



BHARAT CHAMBER NEWS

for Members by Members

A Monthly Newsletter of BHARAT CHAMBER OF COMMERCE, Kolkata
... serving business and society since 1900

President
SITARAM SHARMA

Senior Vice-President
SATISH KAPUR

Vice-President
N. G. KHAITAN



Dear Members,

India and the WTO:

In a recent submission to the WTO, the U.S. authorities have argued that since 1995, the economies of countries like China, India, Columbia and Turkey have rapidly transformed to such an extent that the conventional divide of developed and developing countries needs to be reviewed. In other words, there is a question mark on the continuation of these countries under 'Special and Differential Treatment' or S&DT category, the benefit of which is market protection with high tariffs.

In case India loses the S&DT classification, tariff protection to indigenous manufacturing will be dispensed with. In addition, farm subsidy will have to be reduced from 10 per cent to 5 per cent. Besides, our export subsidies have become untenable in view of our country crossing the per capita GNP threshold of U.S.\$ 1,000. In these circumstances, promulgation of a pragmatic

From the President's Desk

Industrial Policy facilitating reduction in high costs of production is now an urgent necessity.

Time for Export Push:

For over five decades, the U.S. has considered India as a beneficiary developing country under its Generalised System of Preferences (GSP) programme, which has granted Custom Duty free imports of certain goods from India. In March this year, the U.S. trade authorities have announced termination of this preferential access of India's exports to the U.S. market because of India's "failure to provide the United States with assurances for a reciprocal, equitable and reasonable access to its markets in numerous sectors".

Exports from India to the U.S. during 2018, was U.S.\$ 54.40 billion compared to U.S.\$ 48.60 in the previous year. During 2017, India was the largest beneficiary under GSP with exports at U.S.\$ 5.6 billion followed by Thailand with U.S.\$ 4.2 billion and Brazil with exports at U.S.\$ 2.5 billion. About 10 per cent of our exports to the U.S., which were exempted from Duty, will be now subjected to regular tariff.

At a macro level, the termination of benefits under the GSP would affect our exports to the U.S. in some specific sectors. There are, however, some silver linings amongst dark clouds. Bilateral trade between the U.S. and China is amidst rough weather. Reduction of trade surplus in favour of China is likely to be the key in the ensuing talks on settlement of Trade War. This could open up opportunities before the Indian exporters.

In this backdrop, the Commerce and Industry Ministry needs to swiftly evolve policies to promote exports to the U.S., which have so far been muted on account

of Chinese invasion of U.S. markets and export houses have to work overtime to exploit the same.

India's Tea Exports:

Exports of tea from India has been stagnating at about 250 million kg per year. In fact, during the calendar year 2018, our tea exports fell marginally to 249.11 million kg from 251.91 million kg in the previous year.

It is, therefore, heartening that the Tea Board has issued fresh guidelines to the tea industry for maintaining quality so that the country can remain competitive globally.

In addition to ensuring quality at the gardens, there is an urgent need for value addition post-manufacture by blending tea with permissible herbs to meet global market preferences. Therefore, herbs which are not available in the country should be allowed to be imported. My suggestion in this regard is under active consideration of the Ministry of Commerce and Industry.

General Elections 2019:

The race for occupying the Chairs at the Parliament for the next five years has begun. The rhetoric battles apart, the people of the country are awaiting to see the agenda of the leading political parties in their respective manifestos and learn about their developmental goals. So are we at the Chamber.

SITARAM SHARMA
President

In this issue

- International Women's Day.
- Recent Amendments in GST.



Chamber Happenings

February 11, 2019: Interactive Session with U.S. Professor



The Chamber organised an Interactive Session on 'Entrepreneurship: Changing Global Perspectives' with Professor Jonathan Luther Jackson, Business Professor, Chicago State University, U.S.A.



In course of his Address at the Session, Professor Jackson stated that in present times a global entrepreneur should focus on those forefathers who uplifted humanity, namely Mahatma Gandhi and Martin Luther King Jr.

