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ON TRADE®

THE INTERNATIONAL TRADE RESEARCH JOURNAL OF MVIRDC WTC MUMBAI

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▼ WTC MUMBAI WEBINAR

**Leveraging on MSME strength to become
Global Manufacturing Hub**



MSMEs must develop collaborative approach to succeed in post-COVID era

▼ Cover Story



Safeguarding Supply Chain in Electronic Sector through Diversification





Bharat Ratna Sir M. Visvesvaraya
(15 September, 1860 - 14 April, 1962)

FIFTY YEARS AND COUNTING

M. Visvesvaraya Industrial Research and Development Centre (MVIRDC) is a non-profit company registered and licensed under Section 25 of the Companies Act, 1956 (currently Section 8 of the Companies Act, 2013). On 26 June, 2020 MVIRDC completed 50 years of continuous service to the promotion of trade and industry.

MVIRDC became a member of the World Trade Centers Association, New York, in 1971 and established the World Trade Center Mumbai, which is the first World Trade Center in India. MVIRDC, having spearheaded the movement of World Trade Centers in India with the establishment of WTCs at Bhubaneswar, Goa and Jaipur, is assisting MSMEs in these regions through various Trade Research, Trade Promotion, Trade Infrastructure including Commercial Offices, Business Center, Trade Facilitation Services and Trade Education Programmes.



Towards the path of inclusive growth and self reliance.....



As we continue to pass through unprecedented times with an arduous task to survival of individuals and businesses, we are slowly settling with the new emerging normal of maintaining physical distancing and finding ways to bring the economy to normalcy. In this testing time, India demonstrated its ability to rise up to the challenges and uncover opportunities therein. The exemplary role played by India in the global fight against COVID-19 has been recognized and appreciated globally. The Union Minister of Health & Family Welfare Dr. Harsh Vardhan's election as Chair of the Executive Board of World Health Organization for the year 2020-21 bears testimony to this. The clarion call given by the Hon'ble PM to use these demanding times to become **Atmanirbhar** (self reliant) has been very well received to enable the revival of the Indian economy.

The focus of **Atmanirbhar Bharat** on Economy, Infrastructure, System, Vibrant Demography and Demand will certainly help to address businesses including MSMEs; poor including migrants; speed up agriculture transformation and will accelerate necessary government reforms to promote new horizons of growth.

The call for *Atmanirbhar or self reliance* is not new to our nation. The Great Son of India, an engineer par excellence, visionary and Bharat Ratna Sir M. Visvesvaraya was the first to not only promote but dedicated his entire life to make India self reliant. One can find the seeds of *atmanirbharata* in Sir MV's nation building contributions in industrializing India. It was the vision of Bharat Ratna Sir M. Visvesvaraya to build an international trade center in the city of Mumbai. Named after him, M. Visvesvaraya Industrial Research & Development Centre (MVIRDC) is the promoter of World Trade Center Mumbai. It is indeed a matter of great pride to share that on June 26, 2020 MVIRDC completed 50 years of continuous service towards the promotion of trade and industry by providing wide-ranging and innovative services and facilities to the trading community.

In the last five decades, MVIRDC has brought out series of research publications, hosted thousands of trade delegations and exhibitions and have been witnessing India's growth story from the dependent economy in 80's to become the fifth-largest economy in 2019. Today, MVIRDC World Trade Center Mumbai is committed to support, promote and guide MSMEs the backbone of our economy, in their aspiration to become major contributor to the global supply chains.

As we prepare ourselves with renewed vigour to embark on our journey beyond 50 years to yet many more milestones, we look forward to the support of our members, stakeholders including governments, trade and industry and partners to guide us towards the path to promote inclusive growth and development.

Kamal Morarka

Diversification and re-alignment are the way forward



International trade is changing rapidly. This pandemic has disrupted global supply chains. The travel limitations, social distancing, protectionist trade policies and export and import restrictions with transportation delays are influencing the trading system. World over, countries are increasingly exploring the possibilities of diversifying and re-aligning their dependence on a single source.

In such a situation, we will increasingly observe that the governments will encourage domestic production for critical goods in the short and long terms. Supply chain risk management will force companies to broaden their supplier base and reduce their reliance on Chinese supplies. Digitisation and thrust on technology will see rapid progress. Increasingly companies and MSMEs especially will focus on technology upgradation. Similarly, the cross border co-operation will drive the regional and international trade growth.

In this issue of On Trade, the cover story delves into our growing dependence on China in the fastest growing electronics and telecom sector. China accounts for nearly 45 per cent of India's total electronics imports. This over reliance with ballooning trade deficit with China will hurt our economy and industry in the long run. It also suggests exploring alternate import markets such as Singapore, Vietnam, Germany, US, Netherlands, South Korea, Taiwan and several ASEAN countries in addition to building up domestic capacities towards self reliance.

During this period of lock down, World Trade Center Mumbai reached to many WTCs for joint webinars and in the month of June, we initiated a joint webinar series with World Trade Center Binh Dong New City in Vietnam to support MSMEs to become part of global supply chains. The focus sectors are supply chain management, capacity building, policy initiatives, re-skilling, access to finance and digital transformation. WTC Mumbai plans to organize several joint webinars with WTCs in the US, Latin America, Europe and South – East Asia. We hope that such webinars will immensely benefit our members in helping them to expand their business globally.

We are also pleased to share the economic profile of Jaipur and its thrust to grow beyond art and craft to promote industrial development. Similarly, the readers will benefit from the interview of Ms. Suniti Gupta in assessing the potential of agri-tech sector to bring much needed competitiveness in the agriculture sector.

With this issue, we are pleased to introduce a new section – Art and Culture. We begin this section with the famous Jagannath Rath Yatra and Jaipur's Blue Pottery. We have also decided to showcase a MSME company in the Focus section.

We are confident that the readers will continue to get useful insights from these articles and we look forward to your extended support.

Y. R. Warerkar
Director General

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Interview: Ms. Suniti Gupta, Managing Director, Lateral Praxis

Go the extra mile to make sure that your product is excellent

Technology is transforming the agriculture sector. The new age companies like Lateral Praxis are re-engineering the way food is produced and distributed. Ms. Suniti Gupta shares challenges and opportunities for agri-tech sector.

We are intrigued by the platforms developed by you, please describe in brief the profile of Lateral Praxis.

Lateral Praxis, now a part of Pioneering Ventures (PV) is a nutrition and tech platform company based in India and Switzerland. PV aims to re-engineer the way food is produced and supplied while empowering and connecting all partners in the ecosystem by leading a knowledge and data-driven transformation from farm to fork. Our products include fresh fruits, vegetables, milk and allied products, while the tech platform provides solutions for the entire value chain.

What motivated you to start this business?

I have always been excited to work on challenging projects, the ones that find no takers due to the complexities and hurdles. I thrive on challenges like these. That's why reaching the last mile in agriculture through technology became my passion project. For the past decade, we could work around a multitude of difficulties and create a successful service portfolio with the support of our clients in government and private sector.

What is the impact of COVID-19 on your business.

Some of our customers faced challenges due to COVID-19, which

“ Our ability to visit customers may have been curtailed, but we have mitigated that through close virtual coordination. We want our customers to remember our service even when these challenging times are behind us.”

in turn impacted our business to some extent; however our agri product lines have continued to work well. Our team has WFH without any disruptions and we have been able to service customers promptly. We have also utilized this time to upgrade skills of some members of our software development team.

What are the steps that you have taken to meet customer demands and realign your business processes.

We have been lucky in this aspect as most of our work is done remotely, hence we could continue without any interruptions even during lockdown. Our ability to visit customers may have been curtailed, but we have mitigated that through close virtual coordination. We want our customers to remember our



service even when these challenging times are behind us.

What are your expectations from the government to address concerns and revival of agri-tech sector?

Since demand for food remains unaffected, agri-tech sector unlike other sectors has not been severely affected. The recent steps by the Central Government to amend the Essential Commodities Act 1955 and deregulate markets for agricultural produce are positive and will help farmers.

There is lot of uncertainty regarding the pandemic impact on the economy – I believe both central and state governments need to keep their ears to the ground and address sectoral challenges as they arise.

What is your advice to new Start-Ups?

Do not be afraid of challenges and believe in yourself. Do not hesitate to go that extra mile to make sure that your product/ service is excellent.

Jaipur: Growing beyond Art and Craft to promote industrial development



The city of Jaipur is the capital of Rajasthan and is well known as the 'Pink City'. Jaipur district is situated in the eastern part of Rajasthan and has a geographical area of about 14,068 sq km, which is 3.23% of the total area of the state.

A variety of mineral deposits are found in the district which include China Clay, Copper, Dolomite, Iron, Lime Stone, Silica Sand and Soap Stone, among others. Jaipur district is home to a number of industrial areas such as Sitapura, Prahlapura, Vishwakarma, Manda, Manpur Manchedi, Bagru, Malviya etc.

Industrial landscape

Jaipur district has over 37,000 registered industrial units and over two lakh people employed in MSMEs. Micro, small and artisan units in Jaipur district are found in Food based, Cotton based, Wooden based, Paper based, Leather based, Rubber, Plastic / Petro based, Mineral based Industries, Engineer Units, Electrical Industry / Machinery and Appliances, Transport and parts, and Service and Repairing Industries.

Medium scale industries in Jaipur district are engaged in manufacture of wire products, plast fab, tiles and slabs, lead alloys, mild steel billets, TMT bars, handicrafts and

furniture, electronic energy meters, automobile bearings, refined vegetable oil etc., whereas large scale industries or public sector undertakings in Jaipur district are engaged in manufacture of products such as terry towels, beer, telecom equipment, cement, aerated drinks, opal glassware crockery, cotton and blended yarn, fabric, PVC synthetic leather etc.

Major Exportable Items of Jaipur district include Ball Bearings, Electronic Energy Meters, Paper, Cement, Transmission Lines and Towers, Synthetic and Organic Color, HR Steel /Cold Rolled Strips, Readymade Garments, Gems and Jewellery, Handicrafts, Wooden Furniture, Leather Goods, Marble, Granites etc.

Service Enterprises in Jaipur district encompass sectors like IT, Repairing of all kinds of Engine parts and Automobiles, Coaching, Event Management and Tourism. Potential areas for growth of service industry include Repairing and Maintenance of IT Equipments, Medical Equipments and Household Electronic Gadgets, Servicing in Automobile Industries, Hotels and Motels and Coaching Institutes.

Growing MSME sector

Potential industries for new MSMEs in Jaipur district



include food processing industries such as Dall Mills, Processing and Packaging of snacks, Manufacture of Jam, Jellies, Pickles, Mushroom cultivation and processing, Roller Flour Mills, Manufacture of Cattle Feed, Egg Powder and Garlic Powder, resource based industries such as Marble Tiles, Granite Slabs / Tiles and Neem Oil, demand based industries such as Plastic Moulded Furniture, Herbal Cosmetics, Domestic Utensils, Polished Granite Tiles, Glass Lenses of Automotives, Hydrogenic Vanaspati Ghee, Pet Bottles and Steel Re-Rolling Mills, forest based industries such as Wooden Doors and Furniture, Paper Bag, Particle Board and Paper, textile based industries such as Readymade Garments, Surgical Cotton and Bandages and Powerless Cloths, and engineering based industries such as Agriculture Implement and Appliance, Ball Bearing and Vertical Coolers.

Jaipur district is home to micro and small enterprises clusters such as HDPE & PVC Pipes & Fittings - Jaipur, Rolling Mills & Induction Furnace - VKAI Jaipur, Gem Cutting and Polishing, Jewelry, - Jaipur (city), Foundry cluster(C.I. Casting) - VKAI Jaipur, Ari Taari Cluster - Naila Jaipur, Hand block printing Cluster - Sanganer and Bagru, Jaipur, Paper board / Hand made paper & paper products - Sanganer and Readymade Garments -Jaipur (city), and tourism in the services sector.

Trade and industry associations

A number of MSME associations are present in Jaipur

district such as Jaipur Industrial Association, Kartarpura Industries Association, PHD Chamber of Commerce and Industry, RCCI, Plastic Manufacturers Association, Rajasthan, Garment Exporters Association of Rajasthan, V.K.I. Association, Rajasthan Conductor Manufacturers Association, Rajasthan Pharmaceutical Manufacturers Association, Federation of Rajasthan Handicraft Exporters, Indian Diamond Tools Manufacturers Association, Rajasthan Footwear Manufacturers Association, Rajasthan Oil Manufacturers Association and Jewellers Association.

