

BUSINESS TIMES

VOLUME XXIV NO. 2

SEPTEMBER 2004

WASHINGTON, DC

New All-America Chamber Of Commerce To Promote Bilateral Business Ties Between U.S. and Indian SMEs



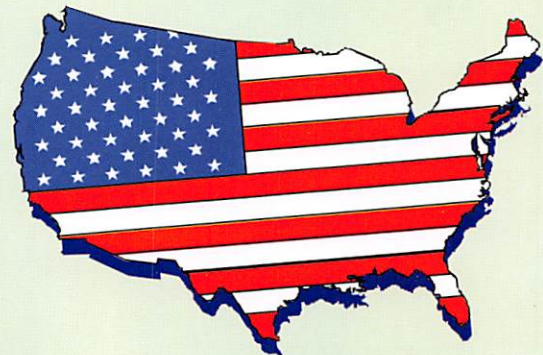
UNITED STATES INDIAN AMERICAN CHAMBER OF COMMERCE, INC.



U.S. Small Business
Administration



Championing
America's Entrepreneurs



HIGHLIGHTS

U.S. Environmental Protection Agency Helping SMEs

Indian-Americans Playing Key Role in Strengthening Bilateral Ties

India : Economic Scenario, Union Budget, Foreign Trade Policy

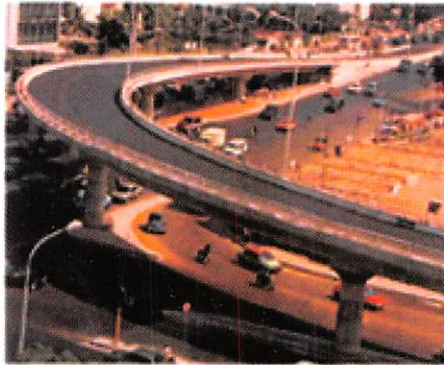
3rd Pravasi Bharatiya Divas Events Set Jan. 7-9, 2005 in Mumbai

Resource Directory : Useful Contacts for Business Opportunities



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Annual Subscription:

USA \$40; Canada: US \$50

Other Countries: US \$60

(Air-mail only)

Price Per Copy:

For USA/Canada: US \$15,

including S & H

All Other Countries: US \$20,

including S & H

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From the Publisher

It is the time of the season again when the US Presidential elections are due and the world is watching. Indian-Americans, as always, are excited and perhaps, this time round, there is even a justification. After all, the fact is that both the Democrats and Republicans are now wooing the community what with more and more delegates being appointed at the respective conventions.

But even as the Indian community in the USA celebrates this "recognition" of their importance, the fact underlined at both the conventions by the delegates themselves, is that the influence of the Indian American community as a voter base is close to nothing. "United we stand, divided we fall" is the moral of an ancient story from the Panchatantra. A lesson that the community better remember, if they are indeed looking for a long-term stake in the United States of America.

It is precisely such a long-term interest, both that of Indians and Americans, that the United States Indian American Chamber of Commerce (USIACC) shall be promoting. Launched by a group of prominent Indian Americans (NRIs) in the USA, the Chamber will be promoting bilateral trade ties, especially between the small and medium-sized firms in the USA and India. Washington-based USIACC has offices in nation's capitol and New York City and in the states of Arizona, Maryland, Pennsylvania, California, Ohio, Illinois and Florida and is in the process of establishing chapters in every state of the USA. It also plans to have office in India.

Indian Americans over the years have realized that on the one hand it is through doing business that the economies and politics of India and the US can be bridged. On the other hand, there is also the understanding that the mere drive to make money is not going to instill confidence between the two nations. Indian-Americans need to participate in the political process of the USA. Post 9/11, the Americans, especially the American middle-class, are asking for proof of loyalty to the American Constitution. Indian-Americans who have prospered thanks to the liberal American democracy and efficient systems of the country need to make up their mind. Are they Indians first or Americans first?

However, Indian-Americans have proved their loyalty to their adopted country and at the same time they continue their love and affection towards their mother country.

It is this confidence building that the USIACC is working at through strengthening Indian American ties at local, state and national levels and providing networking opportunities. The Chamber is indebted to Hon. Hector V. Barreto, Administrator, U.S. Small Business Administration (SBA), for his encouragement and active assistance in the launch of the Chamber. The Chamber would also like to put on record its appreciation of Mr. KV Kumar, National Chairman, USIACC. A low-profile, dynamic Republican, Mr. Kumar has provided both leadership and imagination to the Chambers' activities.