He further stated that a **global entrepreneur should not only possess manpower, capital and ideas but also show reverence to human rights.** Speaking on funding business ventures by banks, Professor Jackson stated that banks hardly lend Start-ups and most of the finances come from families and friends and from Angel investors. However, he felt that **small financial institutions should be formed for lending money to budding entrepreneurs.**

Speaking on the credit scenario in U.S.A, Professor Jackson stated that during the sub-prime loan crisis, all known



institutions came forward in strengthening the financial system. He informed that when the banks and city corps fail to be credit worthy, the Federal Government comes forward and lends them money at zero per cent interest. **Speaking on the U.S.-China trade wars, Professor Jackson felt that India will surely gain out of this given the strategic advantage India enjoys as part of its cultural prosperity.**

Earlier in his Welcome Address, **Shri Sitaram Sharma, President** observed that **entrepreneurs form the backbone of the economy and are instrumental in creating jobs for the youth who are looking for employment.** However, he felt that **would-be entrepreneurs face acute dearth of capital as access to venture capital and bank finances is quite expensive.**

February 22, 2019: Meeting with Sub-Committee Chairmen & Co-Chairmen

A Meeting of the Office Bearers of the Chamber was convened with the Chairmen and Co-Chairmen of Sub-Committees. The objective of holding the meeting



was to think collectively about the preparation of the roadmap of activities of various Sub-Committees of the Chamber. The President invited the suggestions of the Chairmen and the Co-Chairmen on the activities that they propose to undertake during the current year.

February 25, 2019: Interactive Session with Ambassador of Lithuania



The Chamber organised an **Interactive Session on 'Lithuania-India Trade Relations: Focus West Bengal'.** His Excellency **Mr. Julius Pranevicius, Ambassador of the Republic of Lithuania in India** was the Guest-in-Chief of the Session. **Mr. Arvind Sukhani, Honorary Consul of Republic of Lithuania** was present on the occasion and introduced His Excellency.



His Excellency Mr. Pranevicius highlighted several potential areas of trade and investment between the Baltic country and the State of West Bengal. **He identified sectors such as Fintech, IT and Education as the primary areas of potential collaboration between the two regions.**

RUPA® FRONTLINE HUNK PREMIUM INNERWEAR GYM VEST

His Excellency informed that Lithuania is presently developing a cluster of Fintech companies in the country and slowly making its progress towards becoming a regional fintech licensing hub. Besides, His Excellency also emphasised on student exchange programmes between the Universities of both regions for the study of Life Sciences, Medicine, IT and Engineering.

Speaking on investment opportunities, His Excellency stated that Lithuania is one of the fastest growing countries



in Europe with a highly educated population. He further informed that **Lithuania offers free trade and free travel with other member countries of the European Union.**

Earlier in his Welcome Address, Mr. Satish Kapur, Senior Vice-President observed that while the major items of import by Lithuania from India include pharmaceuticals, cosmetics, textiles, mineral oils and consumer goods, the primary exports to India include machinery and mechanical appliances, high tech optical instruments, base metals and articles of base metal, chemicals, sulphur, lime, etc. Mr. Kapur also highlighted the strong cultural ties shared between Lithuania and India for centuries.

February 26, 2019: Meeting with Young Members of the Chamber



A Meeting of the Office Bearers of the Chamber was held with the Young representatives from the Membership



of the Chamber. The Meeting was convened as an initiative to involve the Young Members to extend their active support and participation in the activities of the



Chamber and project an image driven by the younger generation. It was decided post the Meeting that the Chamber would soon formalise the constitution of the 'Bharat Chamber Young Business Forum'.

February 28, 2019: Panel Session on 'Women Achievers in Business'



In Partnership with 'Bharat Chamber Ladies Forum', the Chamber organised a **Panel Session on 'Women Achievers in Business'** addressed by young women business leaders who have carved a unique identity for themselves at a very early age of their career. The Speakers included Ms. Ayesha Hazra, Co-Founder,



UrsDigitally, Ms. Pooja Baid, Founder, Piccadilly Square, Ms. Rochita Dey, Additional Director, Sreeleathers and Ms. Preeyam Budhia, Co-Founder, Café ICanFly & President, Business Development, Patton International Limited.

