utilize their high-end technology”, the minister said.

The minister said that the government will unveil the new industrial policy soon. A key thrust in the proposed policy, which will replace the Industrial Policy of 1991, is to reduce regulatory hurdles and encourage adoption of technologies of the future such as artificial intelligence and robotics.

India will become \$5 trillion economy in the next 7-8 years and \$ 10 trillion by 2035, Shri Prabhu said.

Stating that relationship with US is extremely critical for India, the minister said “India’s response was measured and it did not levy any retaliatory duties in response to US sanctions on steel and aluminum importing countries. Instead we had positive discussions with our US counterparts”.

Stressing the need for best trading relationship with US, **Shri Prabhu** said “organization like Indo-American Chamber of Commerce can play a vital role in boosting the trade and commerce ties between both the countries”.

Speaking on the occasion, **Mr. Kenneth I. Juster**, US Ambassador to India, said ““India can seize the strategic opportunity—through trade and investment—to become an alternative hub for U.S. business in the Indo-Pacific region.” He stressed that “further opening India’s market to U.S. trade and investment will spur our collaboration on many emerging technologies that will drive and protect our economies, including those related to advanced manufacturing, cyber security, and artificial intelligence.”

Earlier, **Shri P.P. Chaudhary**, Union Minister of State (Law & Justice and Corporate Affairs), Govt. of India said cooperation in the field of Science and technology between the scientific communities of the two countries is a pillar of vibrant India-US relationship. “American cooperation in this field will catalyze India’s start-up ecosystem. This area is also the key driver for innovation and job creation in both the countries and hence, it needs to take a centre stage”, he said.

The minister further said “Collaboration in information technology, nano- and gene-editing technology will have positive impact on education sector”, adding that “Besides, knowledge generated through mutual cooperation needs to be capitalized to fuel innovation and to create entrepreneurial class.”

Shri Chaudhary said both India and US are fully committed to clean energy. “We are also looking forward to full implementation of the civil nuclear energy partnership and collaboration between Nuclear Power Cooperation of India Limited and Westinghouse Electric Company for the establishment of six nuclear power plants in India. Once operational, these power plants will go a long way in solving our energy woes and will also help in the conservation of environment”, he added.

In his address at the inaugural session, Mr. Vasant Subramanyan, National President, IACC, said “the theme *Indo-US Cooperation: Building a Durable Platform*, has been selected with wider consultation among stakeholders to make it reflect the present trajectory that the bilateral relationship is passing through”.

Those present on the dais included **Mr. Edgard D. Kagan**, Consul General, US Consulate, Mumbai, **Dr. Lalit Bhasin**, Executive Vice-President, IACC, **Mr. Nanik Rupani**, IACC Convention Co-Chair, **Ms. Rajyalakshmi Rao**, Executive Vice President, IACC and **Ms. Madhulika Gupta**, Regional President, WIC, IACC.



(From Left to Right): Dr. Shankaran P Raghunathan, EC Member, SIC, IACC; **Ms. Madhulika Gupta**, Regional President, WIC, IACC; **Mr. Nanik Rupani**, IACC Convention Co-Chair; **Mr. Vasant Subramanyan**, National President, IACC; **Mr. P P Chaudhary**, Union Minister of State (Law & Justice and Corporate Affairs), Govt. of India; His Excellency **Mr. Kenneth I Juster**, US Ambassador to India; **Dr. Lalit Kanodia**, Past National President, IACC; **Dr. Lalit Bhasin**, Executive Vice President, IACC; **Ms. Rajyalakshmi Rao**, Executive Vice President, IACC

Panel Discussion I: Infrastructure: What India needs to spend over the next decade and how it will be funded



From L to R: Dr. Lalit Bhasin, Executive Vice-President; **Mr. Anand Madhavan**, Director – Infra & Public Finance, CRISIL Infrastructure Advisory; **Mr. Vasant Subramanyan**, National President, IACC; **Mr. N N Kumar**, Former Chairman, JNPT; **Ms. Rajyalakshmi Rao**, Executive Vice President; **Mr. Sushant Naik**, National Head, Government Affairs, Tata Motors Limited; **Mr. Ajay Saxena**, Public Private Partnership (PPP) Expert, Govt. of Maharashtra; **Mr. Gulam Zia**, Executive Director – Advisory, Retail & Hospitality, Knight Frank