World Trade Center (WTC) Jaipur, an initiative of MVIRDC WTC Mumbai, facilitates trade and investment promotion in the state of Rajasthan, assists local businesses to foray into global markets and helps enhance the competitiveness of the state. It enables active engagement by bringing together local and international governments and businesses under one platform for business interaction by undertaking activities such as organising Trade Facilitation Programmes, Workshops and Seminars, conducting Education, Training and Skill development programmes, disseminating Trade Information, uploading Member Profiles and Trade Enquiries with a view to assist international linkages, holding Trade and Business Missions to explore new markets and undertaking Trade Exhibitions.

WTO and IMF leaders call for lifting trade restrictions on medical supplies

As global community grapples with their response to the global health and economic crisis, WTO and IMF heads called for more attention to the role of world trade policies in defeating the virus, restoring jobs and reinvigorating economic growth. In particular, both heads expressed concern over supply disruptions from the growing use of export restrictions and other actions that will limit trade of medical supplies and food.

Trade has made cutting-edge medical products available throughout the world at competitive prices. In 2019 global imports of crucial goods needed in the fight against COVID-19, such as face masks and gloves, hand soap and sanitizer, protective gear, oxygen masks, ventilators, and pulse oximeters, totaled nearly \$ 300 billion. Recognizing the importance of this trade, governments have taken dozens of measures to facilitate imports of COVID-19 related medical products – cutting import duties, curbing customs clearance processes and streamlining licensing and approval requirements.

Accelerating imports of critical medical supplies translates into saving lives and livelihoods. Similar attention should be paid to facilitating exports of key items like drugs protective gear and ventilators. Anticipating governments' need to address domestic crisis, World Trade Organization (WTO) rules allow for temporary export restrictions applied to prevent or relieve critical shortages in the exporting country. Both WTO and IMF urged governments to exercise caution when implementing such measures in the present circumstances to avert disruptions, in supply chain with the most serious effects likely on the poorer and more vulnerable countries. To ramp up the production of medical supplies, it is essential to build on existing cross-border production and strengthen distribution networks.

According to a WTO study, world imports of medical products totaled \$1011 billion in 2019, a 5% increase from 2018. Together with exports, trade in these medical products amounted about \$ 2 trillion and accounted for 5% of total merchandise trade in 2019. The largest category by value were the “medicines”, which represents 56% of the total value of medical products imports, followed in a distant second place by “medical supplies” with a share of 17%. “Medical equipment” and “personal

protective equipment” have the lowest share with 14% and 13% respectively.

The top ten importers of medical goods in 2019 were the United States, Germany, China, Belgium, Netherlands, Japan, United Kingdom, France, Italy and Switzerland. During the last three years the United States was the largest importer of medical products accounting for 19% of total world imports in 2019. Germany had a share of 9%, followed by China and Belgium (both 6%). The US and Germany are the biggest bilateral trade partners for medical products and both US and Germany are the main suppliers to China. The import value of personal protective products (hand soap and sanitizer, face masks and protective spectacles) in 2019 was \$135 billion. The US followed by Germany are the biggest importers and together account for more than 22% of total world imports of these products.

World exports of medical products grew by 9% in 2018 and 6% in 2019 from \$859 billion in 2017 to around \$995.8 billion total world exports in 2019. Germany is the top exporter with a 14% share. The top ten exporters account for almost three-quarters of world exports. This is more concentrated distribution compared to imports in which the top ten importers account for only 65% of the market.

Total exports of protective products, including face masks, hand soap, sanitizer and protective spectacles, were valued at \$135 billion on average for the period 2017-2019. About 17% or \$ 23 billion came from China, the top exporter followed by Germany and the US. These three exporters account for more than 40% of world exports of protective supplies.

Average applied tariff on medical products, is 4.8%. More than half of WTO members impose applied tariffs lower than 5%.

Several governments across Asia have announced measures to import critical diagnostic and medical devices to combat COVID-19. The current market size of medical devices industry in India is estimated to be \$11 billion. The top five countries India imports medical devices are from the USA, Germany, Singapore, China

and Netherlands. India -US bilateral partnership will focus more on health care and pharma sectors in a post pandemic world. India will import COVID -19 test kits and other medical devices from the United States even as American firms have expressed their interest to sell these products to India. The Central Drugs Standard Control Organization (CDSCO) has approved import of rapid/CLIA/ELISA kits for the testing of COVID -19 as also PLR kits for the testing of COVID 19. Hongkong's current voluntary registration system allows all COVID related products to be freely imported into the market. By order of the Russian Government Decree no. 430 the Government has provided a list of emergency use products including IVD test for COVID 19 thermometers, artificial ventilator apparatus etc. that are eligible for special importation processes.

The COVID 19 pandemic has brought considerable attention to trade in medical products and specially trade in products for prevention, testing and treatment. Understandably, governments are taking protective measures to stem the pandemic of the virus. Some of these measures may inadvertently impact the flow of critical medical goods across territories. The need of the hour is to take a pragmatic view of this grave humanitarian crisis and desist from resorting to restrictive trade measures that will ensure an effective and equitable global effort and action in combating the pandemic.



OBJECTIVE

- Facilitates Trade & Investment Promotion of Odisha
- Assist local businesses to foray in to global markets

TRADE SERVICES

Trade related Programmes | Export Counselling | International Market Connections
Education & Training Programmes | Opportunity to participate in International Trade Shows

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Safeguarding Supply Chain in Electronic Sector through Diversification

The last few weeks have been witness to a renewed emphasis on Make in India, under the overarching theme of Self-reliant India or Atma Nirbhar Bharat. Government of India has announced Rs. 20 lakh crore stimulus package, coupled with pathbreaking reforms in agriculture, power, coal, MSMEs, defense, space, aviation and other sectors. Policymakers are also reassessing India's economic relations with China following the border tension in recent weeks.

This article assesses India's commercial relations with China and identifies ways to reduce our dependence on China, especially in focus sectors such as electronics. India needs to look for alternative sources of supply for critical electronic components as these goods are used as inputs in manufacturing finished export products. Over reliance on China is not a prudent strategy in the interest of safeguarding India's global supply chain in this sector.

India-China relations

India's relationship with China has varied between warmth and cold since it established diplomatic ties with the northern neighbor in 1950. India is the first non-socialist bloc country to establish diplomatic ties with the People's Republic of China. The 1962 war adversely affected this relationship, which was subsequently rebuilt with the landmark visit of India's Prime Minister Rajiv Gandhi in 1988. Since then, both the countries signed various agreements to resolve border conflict and set up several institutional mechanisms to revive economic partnership. In recent years, this economic relation received major boost with the visit of Chinese President Xi Jinping in September 2014 and Indian Prime Minister Narendra Modi's visit to China in May 2015. Apart from this, both the leaders have met on the sidelines of several multilateral summits such as G20, Shanghai Cooperation Organization (SCO) and BRICS. The two informal Summits, one in the Chinese city of Wuhan in 2018 and the second in the Indian tourist resort of Mahabalipuram in 2019 have further cemented ties between the two Asian giants. So far, both the countries have established more than 30 dialogue mechanisms to strengthen political, economic, consular, regional and global issues.

India's dependence on China:

Foreign trade is one of the key drivers of interdependence between two countries. In the year 1997-98, China was the 13th largest trade partner of India, with India incurring a modest trade deficit of USD 394 million. However, from the beginning of the 21st century, China's trade with India grew considerably and the country became one of the top three trade partners of India by 2004. By 2011-12, China overtook UAE and USA to become India's largest trade partner and it has since retained this position except for one year in between. Today, India is more dependent on China in foreign trade than China is on India. For instance, share of China in India's total goods imports is almost 16%, while share of India in China's total imports stands at hardly 0.8%. Similarly, 5% of India's total export is bound for China, while the corresponding figure for China is 3%.

| Mutual trade interdependence | |
|--|------|
| Share of China in India's total imports | 16% |
| Share of India in China's total imports | 0.8% |
| Share of China in India's total exports | 5% |
| Share of India in China's total exports | 3% |
| Source: ITC Geneva, data for 2019 | |

Besides trade, countries are also interdependent through other factors such as cross border investment, financial cooperation, joint ventures, technology transfers, joint infrastructure development etc. Therefore, it is necessary to understand the interdependence of India on China from a wider perspective, rather than restricting it to trade. For instance, foreign direct investment is an emerging driver of economic relations between both the countries. The booming start-up ecosystem in India, especially the unicorns (firms with valuation of more than USD 1 billion) such as Paytm,

Swiggy, BigBasket, Zomato and Ola been supported by Chinese investors. Leading Chinese entities that supported Indian start-up firms are Alibaba, Tencent, Fosun, Shunwei Capital, Meituan-Dianping, China-Eurasia Economic Cooperation Fund, Didi Chuxing, Hillhouse Capital Group and China Lodging Group.

Many Indian companies, especially in the field of pharmaceuticals, IT and IT-enabled services, banking, auto components have representative offices or other forms of presence such as joint venture and wholly owned subsidiary in China. Similarly, at least 100 Chinese companies operate in India, especially in areas such as engineering, construction and electronics hardware, to name a few. Chinese companies have won several infrastructure projects by participating in the tender floated by the central government and various state governments. For instance, Shanghai Tunnel Engineering Company Limited (STEC) is said to be the frontrunner among companies that bid for 5.6 km tunnel project, which is part of an underground stretch of the Delhi-Meerut Regional Rapid Transit System. If the Chinese company is the lowest bidder for this project, then Government of India cannot reject its bid in favour of an Indian company under the guidelines of Asian Development Bank, which has funded this project.

In the electronic sector, Chinese companies dominate

India’s mobile handset market, with almost 50% of demand is catered by firms such as Xiaomi, Vivo and Oppo and Realme.

Another source of interdependence arises from financial assistance provided by multilateral institutions that are dominated by China. India received USD 750 million loan facility from The Asian Infrastructure Investment Bank (AIIB), where China has 26% voting power, compared to 6% for India. India has also received several loan facilities for building infrastructure such as road, water supply, metro rail, renewable energy and others from New Development Bank, where China shares equal voting rights (20%) with India.

Another strategic area of interdependence is that Indian telecom companies have partnered with Chinese telecom network equipment vendors, viz. Huawei and ZTE for conducting trials for the next generation communication infrastructure, 5G. Rollout of 5G is essential for India to leapfrog to the fourth industrial revolution, which includes internet of things, virtual reality, augmented reality, connected cars, machine learning etc. Following the escalation of border tension, Indian government is considering whether to allow local telecom companies partner with these Chinese firms for 5G trials.

| Multi-dimensional interdependence between India and China |
|---|
| 1. In terms of foreign trade, India is more dependent on China than vice versa. India’s imports from China accounts for 16% of its overall imports. On other hand, China’s imports from India contributes hardly 0.8% to its overall imports. |
| 2. Chinese investment in India’s start-up ecosystem grew 12 times from USD 381 million in 2016 to USD 4.6 billion in 2019 (Source: GlobalData) |
| 3. Multilateral institutions such as AIIB and NDB have provided loan assistance to India for infrastructure projects and also for combating COVID 19. China is a major shareholder in these institutions. |
| 4. Many Chinese construction companies have bid and won tenders for infrastructure projects floated by the central government and various state governments in India. |
| 5. India’s telecom operators such as Bharti Airtel and Vodafone have partnered with Chinese network equipment vendors Huawei and ZTE for conducting 5G trials. |

Sector-wise trade dependence

Imports

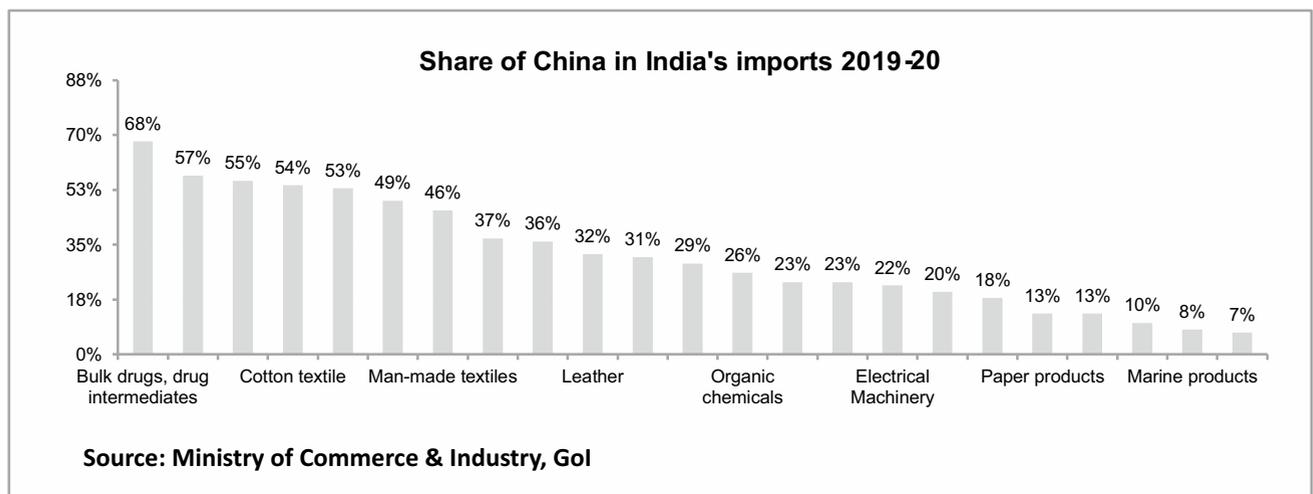
India is dependent on China for a wide range of products, right from consumer goods such as electronics, handicrafts, plastic products, cotton textile to bulk drugs and high end engineering products used in industries. Many of these imports offer stiff competition to domestic producers, and hence Government of India hiked import duties on some of these products in recent months. For example, India imposed anti-dumping duty on nylon tyre cord fabric, phenyl-methyl-pyrazolone, sodium citrate, certain products of stainless steel etc.

