



EUROPEAN BUSINESS GROUP INDIA

Promote and safeguard European Business interests in India



Chairman's message, September 2012

Mr. Vinod Verma

The European Commission has taken major steps towards creating more favourable conditions for European business and businesses in Third Countries. One step in this endeavour was the creation in 2001 of the European Business Organisation (EBO's) Worldwide Network which promotes the universal principles of open markets, access to third markets, more exports contributing to growth, all to the mutual advantage of all partners.

European companies operating outside Europe have joined together to mutually grow their commercial networks and more effectively represent their interests to the governments of their host countries. These EBO's are now playing an increasingly important role in addressing the cause of free trade and investment. They also foster links between European companies, large and small, doing business in their host countries. The EBO's offer important and timely insights into local economic conditions and opportunities to the Commission and the EU member states. This two-way communication improves EC preparation for multilateral and bilateral trade dialogues, and supports dissemination of EU information abroad.

European Business Group India is part of this global network which has representations from 23 countries around the world. In June 2012, as chairman of EBG India, I was privileged to be invited to attend the 12th meeting of European Business Organisations which took place in Brussels. While attending the meeting, I was able to bring to the table the Indian perspective as well as listen to interesting new developments in other EBO's across the globe.

One of the primary focus' of the EBO's is to strengthen their unique position as very knowledgeable advocacy bodies of European business in third country markets. EBG India is achieving this through its Sector Committees, which aim to bring European business heads working in similar areas together to discuss, exchange, and formulate a common stand to promote and safeguard their interests in India.

The Sector Committees are also the primary source of information for the EBG Position Paper. The current edition of the Position



EBO meeting attended by Mr. Verma in June 2012 in Brussels

Paper is under preparation and with the involvement of the knowledge partners - E & Y, Grant Thornton and BMR Advisors - we are very hopeful that this year's paper will be more relevant and hard-hitting. Anchored by these knowledge partners, sector committees are meeting regularly, to specify their issues for discussions with the concerned authorities, as well as for holding events highlighting contributions by European companies in that sector and their potential role in modernisation of India.

I do not need to say that EBG represents a unique advocacy platform to voice our issues and concerns, to arrive at win-win solutions and to make it easier to do business in India. If you wish to raise your concerns on any of these points, please do contact us. We will put you in touch with the relevant sector committee to be a part of this ongoing dialogue with the appropriate authorities in the Government of India.

We are happy to welcome the following new members, and look forward to their active involvement in EBG events and sector committees

DELHI CHAPTER

Airbus SAS • Allied Pickfords India** • Amtrak Technologies Pvt. Ltd • Avio India Aviation Aerospace Pvt. Ltd. • Balfour Beatty India Pvt Ltd • Benetton India Private Limited • Cable & Wireless • Efacec India Pvt. Ltd. • GEO Consult • German Centre for Industry and Trade Delhi Pvt. Ltd • GSM Association • Indra Systems • Indisight Growth Partners Advisors Pvt. Ltd • Morganite Crucible India Limited • Outokumpu India Private Limited ** • Rahul Kapoor & Associates • Sterlite Network Ltd • Varier Inc • Vertex Customer Management India Pvt. Ltd • VINCI Concessions India Pvt. Ltd. • Vodafone India Limited

MUMBAI CHAPTER

Allied Pickfords India • Amines & Plasticizers Ltd. • Atlantic Lubricants & Spe. P.Ltd(Motul) • Binani Group of Companies Mazars • Nutricia International Pvt. Ltd. • Outokumpu India Private Limited • Relations at Work India Advisory Private Limited • Roxul Rockwool Insulations India Pvt. Ltd. • Technip KT India Ltd

BANGALORE CHAPTER

Allied Pickfords India • Bosch Limited • M+V Market Development Services Pvt Ltd • PA Consulting Services (I) Pvt Ltd • Tecosim Engineering Services Pvt Ltd • Zinnov Management Consulting Ltd

**Member of more than one chapter.



Mr. Peter Young
First Counsellor - Head,
Trade & Economic Affairs Delegation
of the European Union to India

As every year, September has brought some personnel changes at the EU Delegation. Renita Bhaskar has returned to Brussels – where she will now be coordinating the bilateral FTA negotiations on the EU side – and has been replaced by Sara Zennaro. Sara joins us from Brussels, where she was responsible for the EU's development assistance to Afghanistan, and will take over Renita's lead role on market access issues concerning agriculture and SPS matters.

