

Visit us at:

[www.igep.org](http://www.igep.org)

D-248, Sushant Lok, Phase-I,

Gurgaon - 122001 (INDIA)

Ph. : 0091-124-4048273/77

Fax : 0091-124-4048275

E-mail : [igepfoundation@igep.org](mailto:igepfoundation@igep.org)

[igepnd@vsnl.com](mailto:igepnd@vsnl.com)

# THE **IGEP** NEWSLETTER

Responsible : Sharda Subramaniam  
Pallavi Sharma

Issue-I, Vol. 19/2013

## IN THIS ISSUE

Editorial **1**

Of Delegates and Delegations.... **2**

GIRT-2012 **3**

City of Joy rejoices with BSCI Round Table in Kolkata **4**

IGEP and WTSH: Deals, Partnerships & Ventures **5**

Natural stones from India free from child labour **6**

RUGMARK FOUNDATION **9**

The Little Keb Schools at Jharkhand and Delhi **12**

## It is Budget Time

Not often whole India and the international business world were waiting so eagerly for the budget which traditionally is the most important economic message. Never before they all connected so many hopes to the setting of the future course. Against the background of the economic situation the Finance Minister is facing an enormous task. Will he be able to manage a turnaround? Can he once again present a "dream budget" which safeguards high, stable and inclusive economic growth?

The environment is really hostile for successfully dealing with such a challenge. India's growth is seeing a considerable decrease. In addition, is suffering from a twin deficit. In the balance of payments export earnings are miles behind import expenditures; and decreasing foreign direct investments cannot bridge this growing gap. At the same time government income is far away from being able to meet the nearly insatiable hunger for public money on central and federal level. At the same time consumers and companies are groaning under high price increases and interest rates. Not enough with this, there are still strong dangers from the international front. The European Union has not yet solved its Euro problems. The United States are totally over indebted. Japan started a dangerous competition in the game "Beggars your neighbor" by intentionally devaluing its currency to regain international competitiveness. And China continues its dubious currency and trade policy. So there is not much hope for help and support coming from the world economy.

There is no patent solution at this juncture. Efficient measures and programmes must be pragmatic and long term oriented. The country needs a strong push for exports. The disappointing performance of the World Trade Organization lets bilateral trade agreements look as the most appropriate measures for entering and penetrating promising foreign markets. They must be concluded better sooner than later. Bureaucratic procedures are still among the biggest roadblocks for foreign investment. Simplification is needed as well as stable policy guidelines for strengthening confidence in "location India."

Some decisive steps have already been done during the recent past. They should be continued and supported. Also removing subsidies with the right sense of proportion is to be praised. One cannot stop everything in a country with so many needs of people under the poverty line and many less developed regions. It needs much experience and sensitivity. The Finance Minister cannot concentrate only on "aam aadmi," the basic needs of the population. He must at the same time do the needful to pave the way for future growth by removing the well known bottlenecks in the physical and social infrastructure. This was successfully done by the Asian Tiger Countries and is being repeated now by China. Much can be implemented by the private sector. But it needs many incentives in times when money is tight.

I think these are really Herculean tasks for the Minister. But I firmly believe he can do it!

With best regards

Yours

Dietrich Kepschull



## Of Delegates and Delegations....

As part of the joint effort between IGEP and HWWI to promote business cooperation between India and Germany, especially small and medium enterprises, IGEP organized the visit to India of a delegation from the Hanseatic City of Hamburg in October, 2012.

Small and medium enterprises or the **"MITTELSTAND"** forms the backbone of the German economy, contributing as much as 70 % to the overall GDP. Many of these are now seeking to venture India to take advantage of the huge market in the nearly 2 trillion dollar Indian economy.

The Hamburg delegation comprises 8 member

availability of quality natural ingredients which helps them to offer better products to the health conscious consumers.

Another member company is a consultancy firm offering palliative and geriatric care training to nurses and doctors. They have established themselves as the leading trainers in this field in Germany.