On the other hand, there are no competent local manufacturers of some other products imported from China. Many of these products are used as inputs for producing finished goods for domestic consumption and exports. Products such as auto components, electrical equipments, iron & steel, organic and inorganic chemi-

Today, China supplies 68% of India's imports of bulk drugs, 57% of handicrafts, 55% of electronics and IT hardware, 54% of cotton textile, 53% of glass products, 49% of agrochemicals and so on. Share of China in India's imports is given in the following chart for a broad category of 23 sectors.

There is huge variation in dependence on China within these broad categories. For example, India's dependence on Chinese imports is 20% for the broad group of engineering goods; but within this category, its dependence is 68% for bicycle parts, 54% for accumulators and batteries, 42% for cranes and winches, 42% for rail transport equipments and 32% for certain construction equipments.

India sources 39% of electronic and IT hardware from China; within this broad category, India's dependence on China is 46% for computer hardware & peripherals, 40% for telecom instruments and 37% for electronic components.



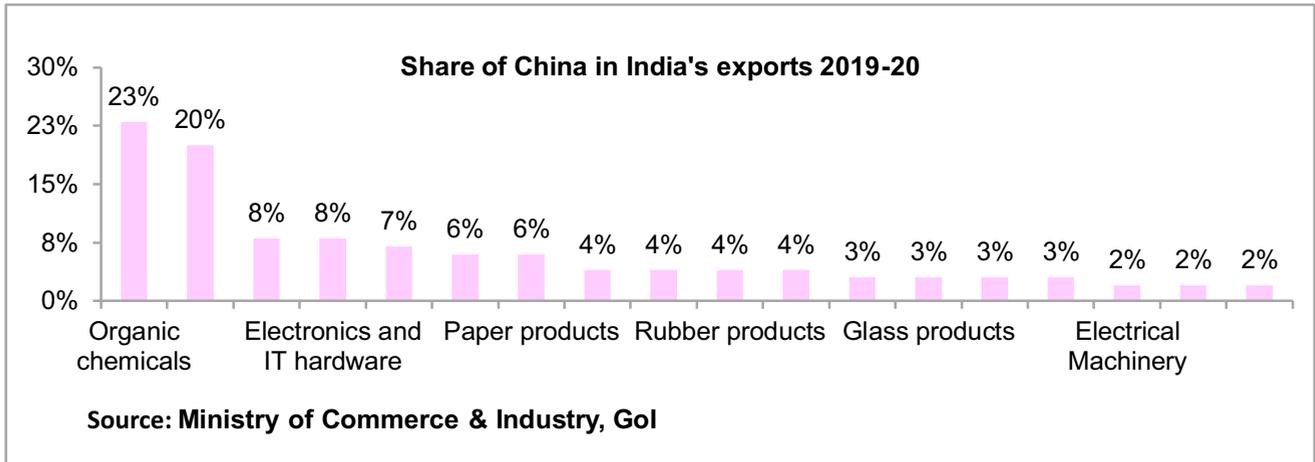
icals are used as intermediate products for manufacturing exportable goods. Therefore, China is integral part of India's global value chain.

Since 2001, when China became the member of World Trade Organisation, its exports to the world and also to India grew considerably. As mentioned earlier, China became the largest trade partner of India by 2011-12 from being the 13th largest in 1997-98. China's exports to India grew at a CAGR of 20.4% from USD 1.1 billion in 1997-98 to USD 65.26 billion in 2019-20. During this period, India's exports to China grew at a CAGR of 15.5% from USD 0.7 billion to USD 16.61 billion.

India sources 17% of chemical products from China; However, within this broad category, India's import dependence on China is 45% for dyes, 26% for organic chemicals, 25% for packaging materials, 13% for inorganic chemicals and 12% for cosmetics & toiletries.

Exports:

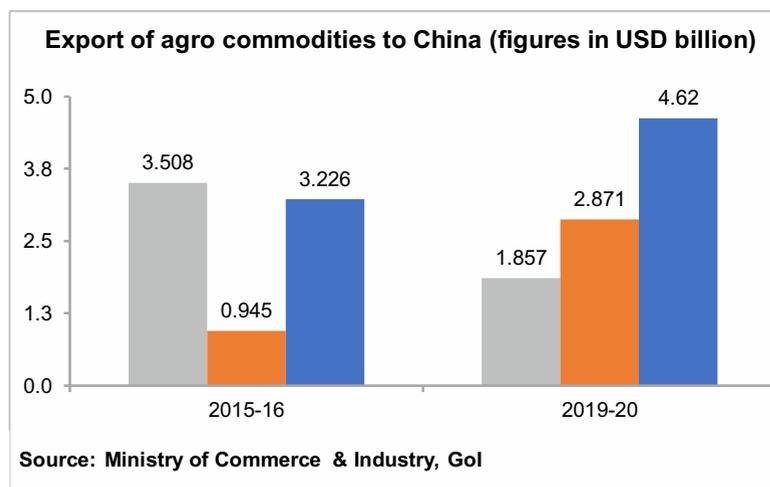
China is not a major market for Indian exporters, except in a few categories such as organic chemicals and marine products. Under marine products, China is emerging as a major destination for India's shrimp and prawn exports.



Apart from these categories, agriculture is emerging as a promising segment for India's

exports to China. Major agriculture commodities exported to China are spices, animal or vegetable fats, lacs, gums, resins & vegetable saps, vegetables and roots. As part of its strategy to reduce trade deficit, India has been requesting Chinese authorities to allow greater market access for India's agriculture goods. China emerged as the second largest market for India's agro commodities in 2019-20 from ninth largest market in 2014-15. India's exports of farm commodities grew from USD 0.9 billion to USD 2.9 billion during this period.

Indigenous manufacturing of electronic components is critical for realizing India's dream of a Digitally Empowered Nation. India depends on China for critical electronic components that are used as inputs for smart phones, televisions, air conditioners and industrial automation products. As can be seen from the earlier section, India depends on China for 55% of import of electronic and IT hardware products. Any disruption in imports from China, as a result of the prevailing border tension, may adversely affect the local electronic manufacturing industry, that depends on China for inputs. Therefore, electronic manufacturers in India should identify alternative sources of procuring their inputs in the foreseeable future.



Given this context, we have identified India's top four imports of electronics goods from China at HS Code 6-digit level and the alternative supplying markets for these goods. These goods, amounting to about USD 10 billion, constitute about 15% of India's total imports from China.

While countries such as Singapore and Vietnam are India's prominent suppliers of some of these products other than Hong Kong and China, we can also source these products from countries like USA, Germany, Republic of Korea, Japan, Taiwan, Netherlands and ASEAN countries such as Malaysia, Thailand and

Philippines, which figure among important suppliers of these products to the world market. India's imports of these commodities from many of these suppliers have also grown significantly between 2015-2019.

Alternative Sources of Supply

In this section, we examine alternative sources of imports for electronic and IT hardware products, which is one of the focus areas of India's Make in India programme.

The following tables highlight the major supplying markets of these products in 2019, the share of these suppliers in India's imports, growth in India's imported value from these suppliers between 2015-2019 p.a. and the share of these suppliers/exporters in world exports (Source of Data: ITC).

Parts of telephone sets, telephones for cellular networks or for other wireless networks and of other apparatus for the transmission or reception of voice, images or other data, n.e.s. (HS Code: 851770)

India imported about USD 8 billion worth of these goods

from the world in 2019, with imports growing at 15% p.a. between 2015-2019. While countries such as China, Hong Kong and Vietnam were the major exporters of these goods to India in 2019, Republic of Korea also featured as major exporter of these goods in the world market.

However, India's imports of these goods from Republic of Korea have shown negative growth between 2015-2019. Given the current crisis, Indian importers should consider diversifying their imports to Vietnam and Republic of Korea, to meet their growing demand for these products.

| Major supplying markets for the product imported by India in 2019 | | | | |
|--|---------------------------------------|------------------------------|---|--|
| HS Code: 851770 Parts of telephone sets, telephones for cellular networks or for other wireless networks and of other apparatus for the transmission or reception of voice, images or other data, n.e.s. | | | | |
| Exporters | India's imports in 2019 (USD Million) | Share in India's imports (%) | Growth in imported value between 2015-2019 (% p.a.) | Share of exporter in world exports (%) |
| World | 8,056 | 100 | 15 | 100 |
| China | 3,695 | 45.9 | 9 | 36.2 |
| Hong Kong, China | 2,305 | 28.6 | 91 | 23.2 |
| Vietnam | 1,462 | 18.1 | 51 | 15.6 |
| Korea, Republic of | 174 | 2.2 | -33 | 9.2 |
| Taiwan | 165 | 2.1 | 68 | 1.5 |
| Japan | 75 | 0.9 | 12 | 1.2 |
| Singapore | 36 | 0.5 | -13 | 2.1 |
| Mexico | 28 | 0.3 | -29 | 1.1 |
| United States of America | 23 | 0.3 | -11 | 1.9 |
| Thailand | 23 | 0.3 | 7 | 0.9 |
| Netherlands | 4 | 0 | 26 | 1.3 |

Data-processing machines, automatic, portable, weighing <= 10 kg, consisting of at least a central processing unit, a keyboard and a display (excluding peripheral units) (HS Code: 847130)

India imported about USD 3.4 billion worth of these goods from the world in 2019, with imports growing at 9% p.a. between 2015-2019. While China supplies about 75% of India's imports of these goods, Hong Kong and Singapore supply another 20%.

While imports from these two countries have grown in double-digits between 2015-2019, Indian importers can also consider sourcing these goods from Netherlands, USA and Germany. These three countries together constitute about 17% of world exports of these goods.

| Major supplying markets for the product imported by India in 2019 | | | | |
|---|---------------------------------------|------------------------------|---|--|
| HS Code: 847130 Data-processing machines, automatic, portable, weighing <= 10 kg, consisting of at least a central processing unit, a keyboard and a display (excluding peripheral units) | | | | |
| Exporters | India's imports in 2019 (USD Million) | Share in India's imports (%) | Growth in imported value between 2015-2019 (% p.a.) | Share of exporter in world exports (%) |
| World | 3,394 | 100 | 9 | 100 |
| China | 2,530 | 74.6 | 3 | 66 |
| Hong Kong, China | 347 | 10.2 | 159 | 3.3 |
| Singapore | 331 | 9.8 | 31 | 0.9 |
| Taiwan | 68 | 2 | 62 | 1.2 |
| Malaysia | 56 | 1.7 | 49 | 0.2 |
| Vietnam | 19 | 0.6 | -16 | 2.2 |
| United States of America | 14 | 0.4 | 11 | 3.8 |
| Germany | 6 | 0.2 | -5 | 3.6 |
| Netherlands | 1 | 0 | 56 | 9.8 |
| Czech Republic | 0 | 0 | -32 | 2.4 |

Electronic integrated circuits as processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits (HS Code: 854231)

India imported about USD 5 billion worth of these products from the world in 2019, growing at 73% p.a. between 2015-2019. Hong Kong and China catered to over 80% of India's imports, whereas Singapore supplied another 10%. However,

apart from these three countries, countries such as Malaysia, USA, Vietnam, the Republic of Korea and Philippines are also significant exporters of these commodities to the world.