For the EU, the main priority in the bilateral relationship with India remains the ongoing negotiations for a Broad-based Trade and Investment Agreement. These negotiations were given a boost in late June when India's Commerce Minister Anand Sharma and EU Trade Commissioner Karel de Gucht met in Brussels to review progress. The two Ministers agreed on a road map with the objective of reaching a political conclusion to the negotiations by the end of the year. Intensive contacts between the respective negotiating teams have accordingly continued through July and September in order to advance towards this goal.

Alongside the FTA negotiations, regular bilateral business has also continued at a high pace. In July, we had the annual Working Group on TBT and SPS issues and in September the annual Working Group on Textiles and Clothing. In both groups, the EU objective was to maintain pressure to reduce frictions in the trade relationship associated with existing – or potential new – regulatory or trade measures and to promote an effective ongoing dialogue and cooperation with our Indian counterparts. At the meeting on TBT and SPS issues, both sides essentially registered their concerns in relation to specific measures and sought progress towards a satisfactory resolution. Issues raised by the EU side included India's import requirements and standards for products such as Telecom Equipment, Steel, Tyres and Foodstuffs. At the meeting on Textiles, India showed a strong interest in EU expertise in the field of environmental management (eg of the water required by textiles mills) and acknowledged a common interest in ensuring a more transparent management of cotton trade. Since India is a major supplier of Cotton and Cotton Yarn to international markets, previous export restrictive measures have impacted global markets and affected supply also to the EU.

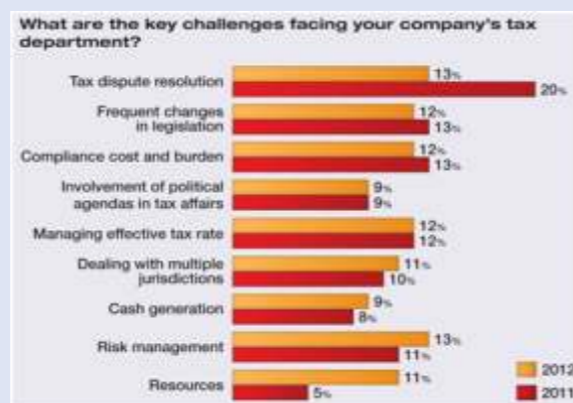
We can look forward to an active and busy autumn period, with intensive negotiations on the FTA, a number of regular bilateral meetings scheduled and high level visits to India in preparation by a series of Commissioners and senior officials. In support of all this, we count on an active and wide-ranging interaction with EBG members, since up to date information on EU business views and perspectives is an important input to our work with our Indian counterparts on market access and regulatory issues. We also welcome the work in hand by EBG to update its annual Position Paper, which I am confident will again be an important tool for the EBG's advocacy efforts.

TAX AND THE BATTLE FOR MULTINATIONAL INVESTMENT

Mr. Gokul Chaudhri, Partner BMR Advisors

"Every summer, for the past few years, there is a global tax survey conducted by Taxand. The findings of this survey validate some of the perceived concerns of multinationals and highlight trends in the shifting tax environment around the world; India has been in the tax spotlight and the survey did provide some interesting insights for consideration.

Firstly, multinationals are growing concerned with the growing economic turmoil especially in the Euro zone; however, 70 percent of the respondent in Europe and Asia believe that tax policy cannot resolve the economic challenges. More specifically, companies are facing increasing pressure on tax dispute resolution and frequent changes in legislation with transfer pricing, international tax and tax litigation being the top 3 concern areas. In Asia, emerging Asia specially, the learning curve has been sharp following a 50 percent increase in transfer pricing legislation in the past decade and rising scrutiny of financial transactions. The shift in the pendulum from emerging Asia being known for tax holidays to now witnessing an aggressive attempt to protect its tax base has been quite dramatic. Interestingly, almost half of the respondent stated that their expansion plans had been curbed by over-zealous tax authorities.