Though India has made rapid advances in offering high quality health care for its citizens, some vital gaps still exist in many areas needing urgent attention. One of these relates to care for the elderly (geriatric care). Also the rising number of cancer patients in India is a cause of concern and many experts feel that the number of fatalities can be



*The delegation from Hamburg along with the team from IGEP*



companies who see India in the long term perspective. They want to be here for the long haul. One such company (a member of the delegation) is engaged in the supply of high quality natural ingredients for the sweet and confectionary industry. It aims to establish high standards in the supply of quality ingredients for the Indian confectionary industry. The Indian industry, growing rapidly due to the increased disposable incomes of the people, is thus benefitted due to the

reduced if quality care could be made available in the early stages.

The company plans to train the Indian medical personnel such as doctors and nurses in specialized palliative care in partnership with Indian hospitals. A proposal to train Indian nurses in Germany is also being examined.

For further information you could send in your queries to the email, placed in the newsletter.

## GIRT - 2012

GIRT shows great interest in strengthening Indo-German Relations

The German Indian Round Table (GIRT) has been organized on 10 December 2012 in New Delhi. As usual this was done in cooperation with our long standing partner, the PHD Chamber of Commerce & Industry.

The topic of the discussion was "Better Indo-

Hamburg. It is the coming together of individuals with diverse backgrounds who have business ties and interest in India and Germany and facilitates entrepreneurs of both countries by exchange of information and assistance through experience and contacts.

The concept is based on the idea that businessmen exchange their experiences directly with fellow businessmen, who are already in the Indo-German business. Therefore GIRT brings together business



*Left to Right: Dr. Volker Bauer (Hanns Seidel Foundation India), Mr. Binay Kumar (Banaras House Group), Dr. Ashok K. Chauhan (AKC Group of Companies), Dr. Dietrich Keschull (IGEP)*

German relationship in 2013". At the end of the year the chance was to look back and to try to give a forecast for the coming year, which still may be influenced by the crises which characterized 2012.

The German-India Round Table was founded in 2001 by the German entrepreneur Rudolf Weiler in

people in a relaxed atmosphere of a Round Table to speak about successes and difficulties as well as stumbling blocks. GIRT motivates through views and personal support in taking up difficult cases.

Over the last ten years GIRT has emerged as one of the most efficient bodies for directly dealing with

business questions between our two countries. This is underlined by the strong attendance. In Germany GIRT now hosts regular get-togethers in more than 12 cities every two months.

The event in Delhi provided an excellent opportunity to openly speak about the current economic situation in Europe and its impact on the Indian exports. More than eighty participants discussed for three hours and presented a lot of interesting views. Detailed statements were given by Chief Guest, Binay Kumar from Banaras House, Dr. Ashok Chauhan, Chairman and Founder of the AKC Group and the Amity Group of Institutions and Dr. Bauer from the Hanns-Seidel-Foundation.

Many proposals have been made on how to support the industry and how to further strengthen GIRT. Dr. Kobschull, who supports GIRT from the beginning and acts as its chairperson in Delhi, promised to take them up and also have a special website for the Delhi GIRT and its members. He said that IGEP and he are open to receiving all kinds of queries and is always open to proposals which help to further strengthen Indo-German relations.

## **City of Joy rejoices with BSCI Round Table in Kolkata**

For Kolkata the first time the Business Social Compliance Initiative (BSCI) Round Table met in

Kolkata. The IGEP Foundation in association with BSCI and The Bengal Chamber of Commerce and Industry organized this get - together for the exchange of experience with social compliance questions on 12. December, 2012. The participants intensively discussed whether and how the BSCI system can give a competitive advantage in international competition.

BSCI is an initiative of European retail companies initiated by the Foreign Trade Association (FTA), Brussels. It has at present more than 1000 company members who are buyers/importers. IGEP Foundation is the official representative of BSCI in India.