Indian importers should, therefore, consider sourcing their imports from these markets in order to reduce their reliance on China.

| Major supplying markets for the product imported by India in 2019 | | | | |
|---|---------------------------------------|------------------------------|---|--|
| HS Code: 854231 Electronic integrated circuits as processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits | | | | |
| Exporters | India's imports in 2019 (USD Million) | Share in India's imports (%) | Growth in imported value between 2015-2019 (% p.a.) | Share of exporter in world exports (%) |
| World | 5,224 | 100 | 73 | 100 |
| Hong Kong, China | 2,246 | 43 | 350 | 17.5 |
| China | 1,994 | 38.2 | 81 | 14 |
| Singapore | 528 | 10.1 | 58 | 8.3 |
| Korea, Republic of | 109 | 2.1 | 33 | 8.1 |
| Japan | 56 | 1.1 | 7 | 1.2 |
| Taiwan | 56 | 1.1 | 4 | 2.4 |
| United States of America | 53 | 1 | 27 | 9.2 |
| Malaysia | 40 | 0.8 | -6 | 9.7 |
| Germany | 27 | 0.5 | -4 | 2.8 |
| Philippines | 12 | 0.2 | -15 | 5.2 |
| Netherlands | 9 | 0.2 | 53 | 3.9 |
| Ireland | 0 | 0 | 1 | 2.7 |
| Vietnam | 0 | 0 | 5 | 9.2 |

Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes (excluding photovoltaic generators) (HS Code: 854140)

India imported about USD 2.5 billion worth of these products from the world in 2019, growing at a nominal rate of 3% p.a. between 2015-2019. China meets about 74% of India's imports of these products; however, the balance 26% is well-

distributed between Vietnam, Thailand, Singapore and Hong Kong, among others. India's growth in imported value from these countries is also significant between 2015-2019.

Still, countries such as Malaysia, Japan, Republic of Korea, Netherlands, Germany, USA and Taiwan are also important exporters of these products to the world. Indian importers, therefore, have a host of markets to import from in order to meet their demand of these goods.

| Major supplying markets for the product imported by India in 2019 | | | | |
|---|--|---|---|---|
| HS Code: 854140 Photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes (excluding photovoltaic generators) | | | | |
| Exporters | India's imports in 2019 (USD Million) | Share in India's imports (%) | Growth in imported value between 2015- 2019 (% p.a.) | Share of exporter in world exports (%) |
| World | 2,468 | 100 | 3 | 100 |
| China | 1,823 | 73.9 | 1 | 41.1 |
| Vietnam | 170 | 6.9 | 282 | 4.5 |
| Thailand | 127 | 5.1 | 262 | 2.4 |
| Singapore | 117 | 4.7 | 49 | 2.7 |
| Hong Kong, China | 93 | 3.8 | 83 | 5.7 |
| Taiwan | 24 | 1 | -9 | 3.6 |
| Korea, Republic of | 23 | 0.9 | 25 | 6.1 |
| United States of America | 21 | 0.9 | -18 | 3.8 |
| Germany | 20 | 0.8 | 37 | 4.3 |
| Malaysia | 14 | 0.6 | -52 | 8.2 |
| Japan | 14 | 0.5 | -32 | 6.2 |
| Netherlands | 0 | 0 | 83 | 4.9 |

Enhancing Domestic Manufacturing

In the earlier section, we examined alternative source of supply for key electronic components that are used as inputs by local manufacturers. While finding alternative

source is a short term solution, in the long run, India should prepare to manufacture these imported inputs domestically. This calls for enhancing domestic availability of skilled workers needs for manufacturing these components, identifying infrastructure and logistics gaps



that hinder our competitiveness in these goods and addressing these gaps in a timely manner.

Government of India has taken various measures to enhance India's competitiveness in electronic manufacturing in the last several years. Some of these policies are: Modified Special Incentive Package Scheme, Electronic Manufacturing Cluster Scheme and Phased Manufacturing Programme for mobile handsets and components. A few weeks ago, the government announced production linked incentives, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronic Manufacturing Cluster scheme.

Electronic manufacturing is a capital intensive business with long gestation period. Despite policy efforts in the past, India could not attract foundries that manufacture semiconductors. On the other hand, countries such as Taiwan, South Korea, Singapore, Malaysia and China have succeeded in attracting investment in world class semiconductor manufacturing facilities.

With concerted policy efforts and constant improvement in ease of doing business, India can also garner substantial investment in the electronic manufacturing sector. India has already tasted initial success in increasing mobile phone production and exports in recent years. India increased import duty on mobile handsets and components such as batteries, chargers, adaptors to encourage local manufacturing. Even countries such as

Taiwan, Japan and South Korea hiked import duties to allow their local industries to grow in their initial phase of industrialization. However, hike in import duty was followed by other supportive policies such as land, easy access to credit, skill training facilities and development of ancillary industries. These countries also supported their local industries in export promotion and international marketing to facilitate manufacturing at scale for the global market. It is such a holistic policy approach that ensures competitiveness of the domestic industry.

We should remember that India's automobile industry, which is a success story of our liberalization policy, has not developed overnight. It takes time for the entire ecosystem of electronic manufacturing to mature, including the development of ancillary industries and vendor base. Until such time, India can keep its import duty high to support this evolving ecosystem. However, such hike in duty should have a sunset clause, with a defined timeline to roll back the duties as the domestic manufacturing sector attains scale and competitiveness. If India articulates its domestic manufacturing priorities and commits to a realistic deadline for roll back of import duty hike, it can take its trade partners to confidence and prevent counter measures from them.

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"It is a misunderstanding that MSMEs can 'just open up' during unlock phase, as indeed MSMEs need to rebuild their markets, workforce, operations and supply chains whilst also firming up their financial basis. Focusing on core business strengths in products, technology and business processes, MSMEs can align with requirements to integrate in Global Value Chains", said **Dr Rene VAN BERKEL**, UNIDO Representative - India, at the **International Webinar on 'Leveraging on MSME strength to become Global Manufacturing Hub, Part 1: Supply Chain Management and Capacity Building'** organised by **MVIRDC World Trade Center Mumbai** and

Post-COVID world will entail local integration of manufacturing hubs and companies moving toward Digital Supply Chains, say global experts



World Trade Center Binh Duong New City, Vietnam.

Dr Berkel highlighted challenges faced by MSMEs amidst COVID-19 crisis such as uncertainty over future, collapse of demand, labour scarcity and disrupted supply chain. He expects the COVID-19 crisis to reset globalisation and create Industrialisation suitable for 21st century. He expects

transformational change in global consumption and production post COVID with renewed focus on Circularity, Digitisation and Resilient Global Value Chain.

Dr Berkel further expects localisation of value chains in integrated manufacturing hubs in the post COVID world. He emphasised on formalisation of MSME sector to access institutional credit. Dr Berkel

suggested that government should provide wage subsidy to industry to retain labourers, as it is done in Japan, Europe and other regions.

He said protectionist policy may not be in the best interest of India. If India has to succeed in its plan of "Make in India for the world", it has to be integrated into the global supply chain.

Mr Frank Weiland, Technical Director, USAID LinkSME, Vietnam said 85% SMEs in Vietnam are negatively affected by the COVID-19 crisis. Especially, firms in apparel, footwear, electronics and auto sectors have been severely impacted. He suggested, "Vietnam MSMEs can gain from opportunities post COVID if they address gaps in quality standards, labour, finance and other issues such as having a customer-driven mindset, bringing in transparency and investment in technology."

Highlighting events that impacted global trade in the last few years, Mr Weiland spoke of issues such as trade wars, rising costs in China, buyers looking at diversifying risk and now COVID-19. He emphasised that Government of Vietnam is improving existing laws and is developing policies to support MSMEs to benefit from the dynamics of the new world.

Mr Nikhil Puri, Global Head – Sourcing & Procurement, Sterlite Technologies said, “India's Micro, Small, and Medium Enterprises (MSMEs) base is the largest in the world after China. In today's scenario, companies are moving towards the Digital Supply Chain. Companies mean different things by the term ‘digital supply chain transformation’. MSMEs have to adapt to this digital transformation project wherein they can utilize the best practices of the market which will bring operational efficiencies at a much higher level of maturity.”

Bringing out the significance of MSMEs, Mr Puri said we have about 63 million MSMEs in India, second only to China, and Indian MSMEs are growing at the pace of 10% p.a. 20% of MSMEs in India are located in rural areas, and Indian MSMEs have shown resilience to global shocks.

Mr Puri said 5G technology can transform end to end supply chain management and called for an agile, flexible supply chain in today's world. He stressed on adhering to timeliness in supply chain management and pointed out the potential of blockchain technology in transforming supply chains.

Mr Puri further suggested that MSMEs should avail receivable discounting facility to manage cash flow and adapt to cutting edge technology to sustain their business.

He suggested that large corporate buyers should train MSME vendors by considering them as partners in their business, and discussed about how MSME vendors can minimise supply chain costs.

Dr Nguyen Viet Long, Deputy CEO, Becamex IDC said 45% of Vietnam GDP comes from MSMEs and they contribute to about 63% of jobs. Dr Long remarked Vietnam has to educate employers and reskill labourers to move up the value chain in the post-COVID world.

Dr Long further listed out projects being implemented by his organisation to support MSMEs in Vietnam and highlighted the ongoing projects of Binh Duong New City in Vietnam to become a global hub for trade and investment. He said Vietnam industry wants to strengthen connections with counterparts in India. He further discussed India-Vietnam collaboration in information and communication technology.

Earlier in his Welcome Address, Mr **Vijay Kalantri**, Vice Chairman, MVIRDC World Trade Center Mumbai outlined the importance of MSMEs globally and emphasised that supply chain management and capacity building among MSMEs should be enhanced for benefits of economic development to percolate at the operational level.

Mr Kalantri called for implementation of the economic stimulus package for MSMEs in letter and spirit. He said the current situation should be considered as an opportunity in crisis and urged upon the need to revive and restart industry. He expressed hope that India can become a competitive manufacturing hub and called for an online

process in regulatory certifications and licensing for industries.

Speaking about Vietnam's economic development, Mr Kalantri said “Vietnam has one of the best special economic zones in the world. However, although FDI in Vietnam has reached historic levels, SMEs in Vietnam have not much benefitted from it. There is, therefore, a need to strengthen supply chains.”

Ms Rupa Naik, Senior Director, MVIRDC World Trade Center Mumbai raised issues faced by women entrepreneurs amidst the COVID-19 crisis.

Capt Somesh Batra, Vice Chairman, MVIRDC World Trade Center Mumbai flagged logistics disruption issue amidst COVID crisis. He pointed out that the government's move to waive detention charges at port areas has led to congestion of cargo and affected smooth movement of EXIM cargoes. He further emphasised on reskilling of labourers to stay competitive.

Ms Linh Huynh, Project Director, World Trade Center Binh Duong New City, Vietnam proposed vote of thanks and ascertained that World Trade Center Binh Duong New City, Vietnam will partner with World Trade Center Mumbai towards developing industry, innovation and infrastructure, the 9th Goal of UN's Sustainable Development Agenda 2030.

Over 600 MSMEs from India, Vietnam, Cambodia and other South and South East Asian countries attended the webinar.

The webinar was held on June 12, 2020



MSMEs must develop collaborative approach to succeed in post-COVID era



“Although the MSME sector is innovative, risk-taking and flexible in nature, many MSMEs will be marred by time, resource and cash constraints in the post-COVID era. We, therefore, need to create a simple policy framework that can help these enterprises manoeuvre these uncertain times,” said **Dr. Deborah Elms**, Founder & Executive Director, Asian Trade Centre, Singapore at an **international webinar on ‘Leveraging on MSME strength to become Global Manufacturing Hub: Re-Skilling and Policy Development for MSMEs’**. This webinar was second in a three-part series of webinars organised by **MVIRDC World Trade Center Mumbai** and **World Trade Center Binh Duong New City, Vietnam**, in their endeavour to educate MSMEs, across countries, navigate not just the COVID-19 crisis, but also become sustainable businesses over the medium and longer term.

Highlighting the importance of MSMEs for Asian economies, Dr. Elms said MSMEs constitute over 90% of the businesses in India and Singapore, ranging from handicraft and cottage industries to retail and service sectors. We need to help

these MSMEs flourish by not just giving cash, but increasing their access to finance. She further highlighted the need for adopting digital platforms and social media channels to reach out to the world market.

Dr. Gunner Kassberg, Small Enterprise Promotion & Training, Leipzig University, Germany informed that his University supports start-up firms and other enterprises in more than 22 countries to grow by providing training in management to adopt innovation and internationalisation. He said MSMEs face challenges in identifying customer needs, evaluating their strengths and weaknesses, finding partners and building business networks abroad, and adapting products and services to cultural differences.