We at Business Times shall continue to serve the interests of Indian Americans and business interests of both the USA and India in our endeavor to bring the two great democracies of the world together.

Hasmukh Shah
 (Hasmukh Shah)





K V Kumar



US Indian American Chamber
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Washington DC, 2006, USA
Phone: 202 429 5255
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Email: info@usiacc.com
Website: www.usiacc.com

MESSAGE

I started my career as a small entrepreneur. I was on the verge of major success when I met with accident with multiple head injuries. I have been given a second chance in my life and I am ever grateful to the Lord Almighty, family, friends and my doctors. Against most odds, I had a tremendous recovery over the past several years and I want to make the best use of it. I want to make a difference for myself and the rest of the world.

Therefore, when my colleagues selected me as the National Chairman of the United States Indian American Chamber of Commerce (USIACC), I accepted the responsibilities with a lot of hesitancy. USIACC shall concentrate on some unconventional ways to help our membership, especially in promoting bilateral business ties between the small and medium-sized enterprises (SMEs) in the USA and their counterparts in India. Though, USIACC was started about a year ago, we held back to find the right way of doing things. This does not mean we are fully ready to launch all of our programs immediately. This will be an evolving process as it is in most cases during changing times, technology and our own outlook. We are here to do our best and to involve everyone who wants to be involved in making a difference.

I am most grateful to all the members on the Board of Directors of USIACC, who will work as a team and I will be one of them. I take this opportunity to thank the Chairman, CEO and the whole team of New York Board of Trade for their excellent help in making this inauguration a success.

On behalf of myself and my colleagues on the USIACC Board, I convey our sincere thanks and appreciation to the Bush Administration and the US Government agencies, especially the US Small Business Administration, (US SBA), US Department of Agriculture (USDA), US Department of Energy (DOE), the US Environmental Protection Agency (US EPA) and the US Department of Interior (DOI) for their encouragement, cooperation and assistance in the Chamber's efforts to promote bilateral business ties between the SMEs of the world's strongest and largest democracies.

I am confident with the support we have been receiving for the Chamber from one and all, the inaugural event will be a big success. God bless America and India.

My best wishes to *Business Times* in bringing out this USIACC commemorative issue.


(K V KUMAR)

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Hasmukh Shah
 (Hasmukh Shah)



economy of scale function in a free trade society?

MOUs Signed

USIACC has signed a series of MOUs with U.S. Government agencies in Washington, D.C., including the U.S. Small Business Administration (SBA), U.S. Department of Agriculture (DSDA) Office of Small and Disadvantaged Business Utilization; U.S. Environmental Protection Agency (EPA), U.S. Department of Interior, and the U.S. Department of Energy.

Match-Makers Conferences Planned

USIACC will be launching training programs to help the U.S. small exporters locate export markets, undertake marketing research and train those personnel in efficient export management practices. We will be arranging a series of "match-makers" conferences to bring together exporters/importers and manufacturers with potential to enter international trade. Seminars in the area of International trade will be an important feature of this program. These seminars will be launched in the USA as well as in India.

USIACC will create an Export Management Adversary Service and Dispute Resolution program for U.S. and Indian companies engaged in international trade.

SBA assistance in the form of loans, management and technical assistance, venture capital programs, disaster loans, and entrepreneurial assistance for billions of dollars are available. As US President George Bush said, "the government can create an environment where business and entrepreneurs and families can dream and flourish."

MOU with US SBA

The MOU signed with the US SBA has special significance. The MOU with SBA requires in-depth training of USIACC personnel in developing Indian-American "Business Certification Process." USIACC will play catalyst role in identifying business opportunities for small business and entrepreneurs. In addition, it will launch training programs to help the small US exporters locate export markets, undertake marketing research and train those personnel in efficient export management practices.

No other chamber, except perhaps the Hispanic Chamber of Commerce, has attempted this. When this is successfully launched, it will be a significant step.

Both U.S. and Indian companies currently engaged in international trade, or

planning to expand into world trade should take up this opportunity of joining USIACC as a member, and benefit through a series of programs that are being planned by USIACC.

The objectives of USIACC are:

- Strengthening Indian-American businesses and associations at local, state and national levels.
- Implement programs that help economic development
- Expanding relationships between the Indian-American businesses and professionals.
- Provide networking opportunities.
- Recognizing the achievements of the Indian-American businesses; the American businesses doing business in India; and Indian businesses doing business in the United States of America.
- Promoting international trade between the USA and India.
- Monitoring legislative policies and programs that affect the Indian-American business community and advocating on behalf of Indian-American businesses.
- Developing harmony and friendship between various business communities and other civic organizations.