Today each manufacturer and corporation understands the need of following social and environmental requirements. Most manufacturers accept the ethical responsibility to create products fulfilling social compliance for the benefit of their employees and their buyers. As a matter of fact, more or less all leading buyers and importers have made social compliance an integral part of their purchasing policy. For Indian exporters which are in competition with manufacturers from many countries it has become an absolute must. An exchange of views and experience therefore always enriches.

Due to the size of India the Round Table has to take place in different cities. After covering Delhi, Chennai and Tirupur in the last sessions, this time Kolkata has been selected. This was done because



*Participants at the BSCI Round Table in Kolkata*

this city is the centre of a vibrant region with many small, medium sized and big exporting companies from a wide variety of industries.

Kolkata is today the capital of West Bengal and has been capital of India till 1911. Because of its big port it has always attracted business and industries connected with imports and exports. Important export sectors include tea from the northern part of the state, agricultural and marine products, coal, steel and iron, minerals, jute, textiles & garments, leather shoes (originally based on the skills of Chinese immigrants) and other leather products, jewellery and toys.

With engineering industries playing a major role, Kolkata is still the home of India's casting and forging industry and related businesses. The emergence of Information Technology also holds promise as well as electronics and chemical and pharmaceutical industries. During the first decade of this millennium West Bengal belonged to the fastest growing states of India.

A gathering of selected buying houses, exporters, importers associations and chamber representatives. NGOs and other important stakeholders participated in the discussion round to promote better co-operation and understanding between all stakeholders. They spoke in detail about their experience with voluntary social standards and the difficult rules about overtime, living wages, contract labour, critical materials and pollution. Strong emphasis was given to the complex of bonded labour and its special form of "Sumangali" which recently filled the headlines of western media. All participants were in favour of strategic alliances between buyers and suppliers. It was agreed to have more Round Tables in Kolkata which could be tailor made for special sectors and to spread the message of advantageous social compliance also to companies which concentrate their business on the domestic market. Chambers and associations will plan this jointly with BSCI/IGEP.

### **IGEP and WTSH: Deals, Partnerships & Ventures**

IGEP is the representative of the Business Development and Technology Transfer Cooperation of Schleswig Holstein (WTSH) in India. The cooperation between IGEP and WTSH helps organizations, especially SMEs with their business expansion plans, technology transfer, joint ventures, etc. in Europe or India.

With a view to assist German SMEs from Schleswig Holstein in India, the Hamburg and Schleswig Holstein Business Centre was set up in Gurgaon in 2007. The centre has assisted several companies to establish themselves in the Indian market. It is a business incubation centre which provides, for example, legal and commercial assistance to set up subsidiary or joint venture in India, focused market research on various emerging economic sectors in India as well as human resources assistance. The centre also provides detailed information and assistance to Indian companies that are interested to set up an office in Schleswig Holstein.

Many German companies have utilized the services of this business centre to forge and expand their business links with India.

One such company, a well know machine cutting coolant manufacturer has ventured to the Indian market to deliver a wide range of its environmentally sound products. The company is a technological leader in the field of industrial lubricants and most of its products are developed in close cooperation with users and industry experts. The IGEP Foundation is assisting the company by introducing its products in the Indian automotive, steel, aerospace and electronics sectors. IGEP has assisted the company in establishing itself in the Indian market. Apart from arranging business meetings with prospective customers, we have also facilitated their participation in sector specific trade fairs.

Technology transfer is an important facet of IGEP's cooperation agreement with WTSH. In this regard IGEP facilitated the cooperation between a

pioneering wind energy rotor blade and turbine designer from Schleswig Holstein and an Indian company for the design transfer and development of a 3 MW capacity wind turbine.

These are examples of the type of assistance provided by IGEP for German companies in India. India is a vast and challenging market. However with the right kind of planning and its diligent implementation, success can be achieved.