The Guests of Honour for the Panel Session were Smt. Shashi Bangur, Director, West Coast Paper Mills Ltd. and Smt. Smita Bajoria, Honorary Consul, The Royal Danish Consulate in Kolkata & Chairperson, Heritage Insurance Brokers Private Limited. Ms. Henrietta Dorrington-Ward, eminent personality was also present.

Speaking on 'Changing Landscape of Business for Women', young restaurateur, **Ms. Pooja Baid felt that in the present generation, the discrimination between a male and female child is gradually narrowing down.** She shared that though she faced several challenges while starting her venture, being a young and inexperienced entrepreneur, she did not face any discrimination for being a girl child at home.

Speaking on 'Women Achivers in Business, **Ms. Preeyam Budhia revealed how she broke traditions and was adamant in getting an on hand job experience rather than joining her already established family business.**

Ms. Ayesha Hazra speaking on 'Challenges and Opportunities for Women in the Digital Era' shared that entrepreneurship for women is a tough job even in today's day and age. Hailing from a conservative family,





she met with a lot of disapproval while launching her own business, expressed Ms. Hazra. She however felt that **in this age of digitisation, promoting and branding of products have become easy, especially for women entrepreneurs.**

Being the next generation business leader, **Ms. Rochita Dey** shared her own thoughts on leadership skills while speaking on 'Power of Being a Woman in the Business Environment'. She stated that women leaders should look beyond the stereotypes constructed by the society and involve in more pragmatic leadership which is neutral to one's gender.

Smt. Shashi Bangur observed that the importance of promoting women entrepreneurship in India is slowly gaining importance in the wake of economic liberalisation and globalisation.

Smt. Smita Bajoria emphasised that women should be given position on the basis of her capabilities and reservations for women can prove to be detrimental for the society. She emphasised that the millennial girls are challenging age old and regressive concepts that prevented women to carve their own identity and education plays an important role in bringing this change.

Earlier in his Welcome Address, **Shri Sharma** observed that full participation of all sections of population including women is an important constituent of the development process and an integral part of our nation's socio-economic transformation process. In this context encouragement towards entrepreneurship is, therefore, an important aspect of empowerment of women, Shri Sharma added.

Bharat Chamber Ladies Forum Chairperson, **Smt. Nilima Joshi** in her **Introductory Observations highlighted that though the global perspective of gender roles is transforming, the existence of 'Glass Ceilings' for women is also a harsh reality even in today's day and age.**

March 08, 2019: Outreach Programme - International Women's Day



On International Women's Day, the Chamber was invited to an Outreach Programme organised by the Regional Office of the Textile Commissioner, Kolkata at the Production Hub of Jaya Shree Textiles of Aditya Birla Group, Rishra, Hooghly. At this programme, Ms. Sujata Sett, Co-Chairperson of

BHARAT CHAMBER LADIES FORUM represented the Chamber. Ms. Sett was accompanied by Shri Avik Roy, Deputy Secretary of the Chamber. The programme was organised to encourage the women workers numbering more than 400 at the Production Centre of the company.

Speaking on women empowerment, **Smt. Sujata Sett, Co-Chairperson of Bharat Chamber Ladies Forum** observed that **Women's economic empowerment is one of the world's most promising areas of investment, biggest emerging markets, talent pools and demographic dividends to be tapped.**

March 14, 2019: Interactive Session on GST

The Chamber organised an **Interactive Session on 'Settlement of Disputes and Recent Amendments in GST'**. **Smt. Nandini Ghosh, Senior Joint Commissioner, Directorate of Commercial Taxes, Government of West Bengal** addressed the Session.



In course of her Address, Smt. Ghosh stated that the Government is providing a golden opportunity to settle all Entry Tax liabilities in one go. She further stated that 100% waiver is being given for Late Fee settlement and no interest liability for Entry Tax up to Rs. 5 lakh per quarter and Rs. 20 lakh per year.