Membership Categories

Following are categories of the membership in the Association and fees, namely,

Platinum Corporate Sponsor Member: \$100,000 – One Time Payment and No Membership Dues for Life. For First 25 Members, \$50,000.

Gold Corporate Sponsor Member: \$25,000 – One Time Payment and No Membership Dues for Life. For First 10 Members, \$5,000 + \$500 Per Year (Excludes Trade Associations). For Next 15 Members, \$5,000 + \$1,000 Per Year (Includes Trade Associations).

Silver Corporate Sponsor Member: \$2,500 First Year and \$1,000 Per Year.

Government And Public Sector Member: \$1,000 – Per Year.

Corporate Member: \$1,000 – Per Year

Small Business Member / Professional / Individual Members: \$250 – Per Year.

Student Member: \$10 – Per Year.

EDITOR'S NOTE: Dr. Sreedhar Kavil is a professor of International Marketing with 15 years of business experience with multinational companies. He is the President of Kavil Consultants, engaging in consulting work and conducting international trade seminars.

PROMOTERS OF CHAMBER

The promoters of this new Chamber are prominent and influential Indian-Americans as well as Americans. They are Mr. K V Kumar, Dr. Sreedhar Kavil, Mr. Hasmukh Shah, Mr. Kesh Nair, Mr. Vivek Talvadkar, Mr. Appen Menon, Mr. Satish Shah, Ms. Linda Finkel Talvadkar, Mr. Ron Mutch and Mr. Manu Rajvanshi.



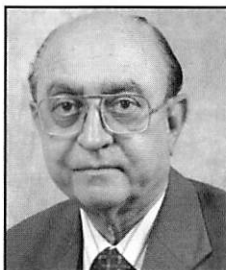
Mr. K V Kumar, an authority in business development, policy review and strategic planning, is the National Chairman of the Board of Directors of the Chamber. Mr.

Kumar, a prominent Indian-American is an influential NRI having excellent rapport with the US Administration, especially, the White House, U.S. Government, Lawmakers in the Capital Hill and business executives.

Mr. Ronald Mutch, an expert in telecommunications and project management, is the Executive Director of USIACC.



Dr. Sreedhar Kavil, Vice Chairman and Secretary of the USIACC, is the Chairman of the Department of Marketing at Peter J. Tobin College of Business, St. John's University, New York. He is also the President of Kavil Consultants (N.Y.).



Mr. Hasmukh Shah, Director for India Relations for the Chamber, is an influential NRI based in Washington, DC. Mr. Shah's cordial relations with the political, administrative

and business circles both in the USA/ Canada and India make him an ideal candidate to provide a serious qualitative edge to promote Indo-US business relations.

Mr. Shah is President of U.S.-India Enterprises, Inc. promoting, since last 25 years, business ties between US/Canadian and Indian firms in areas of investment, joint venture, technology transfer, liaison, etc.

Mr. Shah is the publisher of popular journal *Business Times*, a Washington, DC-based



Promoted by Prominent Indian-Americans (NRIs) in USA

United States Indian American Chamber of Commerce Inauguration Is Scheduled in New York Sept. 22-23; USIACC Signs MOUs with SBA, Other US Govt. Agencies to Promote US-India Business Relations

By Dr. Sreedhar Kavil
Vice Chairman & Secretary
USIACC & Chairman
Department of Marketing
St. John's University, New York

The much awaited inauguration of the United States Indian American Chamber of Commerce (USIACC) is scheduled to be held on the Trading Floor of the New York Board of Trade (NYBOT) on September 22, 2004.

The keynote address at the inauguration of the Chamber will be delivered by the Mr. Hector V. Barreto, Administrator, U.S. Small Business Administration, followed by an introduction of the Chamber by the National Chairman, Mr. K V Kumar.

The Assistant Secretary for Civil Rights, U.S. Department of Agriculture, Mr. Vernon Parker will be the keynote speaker at the gala reception/dinner on September 23.

Special Invitees

Among the special invitees to the function are the Dr. Manmohan Singh, Prime Minister of India, and several Cabinet Members, Chief Ministers and Dignitaries from India, the Ms. Ann M. Veneman, US Secretary of Agriculture, Mr. Don Evans, US Secretary of Commerce, US Senator Hillary Clinton and Mr. John McCain, US Senators and Representatives and other dignitaries.