The business centre also provides assistance to Indian companies who are keen to expand their presence in Europe. The German economy is the backbone of the EU. Germany is also the biggest market for Indian products in Europe. With Hamburg in the vicinity, Schleswig Holstein offers Indian entrepreneurs a wide choice of office and warehouse space depending on their budget. Excellent connectivity to the rest of Europe including Scandinavia, the Baltic Republic, the CIS (Commonwealth of Independent States) and Russia is an added advantage. For further information, please contact IGEP.

## **Northern Germany - Your Place in Europe**

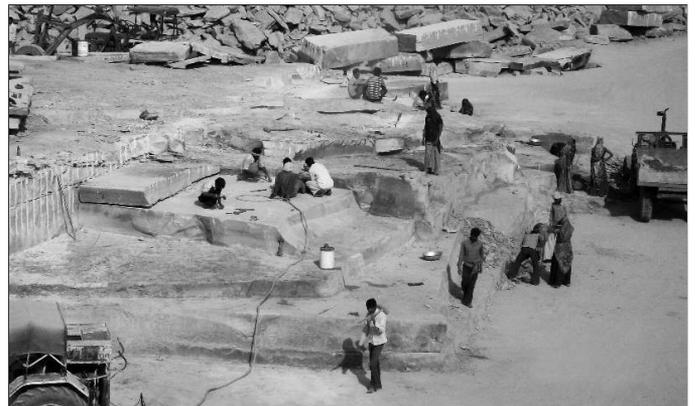
*Do you have good export business with Germany? Are you keen to cover more countries? Is it necessary to have your own office or recommendable to establish a warehouse? Will own agents increase the turnover?*

*Many Indian entrepreneurs are facing such strategic questions. Where to go and where to invest? IGEP can assist them. As representative of WTSH we are able to offer you good locations at very affordable prices in whole Northern Germany near to the big port of Hamburg. Distances to your customers and partners in Germany can be covered in a few hours. Scandinavia, UK and even Poland and Russia are just around the corner. Experts of WTSH and IGEP can support you whenever it is needed, in questions of business and its proper preparation and implementation.*

*Just phone us or write a mail to get more details about the many chances and possibilities in Schleswig-Holstein, the state between the North Sea and the Baltic Sea!.*

## **Natural stones from India free from child labour**

Kehl, a small city in the South of Germany, is making headlines. It is the first city which by a change of its rules for cemeteries is making it mandatory that



*Images taken during the inspection done at various quarries*

only gravestones can be used which are produced without child labour. There have been many allegations that granite and marble stones especially from India are made by children. Therefore it is intended that all those who place

## THE **IGEP** NEWSLETTER

stones on a grave must give evidence that no child labor was involved in the production; in all steps from the quarries up to the port of shipment. The initiative of Kehl finds broad interest in many German federal states, cities and villages. It is also seen with great interest in neighboring countries. They all seem to be willing to introduce similar regulations.

Asked by a group of big and smaller stone importers IGEP has agreed to give proof for not using child labour in the whole value chain. After intensive checks and controls of all manufacturing activities and locations a certificate is given to the respective buyer and his suppliers. At present IGEP is covering some hundred quarries and nearly all important manufacturers / exporters. The controllers benefit from the vast experience of Rugmark, which was founded in the carpet sector about twenty years ago to safeguard and oversee

that no child labor is involved in the weaving of carpets. Rugmark and IGEP agreed on a partnership in stone certification, too.

As in the carpet sector all checks and controls following the first introductory visit are made without prior announcements. Manufacturers, who want the IGEP certificate and the label showing that there is no child labor involved, must agree to this condition. Although the certificate is valid for one year IGEP makes permanent controls to safeguard that there are no changes in the production chain.

The importers do not only wish to show that the stones are "clean," they also want to give assistance to children and adolescents for a better life. Therefore they support education and health projects. IGEP here is using its experience from the carpet sector and the mica production. To get directly to the target group in the villages of the stone belt in South India it is cooperating with local



*Students in computer classes*



*Starting of driving classes*

NGOs. Vocational training courses are carried out with the help of Caritas India.