❖ **Mr Ajay Saxena**, PPP Expert, Maharashtra

- There is enough fund available with the Government to start any good project
- Following due diligence is imperative in achieving successful infrastructure projects
- The bidding structure and concession agreement should be in sync in consultation with all stakeholders
- State Government Corporation like MIDC are having enough fund to meet in house infrastructure projects

- ❖ **Mr. N N Kumar**, Former Chairman, JNPT
 - India will always be a lucrative country for infrastructure funding, building seamless infrastructure development is a way towards creating robust economy
 - Bank funding infra option is not a viable option
 - Govt. budget focuses on social infrastructure and defense infrastructure
 - Domestic & International body left out option, challenge tariff cost structure should suite public
 - Regulatory issues and concession agreement plays crucial role in building sustainable infrastructure
 - Reasons for high logistic cost is mainly due to lack of quality infrastructure, the soft infrastructure skill set, regulatory measures

- ❖ **Mr Anand Madhavan**, Director – Infra & Public Finance, CRISIL Infrastructure Advisory
 - India's infrastructure sector is and will always be one of the lucrative sector for investment
 - If we look back and take stock of the developments, it's impressive. We have world class airports in the last 10 years of time
 - Crisil puts a figure 450 trillion in 5 years in infrastructure funding
 - Govt. funding is crucial as far as large investment is concerned
 - No doubt investment in infrastructure is an issue. The State government is quite crucial and along with private sector participation
 - Spending in infra has been USD \$ 500 billion in last five years from 2013-2017, 37 lakh cr is the official quote by Niti Ayog
 - As of now we invest 5.5 % from our GDP for infrastructure we need to spend around 6-7 % of GDP
 - Going forward, Institutional framework and policy is crucial

- ❖ **Mr Ghulam Zia**, Executive Director – Advisory, Retail & Hospitality, Knight Frank
 - Pointed out by saying, public infrastructure is more than anything is a service and not a product
 - Infra is an attractive sector & investors are looking forward
 - Regulatory issues needs to be vibrant and dynamic with the changing times of business
 - Infrastructure requires long term funds
 - The problem is short term funds, sovereign funds easily available
 - Foreign investors are interested to fund. Government spending is the key.

The Infrastructure Session was moderated by **Mr. Sushant Naik**, National Head, Government Affairs, Tata Motors Limited

Panel Discussion II: Can India & USA collaborate in Agriculture?



(From Left to Right): Mr. Mukul Varshney, Director, Corporate Affairs, John Deere Ltd; Mr. Anil Jain, Vice Chairman & Managing Director, Jain Irrigation Systems Ltd; Mr. Vasant Subramanyan, National President, IACC; Mr. Suresh Kotak, Chairman, IACC Textile Forum; Mr. Rahul Pandey, Head Strategic Marketing (India Region), United Phosphorous Ltd; Mr. Dharmakirti Joshi, Chief Economist, CRISIL Ltd; Mr. Sachid Madan, Director, Technico Agri Sciences Ltd., (ITC Group Company and part of Agri Business Division)

- ❖ **Mr Anil Jain, Vice Chairman & Managing Director, Jain Irrigation Systems Ltd**
 - Precision exercised is the way forward in maximizing agricultural produce
 - Minimum support price for the time being provides a kind of solace to farmers. Physical investment should be government focus
 - There is a need of providing infrastructure assistance to farmers, soft in terms of knowledge and hard in terms of physical infrastructure
 - He mentioned that use of solar panels can reduce the cost associated with increase in agricultural productivity
 - Drip irrigation model adopted from US and implemented in India is one of the successful model
 - Technology and knowledge sharing are the most important tool in achieving better yield & sustainability in agriculture

- Agricultural productivity is low because of inadequate water availability and energy back up plays an imp role
- There should be use of clean energy in improving agricultural produce

❖ **Mr Sachid Madan**, Director, Technico Agri Sciences Ltd., (ITC Group Company and part of Agri Business Division)