As India and the United States break new ground in their relationship, a group of influential Indian-Americans (popularly known in India as Non-Resident Indians—NRIs) in America came together last year to provide the stage for far reaching cooperative efforts in business relations between two of the world's largest democracies.

Christened the *United States Indian-American Chamber of Commerce, Inc.* (USIACC), this new Chamber was incorporated under laws of the District of Columbia in August 31, 2003.

The Chamber is organized to achieve the following objectives:

Objectives Outlined

Preserving the competitive enterprise system of business by creating a better un-



Dr. Sreedhar Kavil

derstanding and appreciation of the importance of business people and a concern for their problems; educating the business community and representing them in local, county, state and national arenas and other business related affairs; and preventing or addressing controversies which are detrimental to expansion and greater appreciation of the value of a more liberal investment of substance.



Promoting business and community growth and development as well as active participation in the economy by promoting economic programs designed to strengthen

and expand the income potential of all business within the trade area; promoting programs of a civic, social and cultural nature which are designed to increase the functional and aesthetic values of the community; and investigating and correcting abuses which prevent the promotion of business expansion and community growth.

Promoting SME

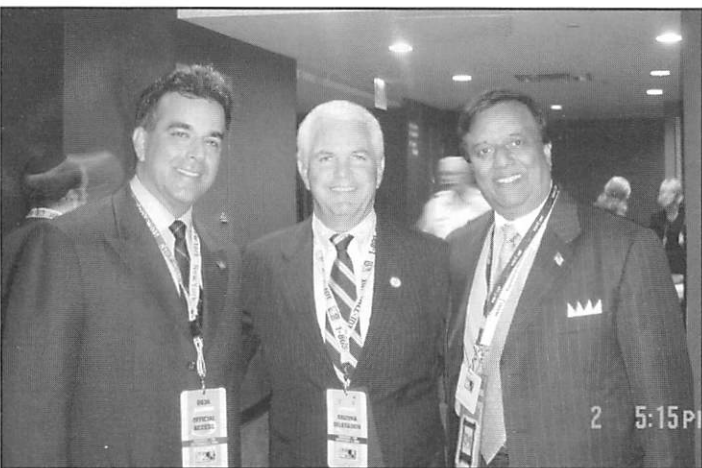
America has over 22.4 million small businesses employing more than 51 percent of the private work force, and generating 51 percent of the nation's gross domestic product (GDP).

The focus of United States Indian American Chamber of Commerce (USA) is primarily on small and medium-sized businesses engaged in international trade between the United States of America and India. The bilateral annual trade is currently about US\$20 billion.

Just as India wants to double its exports, the USA is primarily looking for a higher share of the market in a dynamically expanding market like India. The USA has to embark on an export-led economic development program. It will most likely happen right after the election in 2004, and the inevitable direction for U.S. international trade is South East Asia of which India is a dominant player.

Helping U.S., Indian Economies

USIACC is busy training its personnel in a series of activities designed to stimulate trade between the USA and India. It is not a one-way street, and the trade development strategy, followed properly, will help both the economies. Sourcing or "outsourcing" has been a traditional economic fact of life. Nations went across the border looking for the scarce commodities/services or looking for less expensive sources. If this does not happen or is prevented, what will be the meaning of competition? How will the productivity be rewarded or how can an

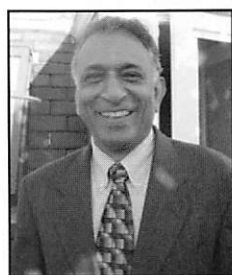


ACTION

USIACC: MOUs with Bush Administration Agencies



magazine, that has been diligently working, since last 24 years, towards providing India a cutting edge presence in the USA by providing up-to-date information on business opportunities India offers.



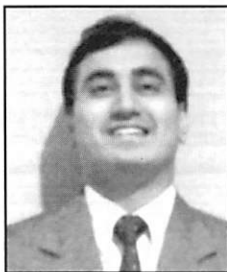
Mr. Vivek Talvadkar is the President & CEO of Business & Strategic Consultants International, Inc. (BSCII). BSCII assists companies to enter public and private markets

in the US and abroad.

Mr. Talvadkar is an advisor to the Private Sector Department of the African Development Bank where he advises on private investments in infrastructure.

He has over 25 years experience in the development of new business opportunities in the structuring, management and execution of joint ventures, project finance, private equity, corporate finance and privatization transactions worldwide.