All this work of controlling, certifying and social support is totally financed by the involved companies. Indian exporters provide 0.25% of their

export amount (on **fob** basis). The importers give an amount between 0.75% and 1%.

The system is growing day by day. It was presented to a broad public in the Jaipur fair "Stonemart," which took place from 31 Jan till 03 Feb this year.



*Inauguration of vocational training centre*



*Mr. Böse from Germany with IGEP's Sukrit Sharma at the stone fair in Jaipur*

It was also subject of intensive discussions at the annual general meeting of the voluntarily cooperating German importers group IGN e.V. (Interessengemeinschaft Natursteine) in Frankfurt on 13 Feb. Mrs. Sharda Subramaniam from the Indian office and Mr. Claus Ilg, the representative of IGEP in Germany, gave comprehensive and up-to-date information. They also announced that IGEP plans to be present in the biggest German stone fair in Nuremberg in May this year. (For more details about certified stones and the activities of the stone industry, please log on to the IGEP website and to **[www.schools-for-children.org](http://www.schools-for-children.org)**. which has the names of importers and access to their information websites. If you want further information, please contact IGEP in Gurgaon)

## RUGMARK FOUNDATION

### Rugmark- A Role Model on Civil Society Movement

Championing a cause is creating newswaves. RUGMARK, a house hold name has taken an

initiative to protect children and arrest illegal child labour in the carpet industry. Officially registered in 1994 this organisation is the brainchild of Indian carpet manufacturers and exporters along with leading non-governmental organisations (NGOs). The Rugmark (RM) system was mainly developed with the twin efforts of UNICEF and the Indo-German Export Promotion Project (IGEP) of the German Agency for Technical Co-operation (GTZ; today GIZ). Manufacturers/exporters and importers are working together to make sure that no child labour is involved. The Indian members voluntarily commit themselves to permit unannounced controls of the RM inspectors. The importers are only buying carpets from manufacturers who are members of RM.

The costs are covered by the support of the extra premises. The Indian exporters provide 0.25% of the value of their shipments per year, while the importers give 0.5% (both on **FOB** basis). Since 1994 more than 10 million carpets with the RM control label have been exported already.

The Foundation is running seven schools including RM Balashrya (the rehab centre). The schools are located at



Carpet weaving



*Looking ahead for a better tomorrow*

Devnathpur -Lakhamanpatti, Bhadohi, Jagapur-Bhadohi, Barhi- Newada-Varanasi, Handia-Allahabad, Cherapur-Bhadohi and at Vijaypur-Mirzapur.

RUGMARK Foundation India provides formal and vocational education and takes care for former child labourers in its rehabilitation center – Balashrya in the carpet belt of Uttar Pradesh (UP).

At BALASHRYA vocational training is provided in the following professions:

- Tailoring
- Carpentry
- Sign board painting
- Carpet weaving

The Rotary Club of Delhi Midtown together with the

Rotary Club of Seoul (Korea) presented an Omni ambulance to the RUGMARK Foundation for running and managing a mobile health clinic in the carpet belt of Uttar Pradesh. This work is carried out by Dr. Khan who also regularly looks after the school children.

Medical camps are organised in the carpet belt to provide free medical check-ups and cater to the weaving community's health problems. The distribution of medicines forms an important part of such camps.

Rugmark's initiative is an eye-opener and a successful role model of a business based social service initiative. With activities in diverse sectors Rugmark symbolises a beginning of a long innings in civil society.



*Ambulance of the Rugmark Foundation at the health clinic*



*Free medical check-ups provided to the students*



*Tailoring Centre*



*Carpentry*



*Free medical check-ups provided to the students*



*Christmas Day celebration*



*Mark Sheet's Distribution*



*Tailoring Centre*



*Education through Playing*



*Cultural Programme*



*Distribution of Mid Day Meal*

## The Little Keb Schools at Jharkhand and Delhi



*Painting Competition*



*Medical Check Up Camp*



*Sports is fun*



*Volleyball Competition*



*Drawing Competition*



*Medical Checkup of Students*