Dr. Kassberg highlighted the scope of tying up with MVIRDC World Trade Center Mumbai to impart training to MSMEs in integrating with global value chains.

Mr. T. S. Kathayat, President & Chief – Corporate Quality &

Technical Services, Welspun Corp. Ltd, said that COVID-19 presents a good opportunity for India to become a global manufacturing hub. He, however, brought out the challenges of labour scarcity in India due to migratory labour workforce. He highlighted the need for creating a global mindset, adhering to international quality standards, improving ease of doing business, adopting a collaborative rather than competitive approach, enhancing the use of technology and imparting hard as well as soft skills for training MSMEs.

Mr. Kathayat further emphasized on the need for skilling lower-level employees and suggested the importance of effective management of digital, operational, people and process strategies, and bringing in customer-centricity. He opined that today, businesses should focus on sustainable growth, humanity and protection of environment.

Mr. Nguyen Xuan Son, Operations Manager, Manpower Group, Vietnam highlighted the importance of automation and artificial intelligence in manufacturing operations. He pointed to the competitiveness of Vietnam in terms of labour and tax policies, and an open trade regime. He added that there is high demand for skilled workers in Vietnam because of automation of manufacturing process and remarked that there will be great demand for skilled labour in automation and robotics.

Mr. Hariharan Kannan, Co-Founder and Chairman, CEO Vietnam Company and Chief



Dr. Deborah Elms
 Founder and Executive Director
 Asian Trade Centre
 Singapore



Dr. Gunnar Kassberg
 Small Enterprise Promotion
 & Training, Leipzig University
 Germany



Mr. Nguyen Xuan Son
 Operations Manager
 Manpower Group
 Vietnam



Mr. Hariharan Kannan
 Co - Founder and Chairman
 CEO Vietnam Company Ltd.



Mr. T. S. Kathayat
 President & Chief - Corporate
 Quality & Technical Services
 Welspun Corp. Ltd. India

Strategist - Avtar Career Creators moderated the Panel Discussion. He said the current crisis is characterised by VUCA (volatility, uncertainty, complexity and ambiguity). We are facing multiple challenges on the financial, social and economic fronts. He opined that each country is navigating the same storm, but there is difference in the form of management. Stressing on the significant contribution of MSMEs to the economies of India and Vietnam, he said MSMEs need to leverage

technology, be customer-focused and should improve their skills in the post-COVID era.

Earlier in his Welcome Address, **Capt. Somesh Batra**, Vice Chairman, MVIRDC World Trade Center Mumbai said, "Since the onset of COVID-19, our outlook towards conducting business has changed. We need to plan for the future with improved facilities, manpower and digitalisation."

Taking pride in the completion of 50 years of the development of M. Visvesvaraya Industrial Research & Development Centre WTC Mumbai, Capt. Batra said the Centre has dedicated these 50 years towards continuous service for the promotion of India's international trade by providing wide-ranging and innovative services to the trading commu-

nity such as trade research, trade promotion, education and training, seminars and workshops, exhibitions and trade missions, besides offering a host of trade-oriented facilities.

Ms. Thu Do, World Trade Center Binh Duong New City proposed the Vote of Thanks.

The programme was attended by MSMEs from across the world. During the lockdown period, WTC Mumbai has organised over 15 virtual discussions with participation from over 1000 members of trade and industry from India and overseas.

The webinar was held on June 26, 2020



Master Class on 'Sustainable Value Creation in an Enterprise during Pandemic'

Ms. Chhaya Sehgal, Founder and CEO - The Winning Edge, conducted the Master Class on 'Sustainable Value Creation in an Enterprise during Pandemic' organised by MVIRDC World Trade Center Mumbai on June 29, 2020.

Ms. Sehgal suggested that a person is willing to spend or invest in

something from which he can derive value. The COVID-19 crisis has brought demand to a standstill in the case of most products and services and cash flows have stagnated. The near future shows bleak prospects for improvement in the situation. We should, therefore, use this time productively for evaluation of our businesses and improvise our

processes to create value for the future. We should leverage the current situation by keeping ourselves constructively occupied and we need to be patient in these testing times.

Quoting Euripides, Ms. Sehgal said, "Money is far more persuasive than logical arguments". We need to maximise the value of money. Costs

WORLD TRADE CENTER MUMBAI

Invites you to participate in a
Master Class on

**Sustainable Value Creation in
an Enterprise during Pandemic**

Monday - June 29, 2020 Time: 4.00 pm - 6.00 pm

LIVE WEBINAR

Speaker

Ms. Chhaya Sehgal
Founder and CEO
The Winning Edge

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should be observed and tracked for their nature (whether direct or indirect), behaviour (whether fixed, variable or semi-variable) and origin/function (whether incurred towards production, admin-human resource, marketing or finance), and analysed for their controllability and reversibility.

Any object that we desire or activity that we do comes at a cost. Cost, therefore, entails a sacrifice. Thus, we need to ensure that we derive value out of the exercise. We need to receive value for money.

Elaborating on how to reduce costs, Ms. Sehgal said, ascertaining the cost by its nature is required to estimate how to minimise it. This is because only indirect costs can be minimised, and not the direct ones. Variable costs increase/decrease as per the activity level, whereas fixed costs are constant. Semi-variable costs are partly fixed and partly variable. One can minimise variable costs, not the fixed ones.

Costs incurred on manufacturing/production are called product costs. These costs are loaded onto the product. Period costs are those that are incurred periodically.

A product is the value that one has created. The first step towards value creation is understanding the various costs and their classification. There are two ways of maximising value: Reducing costs for the same value or increasing value for the same costs.

Highlighting the importance of creating financial statements, Ms. Sehgal said, we constantly plan how to minimise costs, but unless we quantify how much we have spent, we will not know how much value has been created. One reason for creating financial statements is to deliver value for money/time to stakeholders. Expenses depict the value created for stakeholders, without whom the business can not be carried out, whereas income depicts the value created for the businessman. Stakeholders include the government, suppliers and employees of the organisation, among others.

Talking of the circular flow of money in carrying out business activities, Ms. Sehgal said, investments are classified on the asset side of the balance sheet. These are used to undertake various operational expenses which are reflected in the income statement. The net profits generated are used for financing the business and these are transferred to the liability side of the balance sheet which are again used for investment, thus completing the virtuous circle of carrying out a business.

Of the many costs involved in a business activity, one needs to identify the relevant costs that form part of the decision-making process for creating value. Variable costs are tied to sales i.e. they

increase/decrease with the amount of sales. Contribution is the difference between revenue and variable costs, whereas net income is the difference between contribution and fixed costs. Contribution margin is a marketers' friend and marketing decision on prioritising depends on the contribution margin.

Explaining the importance of creating value, Ms. Sehgal said, the difference between total customer value and total customer cost is 'Customer Delivered Value' or Price. Costs that add value are those with good product quality, performance and perceived value. One needs to segregate costs in terms of value created rather than traditional accounting methods, and convert a supply chain into a value chain.

One needs to identify processes that can be merged, improved, simplified, eliminated or reduced. Optimal costs, best quality and uncompromising functionality can bring customer derived value. Maximum possible functionality in minimum feasible price and maximum feasible quality at minimum allowable cost will generate customer derived value as customer wants maximum value at minimum cost.

Ms. Sehgal summed up by suggesting that during this COVID-19 crisis, one needs to deliver maximum functionality at minimum cost. Companies such as HDFC focus on minimising costs and maximising quality, whereas those like ICICI believe in maximising value and functionality.

The webinar was held on June 29, 2020

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MSMEs Hoping For Financial Assistance For Working Capital.



Webinar on



Mr. Girish Meher
AGM, SIDBI



CA Krishnendu Chanda
Chief Manager, Canara Bank



Ms. Rachana Bhusari
Vice President, SME
Business Development, NSE

M SMEs are facing the biggest challenge in the wake of the global crisis of COVID 19 with the work flow and operations coming to a complete standstill especially during the lockdown phase, However it has now been underlined that Start-ups and MSMEs are the major players who can effectively work in reviving the nation's economy. Keeping this in mind major financial relief packages and other announcements are being structured by the Government of India with an objective to strengthen trade and commerce. In order to



Mr. Rajen Padhi
Commercial Director, B-One

have a greater insight on the financial offerings being extended to the MSMEs, World Trade Center Bhubaneswar in association with Start-Up Odisha and National Stock

Exchange organized a "Webinar on MSME Financing – The Way Forward" Mr. Girish Kumar Meher, Assistant General Manager, SIDBI Bhubaneswar, in his address spoke about the provisions proposed by SIDBI for lending a helping arm to the MSMEs. Referring to the announcements made by the Hon'ble Finance Minister of India, he specifically spoke on three important packages that were meant for MSMEs. The first one being a three lakh crore collateral free automatic loan and a 20% loan towards working capital to all MSMEs based

on their bank outstanding as on February 29, 2020. While mentioning about the second announcement which offers 20,000 crore subordinated debt, Mr. Meher shared that the detailed guidelines and modalities for the same is yet to come. The third measure is announcement of 50 thousand crore equity infusion through fund of funds for which the government shall set up a 10 thousand crore fund thus the move is expected to expand size as well as capacity of MSMEs and will encourage them to get listed on main board of domestic markets. He also highlighted that the recent redefining of MSMEs by the Ministry of Micro Small & Medium Enterprises Government of India has enhanced the scope for more number of enterprises to be eligible to take benefit from the relief measures. He further shared that only the MSMEs with total bank exposure of 25 crore and turnover not exceeding 100 crore shall be eligible for the 3 lakh crore package. Mr. Meher also quoted that "Government is granting corpus funds to NCGTC thus the loan shall be 100% guaranteed under the NCGTC and shall be extended without any additional collateral". Furthermore he pointed out that the 3 lakh crore packages shall be extended on first cum first serve basis up till October 31, 2020 or once funds get exhausted, whichever is earlier. He thus urged all MSMEs to avail the same at the earliest.

CA Krishnendu Chanda, Chief Manager, Canara Bank, Bhubaneswar in his address shared his perspective on the financing mechanisms to be adopted by public sector banks on how the banks are going to support the MSMEs.

Speaking on retail banking perspective and governments aid for MSMEs, Mr. Chanda cited a positive evaluation of the scheme by predicting more outflow of funds for the MSMEs. He pointed out that the problem with most small Indian businesses is that they operate on very thin margins, as they deal locally with reduced competition, thus making it difficult for them to survive a significant dip in cash flows. "The government is trying to help them cope with the situation and has announced financial packages, wherein PSU banks are going to play a major role" mentioned Mr. Chanda. He also pointed out that focusing on solving liquidity problems the government is trying to channelize finance through banks hence there is no immediate outflow from the government. "With the current announcement made by Finance Ministry the MSMEs can avail a collateral free loan and if they fail to repay the loan, the government will step in make good of it hence bankers need not worry about the potential NPAs (Non-Performing Assets) in MSMEs" he added. "The banks have thus been made enablers for the funds that have been allocated" he concluded.

Mrs. Rachana Bhusari, Vice President, National Stock Exchange limited shared her insights on how the MSME fraternity could get financial assistance through NSE and be benefited by their companies getting listed in the exchange. She also explained the procedure and norms for raising finance through this alternative channel.

Mr. Rajen Padhi, Commercial Director, B-One Limited, while pointing at the GDP figures that have

dropped to 4.1%, being lowest as observed in 11 years and suspects that the worst was yet to come. Deliberating that the MSMEs being the most vulnerable business class of the Indian economy, he lauded the initiatives of the government of India and urged the large industries and big corporates to extend their support to the MSMEs for mitigating their liquidity concerns.