Mr. Kesh Nair, founding member and Assistant Secretary of USIACC, is an entrepreneur from Dallas, Texas. He is currently running software and IT service firm, Valutone Solutions, Inc.



He is focused on creating high end IT services to small and medium service institutions. His firm is in the process of creating a collaborative enterprise solution for US hospital industry.

Mr. Kesh has a background in Software Technology with over 12 years of experience in this sector, serving various positions. He is experienced in setting up offshore software development centers, managed offshore-onshore model projects for *Fortune* 50 institutions. While at i2 Technologies, Inc., he was a part of the team which developed Supply Chain solutions.



Ms. Linda Finkel-Talvadkar, USIACC Director of US Relations, has vast experience in the fields of education, management consultancy service, media strategy for

political parties and foreign affairs.

Mr. Manu Rajvanshi, Chairman of Youth

Division of USIACC, is an entrepreneur and runs his own technology company TechEnzyme, Inc. The company is an information technology products and solutions company meeting all needs of small, mid-size to *Fortune* 500 companies.

Mr. Rajvanshi, born in 1973 in Bikaner, Rajasthan, India, has more than 10 years of extensive experience in consulting, architecting, managing, designing and developing Business and System applications for the Banking, Finance, Telecommunication, Consumer products, Information Technology and Manufacturing industries.

Mr. Appen Menon is one of the founding partners of the law firm of Menon & Posner, located in downtown Manhattan.

Appen Menon has received a B.S. degree from Calicut University, an LL.B. degree from Bangalore University, India and a Diploma in Journalism and Public Relations.

He came to the USA to pursue a Master of Laws degree at Temple University, Philadelphia.

After graduating, he passed the New York Bar Examination and practiced law as an associate with three law firms before he founded Menon & Posner with Marshall Posner, his partner.

Menon & Posner is a general practice firm with concentration in general civil litigation, corporate finance, real estate and corporate immigration matters. He has taken up a number of cases on pro bono basis on behalf of people who are in financial distress and have no means to pay attorney.

Mr. Menon was the president of Indo-American Lawyers Association from 1999 to 2001.



Mr. Satish Shah, a well-known CPA, is a leading tax consultant in Washington, DC area. Well-versed in investment matters and Non-Resident Indian (NRI) investment opportunities, Mr. Shah is the auditor for the USIACC.

For more information about USIACC, please contact:

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US, India in Win-Win Pact to Fight Pollution

WASHINGTON, D.C.—The United States will partner with India and six other countries in an 'International methane to markets partnership' to enhance clean energy sources and reduce greenhouse gas emissions, according to Mr. Mike Leavitt, Administrator of the US Environmental Protection Agency, (US EPA).

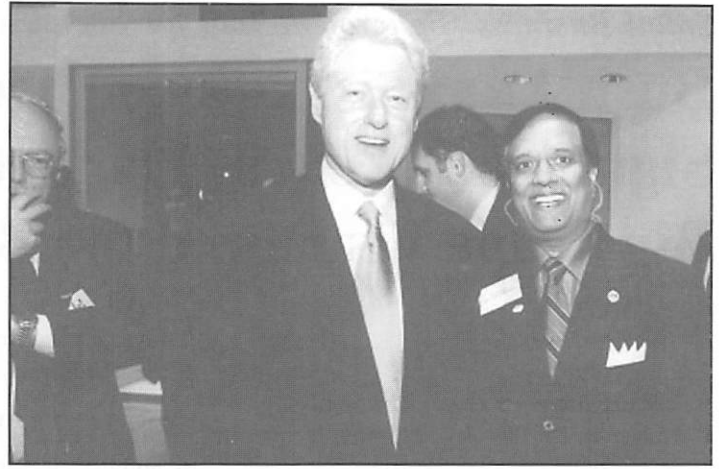
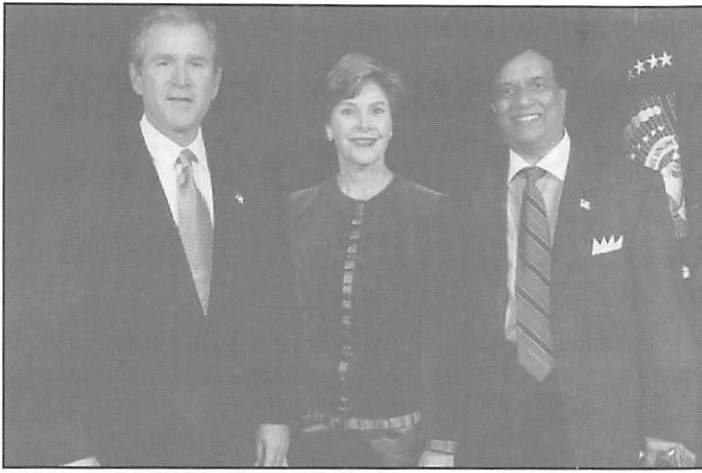
Mr. Leavitt said, besides India, the US would join hands with Australia, Italy, Japan, Mexico, the UK and Ukraine to develop and promote cooperation on the recovery and use of methane—a clean-burning fuel that is the main component of natural gas and also the second most prevalent greenhouse gas from human sources.