Taxand Global Survey 2012. Discover more Taxand Global Survey 2012 Highlights First published by Taxand – the world's largest independent tax organisation www.taxand.com

Tax is now moving ahead to be board agenda with CFOs seeing this shift to a great extent. The war for talent continues as tax challenges are adding pressure for resourcing. Public exposure, and the rise of citizen activism, is being seen a growing concern to corporate reputation; tax planning now needs to muster the reputation test.

For India, the key message is that multinationals are increasing highlighting concern on international tax – interpretation of the rules of permanent establishment, increased focus on substance for treaty benefits, and taxation of cross border transaction. Select investment jurisdictions are providing a competitive investment climate and with cost arbitrage reducing, tax and regulations are becoming more important when considering investment in emerging markets. The survey reports that companies are increasing looking if the tax environment supports the investment rationale – hopefully the tax policy makers in India are listening for India needs investment capital for its growth and development."

Creating Strategic Edge for European Players through EBG Position Paper & Policy Advocacy

It is a well-known fact that for any business to do well, it has to have a favourable Business Environment & Policy framework. The Business Environment is largely influenced by Government Policies, which can have a major impact on the successful functioning of the organizations. On occasions, policies can create intended or unintended barriers which will effect the viability and growth of an entire sector from a specific trading block.

The government's major concern in most economies is to facilitate growth and to create policies which in their opinion are most conducive and in the national Interest of the country. However, as we are seeing at the moment in India, what is in the national interest is not always seen as consistent with the needs of local players. Views diverge on what is in the national interest and policy makers face an uphill task to decide which is the correct path to follow.

It is thus important to keep exposing the policy makers to the issues that stakeholders are facing and reminding them of what is required to function smoothly. The issues must represent a significant segment of the business population, so that generic policies can be framed which do not create undue advantage or disadvantage to a specific player, thereby giving a fair and equitable environment for all.

The European Business Group was set up in response to this concern. Established in 1997, the EBG is designed to bring different stakeholders together on one platform and to make sure that the Indian Government is made aware of the views and needs of the European Business community.

One of the primary tools for doing this is the EBG Position Paper. This important document allows members to communicate their concerns on issues in particular those adversely affecting their business operations in India. The Position paper is released annually and distributed to high-level representatives of the Indian Government, the EU secretariat and the diplomatic missions of the EU countries in India. It is used by the European Commission as a critical input for their interactions with the Government of India. For instance, the EU's negotiation team has drawn heavily on the Position Paper for their ongoing EU-India FTA negotiations.

The EBG Sector Committees play a central role in this process as each one contributes to their part in the Position Paper. Presently EBG has the following All India sector committees: Alcoholic Beverages, Automobiles, Banking and Finance, Civil Aviation, Energy/Environment, Healthcare, ICT, Infrastructure, Innovation, Law and Regulation, Logistics, Taxation and Telecommunication. We are looking to create more committees in the following areas: Defence, Real Estate and Education.

EBG Council is in the process of reviewing the way the Sector Committees function, as well as widening the input of the Position Paper to create a more qualitative and substantive document which can be used effectively for policy advocacy in EU-India trade relations.

As a first step, we are organizing sector committee meetings in Embassies and the EU Delegation office. We invite members and potential members from a specific sector along with representatives from trade delegations of member states and of the EU to kick off discussions on the Position Paper. This has already been done for the Aviation, Automotive, Energy and

Environment, Healthcare and Telecom sectors with extremely positive results.

We have also engaged Management Consulting firms like E & Y, Grant Thornton and BMR to benefit from their expert help and advice in order to make our committees more vibrant and the Position Paper more broad-based. In the sectors where we agree to collaborate with these firms, we are utilizing their expertise to:

- Identify European players of the sector (both existing and potential members of EBG).
- Engage the European companies from the specific sector in the committee meetings to get their input for the Position Paper, in particular by gauging the issues and obstacles that European they are facing doing business in India. Going forward, we would like to categorize issues distinctly into Tariff and Non Tariff issues which will need to be looked into from a policy perspective to facilitate greater participation and co-operation from European players.
- Encourage the Sector Committees to come up with a sector-specific event whereby all stakeholders (European companies, relevant Indian Government and EU officials, trade councilors of member states etc) can be brought together on one platform to highlight the importance of European players in the India Growth story.

We urge every EBG member to take an active part in their specific Sector Committee and thus ensure their views are taken forward to relevant stakeholders through the Position Paper.