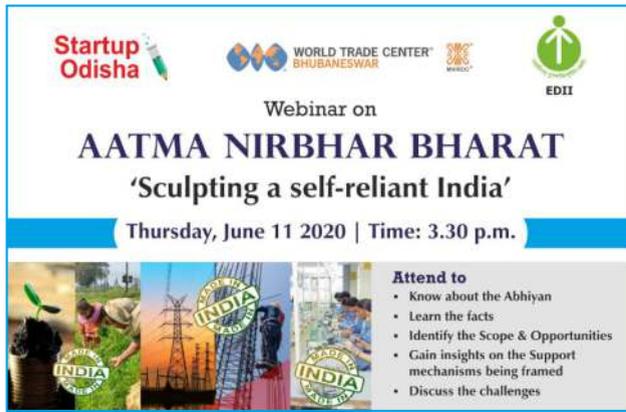
Mr. Prasanta Biswal, Evangelist, Start-Up Odisha, in his welcome address spoke about the emerging role and importance of MSMEs and Start-ups in the forthcoming times. He emphasised that MSME sector would not only play a vital role in strengthening the Indian economy but will also defuse the unemployment situation which is on the rise. Speaking about the start-up ecosystem he briefed the attendees about the initiatives that start-up Odisha has taken under the administration of Micro Small and Medium Enterprises Department, Government of Odisha. "A lot of start-ups are actually looking at the situation of Post COVID 19 as a big opportunity to innovate and scale up. We have thus been aggressively working on trying to provide both financial and non-financial grants" said Mr. Biswal. "Start-ups and SMEs are going to be the primary platform for creating jobs for the skilled or semi-skilled masses and the ecosystem has to definitely play a larger role to support them" he added.

Mrs. Nimeshika Natarajan, Assistant Director, World Trade Center Bhubaneswar proposed the vote of thanks.

The webinar was held on June 2, 2020



Indian MSMEs to make India Self Reliant



Startup Odisha

WORLD TRADE CENTER Bhubaneswar

EDII

Webinar on
AATMA NIRBHAR BHARAT
‘Sculpting a self-reliant India’

Thursday, June 11 2020 | Time: 3.30 p.m.

Attend to

- Know about the Abhiyan
- Learn the facts
- Identify the Scope & Opportunities
- Gain insights on the Support mechanisms being framed
- Discuss the challenges



Dr. Sunil Shukla
Director General, Entrepreneurship
Development Institute of India,
Ahmedabad



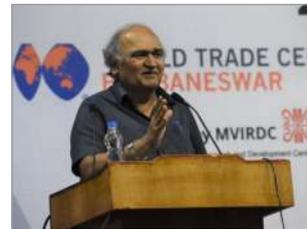
**Prof. (Dr.) Satya Narayan Misra
(Retd. IES)**
Dean, KIIT School
of Management



CMA Shiba Prasad Padhi
Practicing Cost Accountant



Dr. Kamalesh Mishra
Academician, Entrepreneur & Presently
President of Sea Food Exporters
Association of India,
Odisha Region



CA A.K. Sabat
Partner, A.K. Sabat & Co

Setting the tone, Mr. Padhi stated that the objective of the discussion is to introduce the essence of the concept of Aatma Nirbhar Bharat Abhiyan and understand the nitty-gritties of the Rs 20.97 lakh crore package announced by the Hon'ble Finance

Minister, Smt. Nirmala Sitharaman, Government of India. "The panel discussion would deliberate on the essential elements of this vision and also help the participants to learn about the post - announcement developments that are currently going on" said Mr. Padhi.

Dr. Sunil Sukla, Director General, Entrepreneurship Development Institute of India, Ahmedabad in his keynote address stated that "Aatma Nirbhar Bharat is not just a slogan, rather it is a vision which is being reflected in the action plan of the government. It is also being endorsed through the series of presentations and interactions made by the Hon'ble Finance Minister to unleash a variety of policies, schemes and packages in order to support the MSMEs, thus

While COVID - 19 pandemic has visibly crippled the global trade and commerce channels, it has simultaneously opened up many opportunities and taught the world to survive by tapping the local procurement channels. As it was well articulated by Hon'ble Prime Minister of India Mr. Narendra Modi in his address while launching the concept of Aatma Nirbhar Bharat that when the Corona crisis started there was not a single PPE kit made in India and N-95 masks were produced in small quantities in the country. Today, the country produces 2 lakh PPE kits and 2 lakh N-95 masks daily and this is because India turned this crisis into an opportunity. Mr. Modi had further emphasized that the

definition of self-reliance had undergone a change in the globalized world and clarified that when India talks about self-reliance, it is different from being self-centered. Considering that the MSMEs and Start-ups need to understand and work towards accomplishing this vision, World Trade Center Bhubaneswar in association with Start - up Odisha and Entrepreneurship Development Institute of India organized a webinar on "Aatma Nirbhar Bharat - Sculpting a self-reliant India" on 11th June, 2020. A panel discussion was put together and moderated by CMA Shiba Prasad Padhi, Practicing Cost Accountant to discuss the concept and understand the support mechanisms being framed to realize this vision.

enabling the nation to become aatma nirbhar." "Entrepreneurship is an unparalleled instrument to become aatma nirbhar" said Dr. Sukla. While deliberating on the last five years of entrepreneurial environment, Dr. Sukla mentioned that India has witnessed visible improvement and added that the government has been focusing on making people entrepreneurially efficient. Highlighting the reduced gap between the men and women-owned businesses, Mr. Sukla advocated the need for developing management skills in entrepreneurs. "Enterprises are built based on technical knowledge of the entrepreneur but they collapse because of the lack of management skills" said Mr. Sukla. He also indicated that the entrepreneurial age bracket in the country has been highly positive ranging between 18 to 25 years, which will help develop a positive eco-system and pave the way for a self-reliant India.

Prof. (Dr.) Satya Narayan Misra (Retd. IES), Dean, KIIT School of Management deliberated on the allocation made to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGS). Prof. Misra mentioned that about Rs. 65 crores were allocated under the MGNREGS in the annual budget and now another fresh allocation has been made amounting to Rs. 40 crores. Prof. Misra spoke about the utilization of these funds in the creation of sustainable assets. He also discussed how the rural economy is going to benefit through the spending to be done out of these funds. He emphasized on the assistance being made available to the unskilled workers and observed that the scheme would also benefit

all the skilled, rural & urban workers. CA A.K. Sabat, Partner, A.K. Sabat & Co in his address lauded the Government of India for reducing the corporate tax rates to 22% for existing companies and to 15% for new manufacturing companies in September 2019 much before the pandemic could hit India thereby capping the maximum tax rate including surcharges for corporates not to exceed 25%. According to Mr Sabat, this tax rate would help invite investments into India and is a very good beginning for the Indian corporate sector to become globally competitive. He further discussed the details of the Rs. 20 lakh crore package, of which Rs. 8 lakh crore is channelized through RBI, more than Rs 3 lakh crore is allocated to the MSMEs by changing their definition to cover more number of firms, Rs 9 lakh crore to the discom sector and also to the State Governments. He highlighted on the migrant labourers' issue as the biggest challenge for the State Governments. He welcomed the structural reforms by the government, such as opening up of coal mines to the private players, mineral sector, defense sector, civil aviation through PPP, public sector reforms, and boosting private sector investments. These reforms are yet to be implemented and the real impact will take time, he said. He also shared insights into the impact of the packages announced for various key sectors and advocated the need for taking extraordinary steps, which will provide immediate relief to trade and commerce of the nation.

Dr. Kamlesh Mishra, Academician, Entrepreneur & President of Sea Food Exporters Association of India, Odisha Region speaking about the

current market scenario emphasized on the importance of developing a vibrant Indian market. He spoke about the current market scenario and the impact of COVID - 19 on the market trends. He emphasized that this is the time that the entrepreneurial spirit needs to be energised and opined that the society needs to develop a mindset which respects and dignifies any entrepreneur irrespective of his business turnover records. He stressed that the vision of Aatma Nirbhar Bharat to materialize needs a holistically positive ecosystem for the entrepreneurial culture to develop.

Earlier, in his welcome address, Mr. Subrata Kumar Biswal, Regional In-charge introduced the topic referring to the concept of Aatma Nirbhar Bharat and the economic package announced in support of it. In his address, he deliberated that this initiative will act as a catalyst to bridge the gap between the local and the global markets. Welcoming the speakers and participants to the webinar, he stated that given the relevance of the subject during this challenging time the participants must try and gain the best insights into this initiative from the expert panel members and prepare themselves to embrace this vision of Hon'ble Prime Minister of India Mr. Narendra Modi and take maximum benefit from the economic package.

Mrs. Nimeshika Natarajan, Assistant Director, World Trade Center Bhubaneswar proposed the vote of thanks.

The webinar was held on June 11, 2020

■

Cyber Crime & Digital Security gain importance in the era of digitalized enterprises

Startup Odisha WORLD TRADE CENTER BHUBANESWAR LexMantra Legal & Business Authority

Webinar on
Cyber Crime & Digital Security

Date: Tuesday, June 30, 2020
Time: 4:00 pm - 5:00 pm (IST)

Eminent Speakers:

Mr. Deepak Kumar Nath
Founder & CEO, Global Tech Promoters & Threatsys Technologies Pvt. Ltd.
Ethical Hacker & Ted Ex Speaker

Adv. Bibhu Prasad Tripathy
Odisha High Court

RSVP:
Asha J Mohapatra +91 9090090011 | tradepromotion@wtcbhubaneswar.org
Startup Odisha: M M Mohapatra +91-9778627236
Lex Mantra: +91-7787998656 | swadesh.kumar@lexmantra.net

Live on GoToMeeting Meeting Platform: <https://global.gotomeeting.com/join>

COVID era. However, with the benefits of digitalization come the associated risks, which can lead to various financial and other critical hassles for an organization. In the context of these emerging issues, World Trade Center Bhubaneswar in association with Start-up Odisha and LexMantra organized an educational webinar on 'Cyber Crime & Digital Security'.

Advocate Bibhu Prasad Tripathy, Odisha High Court, in his address spoke about the laws governing digital crime and cyber security. He educated the participants about the distinction between conventional crime and cybercrime, and he also informed about the dynamics of cybercrime. Deliberating on the National Cyber Security Policy, 2013, he shared the statistics on the cases registered under IT act, 2000. Adv. Tripathy also mentioned about the types of digital crimes, and the penalties for the same. He further shared information on the



Mr. Deepak Kumar Nath, Founder & CEO, Global Tech

With COVID-19 indirectly enforcing the use of digital platforms for various business operations, many organizations specially the MSMEs, are fast adapting to digital technology. This poses a challenge for

Promoters & Threatsys Technologies Pvt. Ltd. in his keynote address shared his insights into the threats arising from cybercrime. He presented case studies on various types of cyber frauds and cybercrime techniques. Mr. Nath not only elaborated on email hacking techniques and explained how one could conduct online analysis for such hacks, but he also shared details of online tools and websites available for identifying such frauds. Further, he spoke about the concept of phishing. Mr. Nath's deliberations also focused on online financial frauds arising out of misuse of credit cards and internet banking. He proceeded to create awareness on the preventive measures that one should take.



learning new set of practices for many enterprises, as digitalization was an ignored aspect prior to the

Information Technology Rules, 2009 and 2011, various offences and its penalties under the IT act, 2000. Adv. Tripathy concluded his speech by giving examples of famous Supreme Court cases under the IT act.

Earlier, Mr. Sunil Majhi, Associate, LexMantra welcomed the speakers and the participants and spoke about the objective of the webinar. Ms. Asha Mohapatra, Assistant Manager, World Trade Center Bhubaneswar proposed the vote of thanks.

The webinar was held on June 30, 2020

Minister outlines opportunities for MSMEs in the solar sector

There are several incentives and technical aspects offered in the policy by the Government on solar power, which were discussed in the webinar organized during this lockdown period on "Solar Power - Need of the Hour"

Ms. Rupa Naik, Senior Director, World Trade Center Mumbai, in her opening remarks stated that in today's world it is very imperative that we take a keen interest in Solar Power as she felt that it could be very beneficial for the state of Goa especially in respect of the MSMEs who could immensely benefit from this sector. Ms. Naik opined that this was indeed a very good topic for discussion that could be a strategic value addition for Goa.

The Guest of Honor, Mr. Nilesh Cabral, Hon'ble Power Minister, Government of Goa, in his address spoke on the efforts the Government of Goa is making to achieve the target set by the center. While speaking on the Reverse Bidding formula, the Hon'ble Power Minister expressed his view by saying that the rates of Rs. 2.50 to 3.00 per unit, were very high and according to him it may adversely affect the profitability of the projects which has prompted the Government of Goa to encourage the setting up of Solar Roof tops. Mr. Cabral mentioned that the Government of Goa, aims to provide subsidy of up to 50 percent for small prosumers in residential, institutional, and social sector category. The Goa Government is ready to welcome open access policy provided the service providers agree to give power back to the grid between 6:00pm to 11:00pm, this



was a major policy component that is being hotly debated and is hindering the declaration of the Solar Policy for Goa.