- Focus should be more on doubling farmer's income by encouraging him to undertake growing of horticultural products
- Processing with export focus should be the strategy
- Doubling of farmers can be done primarily through value addition and by changing his crop pattern
- Increase in exports can be mainly done through a. making agricultural policies conducive and b. create high value item

❖ **Mr Rahul Pandey**, Head Strategic Marketing (India Region), United Phosphorous Ltd

- Pesticide consumption in India is lowest in the World
- Use of good pesticide can really increase agricultural produce and can double farmer's income
- Monitoring pest population is an important means of educating farmers
- Judicious use of pesticide is important leading to healthy yield of crops

❖ **Mr Mukul Varshney**, Director, Corporate Affairs, John Deere Ltd

- Precision exercised in maximizing agriculture produce is a way forward in building sustainable bilateral trade relations between the two countries.
- Agricultural technology is not cost effective. But in India farmers can use this technology by hiring them
- Industrializing the agriculture, mechanization entire value chain is the key to increase in farmer income

The Agriculture Session was moderated by **Mr. Dharmakirti Joshi**, Chief Economist, CRISIL Ltd

Panel Discussion III: How to meet India's Defense Needs?



(From Left to Right): Commodore Mukesh Bhargava (Retd.), Head & Vice President, (Special Projects Underwater Platforms), Larsen & Toubro Defense; Dr. Lalit Bhasin, Executive Vice President, IACC; Lt. Gen. **(Dr.) Prakash Menon**, Director, Strategic Studies Programme, Takshashila Institution; **Mr. Vasant Subramanian**, National President, IACC; **Mr. Manu Pubby**, Senior Editor, Economic Times; **Mr. V S Noronha**, Vice President & Head (Defense Business), Tata Motors Ltd; **Mr. Ashish Rajvanshi**, Head, Defense & Aerospace, Adani Group; **Mr. N Ramachandran**, Managing Director, Mel Systems and Services Ltd

❖ **Commodore Mukesh Bhargava (Retd.),** Head & Vice President, (Special Projects Underwater Platforms), Larsen & Toubro Defense

- Stringent regulations in participation
- Technology transfer under specific requirement of RFP but IP is creating a problem
- Various licenses and legal technicality is the biggest hurdle in seeking collaboration
- Co-production and Co development can result in strong B2B collaboration
- Value in terms labor arbitrage, technology arbitrage and defense manufacturing arbitrage, this will lead to offset moving fast

- Most of the interactions are happening through G to G route or FMS route. Reluctant in part of US industries to follow the DPP requirement of NCNC (no cost no commitment) trial
- Successful Offset implementation is done in N Korea, S Korea. Indian offset implementation requires
- Global avg. of offset policy is 70 % but in India it's below 30 %
- Threat perception in defense is what currently needs to be looked at. Defense budget needs smart investment.

❖ **Mr. N Ramachandran**, Managing Director, Mel Systems and Services Ltd.

- Seeking collaboration has been really difficult but hopefully attitude is changing
- Huge scope for MSMEs can deal with defense business
- Maintenance markets is big so lot of scope for small businesses to excel

❖ **Lt. Gen. (Dr.) Prakash Menon**, Director, Strategic Studies Programme, Takshashila Institution

- Defense cooperation is one of the fundamental pillar of strategic cooperation between the two countries
- India interest lies in indigenous, problem as dependency on US technology
- G2G is a short term solution, we should focus seeking long term solution
- Technology development is the core in building success defense partnership

❖ **Mr. Ashish Rajvanshi**, Head, Defense & Aerospace, Adani Group

- India US defense exports has increased
- Capability is increased, well trained manpower
- We have exported defense vehicle, definitely there is good times ahead in terms of export

❖ **Mr V S Noronha**, Vice President & Head (Defense Business), Tata Motors Ltd

- Tata motors India has tied up with General Dynamics, US various issues can be addressed trust mistrust, technology transfer. This can be an ideal case infantry combat vehicle on the way forward
- Gradually export units in India will create technology transfer. Certainly there is good times ahead for military exports in India

The Defense Session was moderated by **Mr. Manu Pubby**, Senior Editor, Economic Times