For further information on Sector Committees and Position Paper, please contact Mr. Rajiv Gupta, Chairman Sector Committees at rgupta@rdiindia.com or +91 9810288151



Automotive sector committee meeting at the Embassy of the Federal Republic of Germany



Healthcare sector committee meeting at the Delegation of the European Union to India.



Council Members

Delhi Chapter



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Birthe Foster
Managing Director
Pure Production India Pvt. Ltd.



Deputy Chairman
Rajeev Gupta
Managing Director
Resource Development International
(India) Pvt. Ltd.



Treasurer
Sumeet Anand
CEO & Founder
Indsight Growth Partners Advisors
Pvt. Ltd.



Membership Chairman
Martin Fuchs
Managing Director
German Centre for Industry and Trade
Delhi Pvt. Ltd.



Events Chairperson
Payal Singh
Country Director
AGS Four Winds India Pvt. Ltd.



Contact to Government of India
Mukesh Butani
Partner
BMR Legal

Delhi Chapter is the oldest of all the EBG Chapters and spearheads the activities of the Group.



Contact to Embassies
Rajiv Dhawan
Director
Magotteaux Industries Private Limited



Communications Manager
Kate de Montjoye



Honorary member
J P Garg



Council member
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EBG Newsletter

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Our thanks to
Mr. J.P. Garg

EBG would like to place on record a vote of thanks to Mr. J P Garg, EBG Delhi Chapter Council member and Chairman- Telecommunication sector committee. He was particularly appreciated for his continuous efforts to strengthen the EBG, especially in the field of Telecommunications in drafting the Telecom paper for the EBG Position Paper and also in bringing together the members of the European Telecom industry. Mr. Garg has always actively participated in EBG events and supported them with sponsorship from Nokia Siemens Network.

Mr. Garg has retired from Nokia Siemens Network and he will be greatly missed at EBG.

We are pleased to announce that Mr. Garg will remain as an Honorary Council member of the Delhi Chapter. He has also kindly agreed to continue his work with the Telecommunication Sector Committee and also drafting the committee's contribution to the position paper.



Our thanks to
Mr. Guenter Zwickl

European Business Group India – Bangalore Chapter bid farewell to the outgoing Council Member Mr. Guenter ZWICKL. Mr. Guenter Zwickl, Head of Global R&D Technology Center Management & Head of Technology Center India, Nokia Siemens Networks has left India. EBG Bangalore Chapter would like to record a vote of thanks to Mr Guenter Zwickl for his dynamic involvement in the EBG initiatives. He actively contributed to EBG position paper last year. He helped in the formation of the CFO forum and provided support for the Innovation survey carried out this year.

Welcome to the Country Council



Mr. Bruno Valanzuolo
All India Membership Chairman



Mr. Sumeet Anand
Treasurer
All India & Delhi Chapter

Welcome to the Delhi Council



Mr. Martin Fuchs
Membership Chairman
Delhi Chapter

Welcome to the Secretariat



Ms. Seema Santosh
Secretary

Bangalore Chapter Update On-going CFO forums

The CFO Forum met for the second time on Monday, 23rd July 2012. Service Tax and Transfer Pricing were the two topics of discussion in this meeting.

Mr. Mahesh Jaising, Partner, BMR Advisors presented a proposal on inviting the Transfer Pricing Commissioners for a closed room interactive session in the coming months. There was discussion on Transfer Pricing with the objective of preparing the questionnaire to be provided to the Transfer Pricing Commissioners. Another round of discussion planned during mid of October to finalise the questionnaire.

Ms. Krupa Venkatesh, Senior Director, Deloitte Touche Tohmatsu India Private Limited gave a brilliant presentation on "Service Tax: Sea of Changes".



GNSS.asia

EBG GNSS.asia Team coordinated visit of Mr. Luc Tytgat, Director of the Single Sky Directorate during his visit to India in September'12. Mr. Tytgat spoke at the Bangalore Space Expo 2012 & ISRO Satellite Centre on 12th Sept 2012 in Bangalore.