Mr. Sanjeev Joglekar, Member Secretary, Goa Energy Development Agency, spoke on the Goa State Solar Policy and threw light on various aspects of the policy. He spoke on the different categories for generation of solar power namely small prosumer and large prosumer and highlighted the role of Goa Energy Development Agency (GEDA), which he said was to announce the different schemes, look into allotment of solar power capacities, aid in the facilitation and development of solar power plants and look into identifying of land and its allotment for setting up of solar power plants. Mr. Joglekar concluded his address by stating GEDA will play a huge role in the development of Solar Power and will support in capacity building and generating awareness on the aspect of Solar Power.

Mr. Dilip Nayak, Ex-President of the Goa Solar Power Association and CEO of Rainbow Solar Power Solutions, spoke on the Technical aspects of Solar Power and briefed the participants on the how Solar

Power is generated, the components of the Solar Power System and the different types of Solar Installation Structures. Mr. Nayak also addressed on the different Solar Power Generation Systems namely On-Grid, Off-Grid and Hybrid systems and concluded by highlighting the advantages of going Solar, the biggest being the arrest of the Carbon foot print and promoting green power to sustain Planet Earth.

Mr. Rajiv Samant, Superintending Engineer, Circle 1 South & Executive Engineer (SDA / Solar), Electricity Department of Goa, in his address explained how the Solar Power System Works, the different types of Meter arrangements, Procedure for Application & registration for LT/HT Solar grid connectivity under Net Metering, Commissioning Guidelines, Grid Protection - Anti Islanding Inverter and the role of the Goa Electricity Department. Mr. Samant also briefed the participants on the Initiatives by Electricity Department of Goa.

A Q & A Session was also conducted during

The Webinar held on June 10, 2020

Digital Manufacturing – Today’s answer for Tomorrow’s demand

World Trade Center (WTC) Goa organised the second part of a webinar on ‘Empowering Digital Business Success.’ In his opening remarks, Mr. Ryan Vaz, Founder Infynit3D,

switch process control and address the required market change with new products that have to be made ready immediately.

Mr. Viresh Vazirani, Founder, Growth

digital brand ambassadors for any successful company.

Mr. Anil Colaco, Founder, Progressive Systems, and a specialist in Data Networks and Internet Connectivity’ He began by saying that businesses must first identify the type of use for which they seek an internet connectivity. Mr. Colaco listed some of them as being, basic usage, hosting of online virtual meetings, offering financial services, developing content or watching HD Videos. Once the use is defined, a choice could be made between broadband, fiber, wireless or dedicated Internet lines. Mr. Colaco also touched upon the aspect of choosing the right Internet Service Provider (ISP). He explained that it is of sheer importance to understand if the data plan being offered by the ISP is limited or unlimited. He also suggested that the user must measure the ability of the ISP to upscale the plan as demand rises and the speed of their Fault Resolution Time. He concluded his address by speaking on the issue of Wired and Wireless networks and explained the differences as well as advantages of the wired and wireless networks having frequency of 2.4 Ghz and 5Ghz.

A Q & A Session was also organized during the webinar.

The webinar was held on June 27, 2020



deliberating on ‘Digital Manufacturing’ said that this concept could be adopted and developed to enhance business productivity Post COVID-19. According to Mr. Vaz, Digital Manufacturing could be very useful for businesses where products of a highly customised nature are in demand, and there is an urgency to supply them with a criteria to incorporate rapid changes in the design and functionality. Digital Manufacturing, Mr. Vaz said, could be today’s answer for tomorrow’s demands, by facilitating flexible product design in make to order products. He also explained that Digital Manufacturing would help the manufacturer to have an easy

Gravy, while speaking on the topic ‘Website- Digital Face of a Successful Company’ said that the primary purpose of a website is to acquire new business and therefore it is very important for it to have a neat and simple design, clear listing of key features of the products on offer, clear directions for contacting customer relations desk, testimonials of satisfied customers, along with all social media icons of the business, etc.

Mr. Vazirani opined that websites which offer a good user experience by being mobile friendly, providing clear instructions on guiding visitors to the next step and updated regularly, would serve as excellent

MSME sector has vast potential to transform the business landscape of India



Cordially invite you to attend webinar on

SAMADHAAN for Delayed Payment in MSME Sector

A webinar to address various issues of pending payments of MSMEs with CPSUs and other units

Recovery Proceedings for Trade Credit Defaults and Enforcement of Security Interest in India

Date: 4th June 2020 | Time: 2:30 pm - 4:30 pm



Mr. V. K. Sharma

Director

MSME DI Jaipur Ministry of MSME,
Govt of India

In recent times, MSMEs all over the country and across all sectors are trying to find practical solutions to the problems relating to delayed payments by the buyers and at the same time maintain harmonious relations with their clients to ensure continuous business. With a view to address this issue, WTC Jaipur and MSME DI organized a webinar **"SAMADHAAN for delayed payment of MSME"** on The webinar was held on June 4, 2020

Mr. Vijay Kalantri, Chairman, World Trade Center Jaipur, in his welcome

address mentioned that the Indian MSME sector accounts for a significant share of the Indian manufacturing output and contributes significantly to the country's exports. The sector, clearly, has vast potential to transform the business landscape of India. Mr. Kalantri also mentioned that the MSME sector, which employs millions of people, is taking major strides to stay competitive and making the most of the opportunities to ensure steady and effective contribution to the growth of the country's economy. He stated that to survive in the competitive landscape, it is crucial for Indian MSMEs to adopt innovative approaches to their operations. While it is important to get timely credit from financial institutions and banks for MSMEs to expand their frontiers and be sustainable, they also have to efficiently find ways to tackle challenges of delayed payments from large enterprises and buyers of their services.

Mr. V.K. Sharma, Director MSME- DI, Jaipur, Ministry of MSME, Government of India, in his keynote address informed that the Ministry

of MSME has started online applications where the supplier MSE unit can submit complaints against the buyer of goods/services before the concerned Micro and Small Enterprise Facilitation Council (MSEFC) of his/her State/UT. These applications will not only be viewed by MSEFC for necessary action, but also be visible to concerned central ministries, departments, CPSEs, state governments, etc for their proactive action. Mr. Sharma also mentioned that the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 contains provisions for addressing delayed payment to Micro and Small Enterprises (MSEs), and any micro or small enterprise possessing a valid Udyog Aadhar (UA) can apply and benefit from this scheme.

Mr. Y.N. Mathur, Joint Director, Nodal officer, MSEFC, O/o Commissioner (Industries), Government of Rajasthan while explaining in detail the various provisions of the MSMED Act mentioned that if the buyer is unable to make payments to the supplier for his goods or services within 45 days

of the acceptance of the goods/service, he is liable to pay to the supplier a compound interest which is three times of the bank rate notified by RBI along with the monthly interest on the principle amount. He also highlighted that every reference made to MSEFC shall be decided within a period of ninety days from the date of making such a reference as per provisions laid in the Act.

Mr. Hari Babu Sharma, Registered Practitioner- Insolvency and Bankruptcy Code 2016 announced that both State and Central Governments have declared multiple schemes to promote the growth of MSMEs such as PMEGP, MUDRA Yojana, MSME59, MSME Samadhaan and TReDS portals and urged the MSMEs to take maximum benefit from the same. He also

informed that to make the provisions enforceable, law has mandated strong disclosure requirements in the books of accounts on part of the buyer.

Further, Mr. Sharma stressed on a very important aspect of trade documentation and said that one must constantly communicate and keep in touch with customers and send gentle reminders regarding payments closer to the due date. This practice will help the customers remember the designated time frame for making payments. In certain extreme cases where payments are delayed, one can hire a debt collector to efficiently communicate on behalf of the seller. In today's times, this is a normal practice and does not in any way lead to the extinction of the relationship between buyer and seller. Mr.

Sharma also emphasized that contents on the invoice should be clear and easy to understand, for eg. Contact details should be legitimate, it should be addressed in the right person's name and most important is that all payment related information, such as invoice number, client reference number, cost breakdowns etc., needs to be very accurate.

The webinar was attended by over 80 participants.

Vote of thanks was proposed by Mr. Pradeep Ojha, Dy. Director, MSME – DI Jaipur.

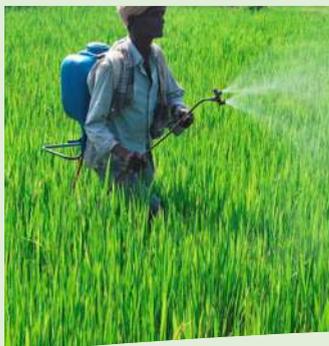
The webinar was held on June 4, 2020



WTC Jaipur commemorates World Trade Day Jaipur with a Webinar on IPR Protection for Agricultural and Food Products



WORLD TRADE CENTER®
JAIPUR

Webinar on
IPR Protection for Agricultural and Food Products
13th June 2020 | 4:00 pm to 6:00 pm

MSME DI,-Jaipur, Ministry of MSME , Govt. of India and World Trade Center Jaipur cordially invite you to the webinar to commemorate

WORLD TRADE CENTERS ASSOCIATION DAY JAIPUR



Dr. Dasharath Prasad
 Scientist, Assistant Professor
 (Agronomy)
 Agriculture Research Station
 Sriganganagar, Rajasthan

Today, with international trademark protection in place, consumers worldwide can purchase products and services



Mr. Rajeev Mittal
 President- Jila Udyog Sangh
 Dholpur, Rajasthan

confidently without worrying about counterfeiting and piracy. Intellectual Property Rights (IPRs) provide strong protection to goods and services in our national economy and also provide safeguard from infringement of such rights by unauthorized users. With a strong belief that IP rights are protected both domestically and globally, and with a view to sensitize local trade and industry of the benefits of IP rights, WTC Jaipur in collaboration with MSME Development Institute, Jaipur organized a Webinar on IPR Protection for Agricultural and Food

Products to commemorate World Trade Day Jaipur 2020.

Chief guest, Mr. V.K. Sharma, Director MSME- DI, Jaipur, Ministry of MSME, Government of India, in his address explained that patents, copyrights and trademarks stand to ensure legal protection and safeguarding of rights in respect of ideas and creations of an individual, brand of an organization in the manufacturing and service sector. Further, it allows to retain a unique identity of brands and helps in product differentiation, creating brand loyalty over long term.

Guest of Honor Mr. Rajeev Mittal, President, Jila Udyog Sangh,



Mr. Krishan Avtar Sharma
 General Manager
 Department of Industries
 Gov't of Rajasthan
 Dholpur

Dholpur, Rajasthan presented an overview of the industrial landscape of Dholpur and highlighted that this industrial district offers great opportunities for export and cluster formation for the stone and food sector. Mr. Mittal also suggested that international technological collaboration with Japan, Korea and US can be explored to help in reducing the cost of production and producing superior quality products.

Special guest Mr. Krishan Avtar Sharma, General Manager, Department of Industries,

Government of Rajasthan, Dholpur encouraged younger generation to become entrepreneurs and start manufacturing, with the strong support provided by Industries Department, Bureau of Investment Promotion and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO).

Dr. Rohit Jain, Patent and Trademark Attorney, Trade Innovation Services, Jaipur in his presentation illustrated various benefits of IPR registrations. He also observed that IP rights can increase competitiveness of products and services in exports due to its unique marketing edge, providing not only protection but



Mr. V. K. Sharma
 Director
 MSME DI Jaipur Ministry of MSME,
 Govt of India

creating a recall value for consumers to repeat purchases of goods and services.

Dr. Dasharath Prasad, Assistant Professor (Agronomy) Agriculture Research Station, Sri Ganganagar, Rajasthan, stated that one of the most important developments of modern agricultural biotechnology in India is its rising proprietary nature. Unlike the previous agricultural scientific activities, which were dependent on state and central government funding for development, the new age biotechnologies are protected by IP rights such as



Dr. Rohit Jain
Patent & Trademark Attorney
Trade Innovation Services
Jaipur, Rajasthan



Mr. Dinesh Soni
Assistant Director
MSME- DI



Dr. Ummed Singh
Professor
Department of Economics
University of Rajasthan - Jaipur

patents, trademarks and copyrights, GIs etc., which help in attracting cross border investments. Mr. Prasad also dwelled upon the need to encourage transfer of agri-biotech to developing countries.

Guest Speaker, Dr. Umeed Singh, Professor, Department of Economics, University of Rajasthan,

Jaipur, stated that Intellectual Property Rights protection is very important for economic growth of our country as patent protection raises R&D drive and advances in technological progress, which in turn reduces economic instability.

The session was concluded after a Q & A session with more than 90

participants and eminent guest speakers.

Vote of thanks was proposed by Mr. Dinesh Soni, Assistant Director, MSME-DI, Jaipur, Ministry of MSME, Government of India.