In her Presentation, **Smt. Ghosh mostly covered the various issues on Settlement of Dispute (SOD) and e-way Bill.** She highlighted the gist of the circulars issued from time to time regarding the generation of e-way Bill under different circumstances. In the context of e-way Bill for storing goods in transporter's godowns, the recipient taxpayer has to declare the godown as his additional place of doing business to avoid the need for extending validity of e-way Bill, she clarified.



Earlier in his Welcome Address, **Shri Sitaram Sharma, President** observed that **GST Reconciliation and Matching still consumes a lot of time and resources, as taxpayers are required to continuously communicate with vendors for making amendments in the returns filed by them or even to track. In this regard, he highlighted the difficulties faced by the MSMEs in engaging auditors at a manageable cost.** He further pointed out the difficulties faced by taxpayers in matters of extending validity of e-way bills due to unavoidable circumstances like no network connectivity, technical snag in the GST portal, vehicle break-down etc. These and other issues raised by the participants were also clarified by Smt. Ghosh.

March 19, 2019: Interactions on Cancellation of GSP



At its first Meeting, the Global Trade Sub-Committee organised an **Interaction on the impact and future perspectives of global exports from India in the context of the recent decision of the U.S. on cancellation of Generalized System of Preferences (GSP) programme for duty free entry of about**



1900 products from India. Shri Sanjay Kumar Jain, Vice-President, West Bengal Hosiery Association and Shri Avisekh Jaiswal, Director (Indirect Tax), Ernst & Young LLP were present to address the members and invitees.

Shri Jaiswal, in his Introductory Observations, observed that removal of GSP will make Indian products less competitive in the U.S. market as they will become expensive compared to products from other developing countries. In this regard, he stated that textile products from Bangladesh and Leather products from China

and Vietnam will be more in demand than their Indian counterparts. He felt that under the given circumstances, **substantial fiscal incentives to certain goods from the Government of India will help the Indian producers sell their goods at a cheaper rate.**

Shri Jain, in his Address, observed that such a stance from U.S.A will not be of much impact on Indian exports except that ladies' silk wear might suffer some ripple effect. He felt that U.S. President, Mr. Donald Trump is testing waters by putting such restrictions and trying to reap the maximum benefits of international trade. He believed that



the **Commerce Ministry will definitely find a solution to help the domestic traders and manufacturers if such a step is taken by the U.S.**

Earlier in his Introductory Observations, **Shri Rajkumar Agrawal, Chairman, Global Trade Sub-Committee** observed that **at a time, when India's export growth remains sluggish and trade deficit continues to widen, such a decision by the U.S. can only worsen the scenario.** He further observed that the SMEs exporting semi-manufactured goods and intermediaries like engineering goods, food products, gems and jewellery, textiles, electronic goods, etc. are expected to be badly impacted.

March 15, 2019: East Coast Maritime Forum-2019 and Eastern Star Awards-2019



Exim India Shipping Times organised the 5th Edition of East Coast Maritime Forum-2019 concurrent with Eastern Star Awards-2019. Shri Sitaram Sharma, President of the Chamber addressed the Forum and the Award Ceremony as the Guest of Honour.

The Forum was also addressed by Shri T. Venkataraman, MD Goodrich Maritime Pvt. Ltd. Shri S. Soundararajan, Director of Tea Development, Tea Board of India, Shri Parthasarathy Gopalan, Area General Manager, CMA CGM Agencies (India) Pvt. Ltd; Capt. S. B. Mazumder,



Executive Director, Seahorse Ship Agencies Pvt. Ltd, Capt. Subroto Bose, Owners Representative, Orient Express Lines Pte Ltd., Shri Tapan Sengupta, Senior GM - Marketing Head, Haldia International Container Terminal, Shri Vivek Choudhury, Director, Vivek Freight & Logistics Pvt. Ltd. & Chairman, The Calcutta Freight Brokers Association (CFBA), Shri Sudip Dey, VP, Calcutta Custom House Agents Association (CCHAA) and Capt. Rajat Kumar, COO, Econship Tech Pvt. Ltd.