On 13 September 2012, Mr. Luc Tytgat met senior officials at Ministry of Civil Aviation and also presented information to the members of International Foundation for Aviation, Aerospace & Development (India Chapter) in New Delhi. He was accompanied by Dr. S.V. Kibe, GNSS.asia Project Expert, and Mr. Senthil Kumar GNSS.asia Project Manager

His presentation and discussions covered the following points:

- Benefits of European Single Sky Policy
- European Transport & Space Policies
- Status of Galileo Project
- Galileo in Aviation
- European Satellite Based Augmentation System EGNOS application and Benefits
- Areas of collaborations between ISRO and Eurocontrol, Ministry of Civil Aviation and Eurocontrol explored.



Welcome Brunch

Networking event: A Welcome Brunch was organized on 15th September 2012 in Bangalore to welcome the members back after their summer break. It was a fun filled afternoon and well attended.

Delhi Chapter

Friday, 3 August 2012

EBG members were fortunate to be invited to an event organised by the Embassy of Belgium in India and FICCI, in association with the European Business Group and the Belgian-Luxembourg Business Association. The meeting, attended by over 100 participants, took place at the Hyatt Regency Ballroom on 3rd August.

The speaker was H.E. Mr. Didier Reynders, Deputy Prime Minister and Minister of Foreign Affairs of Belgium. Before his current position, H.E. Mr. Didier Reynders was the Minister of Finance of Belgium for 12 years, in which function he also had the opportunity to chair the group of Eurozone countries. It is important to add that Belgium is the second most important EU trading partner of India, just preceded by Germany.

Mr Reynders spoke on the topic: "There to stay... The future of the Euro and why it matters for India" in which he gave his views on a more federal European Union. He showed optimism that steps were being taken towards true economic and monetary union, and underlined the importance of both shared responsibility and solidarity to attain this goal.

The full text of his intervention is available at EBG office (contact Ms. Seema Santosh at delhi@europeanbusinessgroupindia.com)



Thursday, 13 September 2012

Meeting with a difference:

EBG in the past has been organising meetings with speakers from the Government of India, Indian politicians and a couple of social networking events.

On Thursday, 13 September 2012, EBG organized a meeting at the Imperial, New Delhi with a different subject "The Rise of Regional parties in India and its Impact on India's Governance and Economic Growth".



As you would agree that India's growth story is now being driven by different states of India. Regional Parties are also determining India's national policies. In order to understand the opportunities and challenges this throws up, EBG had invited two globally renowned Professors on Indian politics, Prof Sunil Khilnani and Prof. Christophe Jaffrelot to address us on Thursday, 13 September 2012 at the Imperial, New Delhi.

The session was brilliantly moderated by Mr. Jehangir Pocha, Editor NewsX and former Editor, Businessworld.

Prof. Jaffrelot gave a brief history on the rise of Regional parties in India and Prof. Khilnani touched upon the impact of Regional parties on India's Governance and Economic Growth. This was followed by a very interactive session between the participants and the speakers.

We will come back with more such meetings.

Monday, 24 September 2012

Joint EBG/BBG/Amcham meeting in association with KPMG : Interactive Forum on Advance Pricing Agreement (APA) Program with a technical discussion led by KPMG in India and panelists from the Indian Revenue Service, Ministry of Finance in New Delhi at the PHD House

Mumbai Chapter

Wednesday, 12 September 2012

The Banking and Finance sector committee meeting was organized on 12 September 2012 in Mumbai. The meeting was organized to discuss the draft paper of the sector prepared by BMR Advisors for this year's EBG Position Paper. The key issues touched upon in this paper include: Access to foreign banks in India – Near Full National Treatment vs Full National Treatment; the case for differentiated banking licences; implications of the new Priority Sector Lending norms; the subsidiarisation policy. Following this meeting, the draft has been revised and forwarded to the European companies in this sector to provide their feedback.

Thursday, 13 September 2012

An interactive session with the NASSCOM President, Mr. Som Mittal was organized in Mumbai on Thursday, 13 September 2012 at the Taj Mahal, Mumbai.

Mr. Mittal spoke on "Dealing with the Government & Leveraging Associations" and it was a well attended meeting.



Technology for good

The world is entering a new communications era. Technology is enabling us to interact, innovate and share knowledge in entirely new ways, creating a dynamic shift in mindset. At Ericsson, we are just beginning to explore the possibilities of what we call the Networked Society. This has profound implications. One example is energy efficiency that delivered through innovative solutions and service offerings will enable the Networked Society, while keeping network energy consumption constant.