The webinar was held on June 13, 2020



WTC Jaipur is a member of the World Trade Centers Association (WTCA), New York which represents an unparalleled network of 322 WTCs in over 90 countries connecting one million businesses across the world. WTC Jaipur is promoted by M. Visvesvaraya Industrial Research and Development Centre (MVIRDC), which is also the promoter of WTC Mumbai, the premium World Trade Center in India. WTC Jaipur will facilitate trade and investment promotion in the state and will assist local businesses to foray into global markets and help enhance competitiveness of Rajasthan.

Join the Network

MSMEs, Exporters/Importers, Consulting Agencies, Institutions/Organisations, Trade Associations, Corporate Houses, Corporations and PSUs can join with WTC Jaipur to promote businesses globally at an annual membership fee.

Membership Benefits

Enables active engagement by bringing together local and international governments and businesses on a single platform by undertaking activities to promote international trade, investment, tourism, technology and exchange of information through the services on offer.

Services Offered

- Export Counseling • Seminars / Workshops / Panel Discussions on trade-related topics • Networking Events
- Online Information on trade and investment opportunities • Providing International market connections
- Trade Missions to explore overseas markets • Access to World Trade Centres Association, New York network
- Promoting inbound trade delegation from overseas • Promoting members online
- Free Registration with Trade Point Mumbai India (Member of World Trade Point Federation, Geneva) for generating business contacts • Participation in International Exhibitions • Access to publications of WTC Mumbai • Access to WTCA Card

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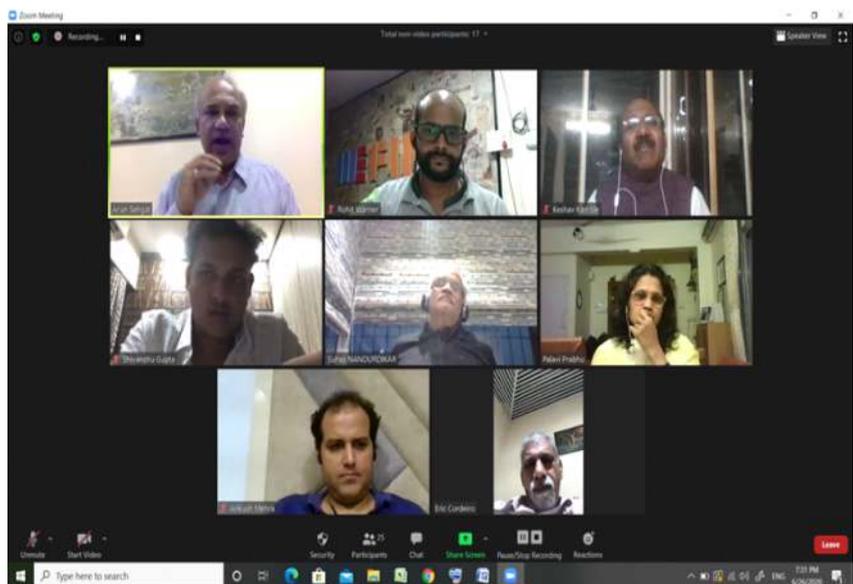
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Tel.: 022 66387272 | Email: wtc@wtcmumbai.org

Management Development Programme (MDP) on 'Building Sustainable Global Businesses in Challenging Times'



World Trade Center Mumbai Institute organized a three-day virtual Management Development Programme on 'Building Sustainable Businesses in Challenging Times' from 25-27 June, 2020. Mr. Arun Sehgal, an expert in international marketing and global business expansion, the resource person for the seminar is a first-generation entrepreneur who has built his own international business across 48 countries. Mr. Sehgal is the Chairman and Managing Director of the Chempro Group as well as a visiting faculty of WTC Mumbai Institute and many other management Institutes.

Businesses have always co-existed with disruptions, be it political, economic, socio-cultural, technological, environmental or legal. Responding to these disruptions which are becoming frequent is now a phase where one is forced to think and evolve their business models in a way to suit changing consumer



needs and new competitive pressures globally.

During the three day MDP programme, Mr. Sehgal elaborated on the major business disruptions that are happening in various countries around the globe, and the current and future challenges evolving from these disruptions. He

also explained the impact of these disruptions on existing businesses and new opportunities they create for building future businesses. Mr. Sehgal also mentioned that the most important take away of being a disruptor is the need to scale up our businesses and succeed at the global level. It is important to think and act like a disrupter, either in our



chosen business or look at a new business model considering the environment in the next 2-3 decades.

He further emphasized on how to keep the current businesses relevant and sustainable with live examples he guided the participants on selecting potential areas of sustainable businesses that can be created in future. Speaking about evolving in business Mr. Sehgal explained the concept of Need and Demand arising in future with an analysis of the age growth pattern of the population. He also presented three excellent case studies of companies with big valuation, from the food and fashion industry, citing how innovation scaled up their businesses. He pointed out that it is not the business but people behind the businesses that add value and therefore the need to be aware of one's personality traits and acquiring skills required for one's business is of prime importance.

Mr. Sehgal also spoke about the kinds of innovation that succeed, the need to focus on its features, the significance of evaluating the success of the innovation in terms of commercial viability and then applying the idea. He explained the importance of analyzing various challenges in terms of an aging world, its demand and consumption as well as technological changes expected. He also cited examples where mobile internet, artificial intelligence and internet of things were steering up innovation. Mr. Sehgal remarked that there is immense scope for success, for entrepreneurs who are imaginative, skilled and agile.

In conclusion Mr. Sehgal addressed the basic concepts for building sustainable global business with innovation and technological adaptation in the manufacturing process. He further substantiated his argument with case studies from India and abroad, on how innova-

tions changed business models and multiplied their profits. The programme ignited numerous thoughts on what entrepreneurs should be mindful about in future and the importance of teamwork with stake holders. No matter what may disrupt global businesses, the underlying human emotions based on the intangibles that every business creates, like care, trust, reliability, affordability, safety to name a few, will never change and entrepreneurs will have higher chances to succeed by remaining focused on delivery of these intangibles on a sustained basis to their stakeholders.

30 Participants were actively involved in the discussion process of the sessions and clarified all their queries on the subject. They were also given E-Certificates. The virtual platform of the MDP also helped active networking among the participants to exchange business ideas and identify partnership in future business.

Suba Plastics Private Limited



Name of the company – SUBA PLASTICS PRIVATE LIMITED

Member Name: Mr. V. Baskaran,
Managing Director

Description of the Company – Suba Plastics has more than 35 years of experience in plastic injection moulding technology. It is capable of designing and manufacturing all kind of tools required for producing high precision plastics tech injection moulded components. We have in-house tooling with designing in **PRO-E (wildfire), Auto-cad and Moldflow analysis** software for flow analysis. The Company is specialised in making small gears and pinions for automobile instruments and other various types of gears in plastics depending on its applications.

Product/services offered – Pulleys, Tensioners, parts for Power window motor assembly, Wiper motor, Engine parts starter motor, etc. are the major parts. Overall, the Company supplies over 160 parts as per custom design of its customers from Auto/ Textile/ Industrial/ Medical among other sectors.

Achievements – ‘Green Supplier’ certification from Maruti Suzuki India Limited, SMETA award, SQ mark, VDA among others.

Company looking for sales /marketing/ partner / market, etc. – Partnerships/ JV's / Technology Transfer/ Outsourcing in the areas of Medical Devices, Defense, Space, Automotive among other sectors.



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Jagannath Rath Yatra Festival, Puri, Odisha

The **Car Festival** also famous as **Rath Yatra** is a popular festival celebrated across the globe. At present this car festival is observed in at least 62 countries of the world with intense enthusiasm by the masses. This historic annual religious festival, having its origin in Puri district of the state of Odisha in the eastern part of India, stands as an integral facet of Hindu Civilization in Indian Peninsula over ages and spreads the message of global brotherhood.

This World famous car festival is held each year on Ashadha Shukla Dwityia (as per Hindu Panchang), which is mostly in the month of June/July as per the English Calendar. Three deities viz. Lord Jagannath, Devi Subhadra & Lord Balabhadra are taken from Jagannath Temple to Gundicha



Temple (about 3 kms away), where they stay for 9 days.

The deities are carried in 3 different Chariots which are distinguished by the uniqueness in their own aspect. Lord Balabhadra Rath is carried in a chariot called **Taladhawaja**, which consists of 14 wheels and is identified by the Red and Green colour of its fabric. Devi Subhadra is carried in a Chariot called **Debadalana**, which

consist of 12 Wheels and is decorated with Red and Black coloured fabric and Lord Jagannath is carried in a Chariot named **Nandighosh** which consists of 16 Wheels and spruced up in Red and Yellow coloured fabrics.

The Chariot of Lord Balabhadra is pulled first followed by those of Devi Subhadra & Lord Jagannath. Thousands of devotees of regional, national and international groups pull these chariots by laying their hands on sturdy ropes of the Chariots and chanting the sacred name of the Almighty, thus speaking an eternal language of love and devotion for the supreme.

For any reason if a Chariot cannot reach the Gundicha Temple on the first day, it is pulled the next day and after staying at the Gundicha Temple for 9 days, the deities are taken back to Jagannath Temple on their Chariots on the 10th day, which is called **Bahuda Yatra**.

After reaching the gates of the Jagannath temple, all the three deities are dressed in glittering gold on their respective chariots where masses are allowed to worship them from 5.00 pm – 11.00 pm in the evening. This is known as 'Suna Basha' ('Suna' means 'gold' and 'Basha' means 'clothes')

On the 11th Day, a special ritual of **Adharapana** ('Adhara' meaning lips and Pana means sweet milk) is performed, where the deities are



offered sweet scented drink made of milk, sugar, cheese, banana, camphor, nuts, black pepper etc.

On the 12th day, after the evening rituals, the deities are taken inside the temple and this tradition is known as **Goti Pahandi**. Lord Jagannath is carried into the temple first followed by Devi Subhadra and then Lord Balabhadra. The deities are carried one after another, it means the next deity is only carried from the chariot after the former deity has been seated in the temple. After the return of all 3 deities into the temple, a home coming ceremony is performed known as 'NILADRI VIJAY' or 'Niladri Vije', which marks the ends to the historic Car Festival for the year.

This is the only festival in the world where deities are taken out of temples to travel to devotees, and it is also the largest Chariot procession in the world. The size, pomp and splendor of this procession has even contributed a word to the English dictionary: **Juggernaut**.

This Grand Festival spreads a message of equality of human beings before the Supreme who is said to carry the entire human race with him during this festival.



Blue Pottery

Blue Pottery is widely recognized as a traditional craft of Jaipur. Although it was first developed by Mongol artisans who combined Chinese glazing technology with Persian decorative arts, this unique technique was brought to Delhi, by the Mughals. Initially it was used to make tiles to decorate mosques, tombs and palaces but gradually the blue glaze technique grew beyond an architectural accessory to Indian potters and is now fashioned into making kitchen ware and display items such as door knobs, beads, candle stand, lanterns, coasters, perfume bottles etc.

similar frit material to Egyptian faience, is glazed and low-fired. Although no clay is used, the 'dough' for the pottery is prepared by mixing quartz stone powder, powdered glass, Multani Mitti (Fuller's Earth), borax, gum and water. Sometimes Katira Gond powder (a gum), and saaji (soda bicarbonate) are also mixed into the ingredients



Blue Pottery was brought to Jaipur in the early 18th century by Raja Sawai Ram Singh II. He sent local artisans to Delhi to be trained in the craft to introduce the same in Jaipur.

The name 'blue pottery' comes from the eye-catching cobalt blue dye used as its primary colour. The Jaipur blue pottery which is made from a

Some of this pottery is semi-transparent and mostly decorated with bird and other animal motifs. Being fired at very low temperature makes them fragile hence the range of items is primarily decorative, such as ashtrays, vases, coasters, small bowls and boxes for trinkets. The colour palette is restricted to blue derived from the cobalt oxide, green

from the copper oxide and white. Although other non-conventional colours have been recently introduced the motifs still continue to be the traditional ones favored in the Moghul courts. Due to the high demand.

Despite of the huge demand for this art in present times it had almost vanished in the 1950s, but through the efforts of muralist and painter Kripal Singh Shekhawat it was re-introduced with the support of patrons such as Kamladevi Chattopadhaya and Rajmata Gayatri Devi.

Today, blue pottery is an industry that generates export earnings for many artisans in Jaipur. The economic importance of the sector also lies in its high employment potential, low capital investment, high-value addition, and continuously increasing demand both in the domestic and overseas markets. The sectors provide employment to more than a lakh craft persons mostly from rural areas.

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