Shri Sitaram Sharma, in his Inaugural Address, observed that with recent initiatives like 'Look East' and 'Act East' taken by the Government of India, the Bay of Bengal is increasingly gaining salience as a strategic maritime space. A new aqua dynamics is now evolving covering more than two million square kilometres housing vital sea routes and stretches from Sri Lanka, in the coast of eastern India, curving under Bangladesh and Myanmar, and heading south along Thailand and Malaysia, until it reaches the northern coast of Sumatra in Indonesia.

Shri Sharma observed that the waterways will provide the impetus for the growth of maritime enterprises for the densely populated littoral countries. Secondly, there will be another dimension of growth with respect of population flow and fiscal connectivity between India and the Bay adjacent countries-Bangladesh, Myanmar, Sri Lanka - along with our Andaman and

Nicobar Islands. The third dimension, which is termed as geopolitical and geostrategic would be of utmost importance, considering the interest that China is now taking in Bay of Bengal, with their active involvement in port development in Sri Lanka, Shri Sharma added. **He, however, confessed that so far we have not been able to give much thought on what is happening in the deep sea and confined ourselves to our problems on shore at the port.**

On the occasion, Shri S. Balaji Arunkumar, IRTS, Deputy Chairman, Kolkata Port Trust received the Eastern Star Award, 2019 from Shri Sitaram Sharma, President, Bharat Chamber of Commerce.



Chamber Voices Concern

- ◆ **TEXTILES:** By a letter addressed to the Hon'ble Minister of Commerce and Industry, Hon'ble Minister of Finance, Government of India and other authorities in the Department of Commerce and Industry, the Chamber followed up its earlier representation regarding difficulties faced by manufacturers of coated textile cloth due to misuse and manipulative action of the prevailing system of assessment of Custom Duty of the item by a certain section of traders.
- ◆ **TEA:** In a representation addressed to the Hon'ble Minister of Commerce and Industry, Government of India, the Chamber pointed out that globally, a number of herbs are being blended with tea for value addition for exports. However, some of the most popular herbs are not allowed to be imported into India. The Chamber, therefore, requested that the import policy in this regard be reviewed in the context of the changes that have taken place in respect of food globally. It is gratifying that the Chamber has received a prompt response to the above representation from the Tea Board of India seeking certain clarifications which have been provided by the Chamber. The Chamber is now awaiting action in the matter.



GUEST'S COMMENT:

"Thanks for the opportunity to visit your Chamber and explore the opportunities of business co-operation between West Bengal and Lithuania".

– Julius Pranevicius, Ambassador, Republic of Lithuania in India



Economist's Corner

Engineering Exports: Post GSP Withdrawal



Backdrop:

Instituted on January 1, 1976 under the Trade Act of 1974 (US), GSP is the largest and oldest trade preference programme offered by the US. India was the biggest beneficiary of the scheme, through preferential access to 1,900 out of 3,700 Indian products. In the calendar year 2017, goods worth US\$ 5.6 billion out of a total of US\$ 48.7 billion were exported under this scheme. In case of

engineering, USA is the top most export destination and in last five years, CAGR of exports was 14%. According to latest trade figures obtained from DGCI & S, India's engineering exports to USA rose to US\$ 9.8 billion in April – January 2018-19 registering a notable growth of 17%.

Recently the US President announced his decision to withdraw India's name from the Generalized System of Preferences (GSP) program on March 5, 2019.

USA's Engineering Imports from India:

India's engineering export proportion in US import basket is very nominal hardly 2%. US mainly imports raw material, intermediate goods and finished goods used for industrial purpose from India and utilizes in the US domestic industry benefitting the US domestic sectors and enhancing the industry.

Probable implications:

The products exported from India under GSP programme are mostly manufactured by Indian MSMEs. Withdrawal of GSP benefits will make them uncompetitive in the US market while some of the competing nations like Canada, Mexico, and Korea will enjoy free market access under their FTAs with USA.