Information and Communication Technology (ICT) presents opportunities to sustainable development challenges, from sub-Saharan African villages to fast-growing cities in Asia and North America. Working with customers and in public-private partnership, we demonstrate the benefits of ICT and confirm our commitment to enabling communications for all.

The ICT sector has huge potential to lead the transformation to a low-carbon economy by offering solutions to reduce the 98 percent of carbon emissions that come from other industries and sectors. Ericsson is working on solutions for smart grids, remote work, intelligent transport and other innovative uses of ICT. We work with customers globally as well as a range of industries to leverage on existing business models and create new business models around areas such as healthcare, national security and public safety, transportation, utilities, connected homes and sustainable cities. The ultimate goal is to improve quality of life while also tackling climate change.

Mobility and broadband will continue to play a decisive role in the transformation of society. In five years time we believe that 90% of the world's population will have access to mobile communications. Our innovations, combined with global presence and scale, have made us a leader in an industry that gets more exciting every day.

Smart, sustainable cities are a glimpse into the future. Representing over 70% of CO2 emissions, cities spell either environmental catastrophe or an opportunity for ecological rejuvenation. Half of the world's population lives in cities today. Within just four years, we expect nearly 60% of all traffic in mobile networks will be generated by 30% of the global urban population who live on 1% of the planet. A digital infrastructure and services like smart grids, e-education, e-health, e-governance, and intelligent transportation systems offer a better way to manage urbanization and strained resources. We are working with customers, governments, utilities, transport, non-governmental organizations and other partners to create an ICT-enabled infrastructure, service offerings and business models that transform the way we live, work, travel and govern – with greater efficiency, less carbon, and improved quality of life.

We believe that global challenges are best tackled through partnership. As one of the initial members of the United Nations Global Compact (UNGC), Ericsson is committed to its ten universal principles for business conduct. Each year, we produce an Annual Communication on Progress. We believe in high standards for business ethics and Human Rights and are committed to work actively with the UN Guiding Principles for Business and Human Rights, and have updated our Code of Business Ethics to reflect this commitment.

ICT is already playing a major role in catalyzing the shift to a Networked Society. In 2012 and beyond, we will continue to innovate and bring solutions that enable communication for all. Our policies remain strong and we are committed to high levels of governance standards wherever we do business in the world. As the leader in our industry, we will also prioritize our work with Human Rights throughout our business operations and join multi-stakeholder dialogues which advance these goals.

Courtesy: Mr. Fredrik Jejdling
Head of Region, Ericsson India

Forthcoming events:

Month	Delhi Chapter	Mumbai Chapter	Bangalore Chapter
October'12	<p>16 October– Lunch meeting with EU Commissioner Algirdas Šemeta, Commissioner for Taxation, Customs, Anti-fraud and Audit.</p> <p>17 October– Lunch meeting with Shri Nandan Nilekani, Chairman, UIDAI. Topic : "AADHAAR- How will it transform India"</p> <p>25 October– Lunch meeting with EU Commissioner John Dalli, Commissioner for Health and Consumer Policy.</p> <p>31 October– " Green Automotive Technologies- Driving into the future" TBC</p>		<p>10 October– Lunch meeting-Release of Study Report on Innovation and R&D Activities of European Companies in India by Mr.Robert-Jan SMITS General Director, DG Research and Innovation, European Commission</p>
November'12	<p>8 November–Social Networking event at the Garden of Five Senses</p> <p>22 November– India Defence Procurement forum for European Companies</p>	<p>20 November– An interactive session with the Chairman, Infosys – Mr. NR Narayana Murthy on (Tuesday) at the Trident / Oberoi, Nariman Point.</p>	<p>20 November– Visit of Ms. Françoise Le Bail, Director General for Justice from European Commission to Bangalore. She will be focusing on Data Protection. (TBC)</p>
December'12	<p>7 December– Annual Christmas dinner</p>		



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COMMITTING FOR TOMORROW

A global leader in equipment and services for the power generation, power transmission and rail transport markets, Alstom has placed sustainable growth at the centre of its strategy by developing innovative, environmentally friendly technologies. Each day, Alstom's employees, spread throughout more than 70 countries, work to make our future better.

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We are shaping the future

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