This move of USA could also translate into loss of employment, since the predominant share of exports under

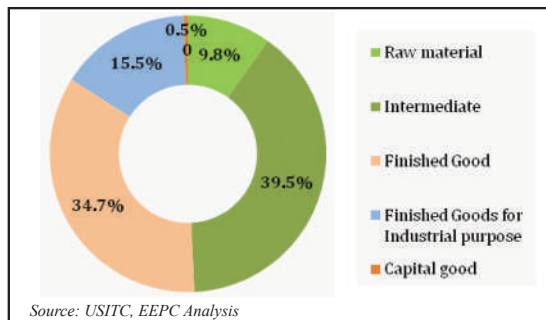


Fig 1: Share % of US imports from India- in various product categories

the GSP scheme is from small and medium enterprises, which are typically labour-intensive.

Indian engineering exports are already going through tough time because of high input cost, issues with GST, lack of finance for MSMEs and sluggish global economies etc. Engineering exports also in recent months have been faltering. In this context, the sudden withdrawal of GSP by USA will be detrimental for Indian exporting community.

The move will also hit the import diversification strategy of the US where it is keen to replace China as the main supplier to other developing countries. The move will affect US domestic industry too as the products exported by India under GSP are mostly raw materials and intermediate in nature, the cost of production of downstream industry in USA will go up.

Policy Imperatives:

The Government of India should provide some fiscal support for affected products especially for the labour intensive MSME sector.

Rakesh Shah
Immediate Past President, Bharat Chamber of Commerce
Director, Nipha Group

QUOTABLE QUOTES

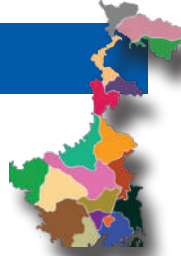
"I think India needs fewer and mega banks which are strong because in every sense, from borrowing rates to optimum utilisation, the economies of scale as far as banking sector is concerned are of great help". – Finance Minister, Arun Jaitley

"It is desirable that a functionally distinct entity such as the new Niti Aayog or Niti Aayog 2.0 be put to use to do the job at hand related to the structural issues including removal of regional imbalances in the economy". – Vijay Kelkar, Economist and Former Finance Commission Chairman





FOCUS : BENGAL



HIDCO TO INSTALL IoT DEVICE TO CUT DOWN ON POWER CONSUMPTION:

Housing Infrastructure Development Corporation (HIDCO) will install an IoT (Internet of Things) device to conserve power as a part of the 'Green City Clean City' project in New Town. The device will be installed in 100 lamp posts to begin with.

GOVERNMENT OF WEST BENGAL GIVES NOD TO RS. 3,000 CRORE KULPI PORT PROJECT:

The Government of West Bengal is all set to revive the Kulpi Port project at an estimated cost of Rs. 3,000 crore that is tipped to generate a minimum of 10,000 jobs. The proposal to revive the Kulpi Port that has been lying defunct for almost a decade, was cleared during the Cabinet meeting chaired by the Hon'ble Chief Minister, Government of West Bengal.

FEEDBACK from members:



STEEL RE-ROLLING MILLS' ASSOCIATION OF INDIA

"Our greetings from SRMA. I hold aloft the bouquet of respect and gratitude to the Bharat Chamber of Commerce and the President and the Secretary General to whom we wrote our letter stating the plight of our members on the e-way bill issue. Our sincerest thanks to you that with the passage of hardly a week, you arranged for the remedy, that too from none other than respected Smt. Nandini Ghosh, Senior Joint Commissioner, Commercial Taxes, WBRS, Government of West Bengal who delved in the intricacies of GST and e-way bill. For her, it was a smooth sailing in the otherwise turbulent ocean as well-versed in the subject, she is. As a result, the audience had a ripe harvest.

Our best wishes to your mission to provide remission to such afflictions".

- Swapan Kumar Chakravorty, Executive Director, SRMA

Chamber in Media

सन्सारी | अमेरिका-चीन व्यापार युद्ध से भारत के पास सुनहरे अवसर

THE TIMES OF INDIA, KOLKATA TUESDAY, FEBRUARY 26, 2019 BUSINESS DIGEST

प्रभात खबर | बिजनेस में अब महिलाएं भी आगे बढ़ रही हैं : स्मिता बाजोरिया

UNI United News of India | Textile Commissioner organised International Women's Day and Swachhita Pakhwa

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