The partnership with India and other six countries is envisaged to deliver significant energy, safety, and environmental benefits through the recovery and use of methane, while reducing global greenhouse gas emissions.

The pact will focus on deploying cost-effective technologies in landfill gas-to-energy projects, methane recovery projects at coal mines, and improvements in natural gas systems. President George W. Bush said the United States would commit up to \$53 million to the partnership over the next five years, and hailed India and the other six countries for having 'agreed to participate as founding partners, along with the United States.'

US Chamber President Endorses Offshoring of Jobs

SAN FRANCISCO: The US Chamber of Commerce President and CEO Thomas Donohue is promoting overseas outsourcing of jobs to countries like India as a way to boost the economy and even increase employment, a stance that rankles jobless white-collar workers, particularly in the flagging technology industry. While speaking to the Commonwealth Club of California, Mr. Donohue said that he believes exporting high-paid technical jobs to low-cost countries like India, China and Russia saves companies money that may be used to create new jobs for Americans.



Strengthening US-India Business Relations



Bush Administration, Through US SBA, Is Playing Significant Role in Promoting US-India Trade Ties; Big Scope Visualized for Bilateral Business Growth

*By Hector V. Barreto
Administrator*

*U.S. Small Business Administration
Washington, DC*

The U.S. Small Business Administration (SBA) is keenly aware of the importance of small and medium-sized enterprises (SMEs) in fueling the U.S. and the global economy. That is why the SBA and its Office of International Trade are committed to building up international trade capacity in the United States and in other countries.

Doing so in a consistent and thoughtful manner will improve our respective standards of living and support the private sector in promoting international economic development.

SMEs Playing Key Role

The people who report on international trade often forget that small business is big business when it comes to international trade.

In the United States:

- U.S. companies export \$2 billion in goods and services every day, including \$5 billion to India in 2003.
- Exports are responsible for 70 percent of today's economic expansion, creating stronger communities through better jobs, higher incomes and increased opportunities.
- U. S. small businesses hold a 31 percent market share of export sales volume and account for 97 percent of exporters (numerically).
- In the last 10 years, the number of SME exporters has tripled.
- In the last 5 years, the dollar value of SME exports grew by 300 percent.
- Of all SME exporters, the most dynamic growth has been by companies that employ fewer than 20 people. These companies represented 67 percent of U.S. exporting companies and have shown a 40 percent growth in export value in the last 10 years. Their

average export dollars represented \$650,000 per company.

Big Success in International Trade

If nothing else, these statistics demonstrate that international trade for small business is not only possible but is highly successful. In the USA, small businesses are clearly a dominant force, providing economic stability to U.S. communities. Global trade and new technology have made it possible for small businesses to enter the world trading community in large numbers.



*Hector V. Barreto
Administrator, US SBA*

Now, a small business with a winning business idea, a business plan, a computer server and telephone line, and the ability to process credit card transactions can enter the international trade domain via the Internet almost instantaneously.

However, fewer than 1 percent of the roughly 25 million small businesses in the United States are involved in export-import activity. Obviously, many locally focused small businesses - the corner grocery store or the local dry cleaner, for example - are not in a position to export. However, we still feel that fewer than 1 per cent is too low.

Big Scope in International Trade

In fact, there is a great deal of room for small businesses to expand their involvement in international trade. Consider that:

- Small businesses account for 47 percent of total domestic sales, but just 31 percent of total export sales.

- Two-thirds of small business exporters' export their products to just one country.
- More than 95 percent of the world's population and two-thirds of the world's purchasing power is located outside of the United States!

Exporters Aiding Local Communities

There are sound business reasons why it's important to invest now in the capacity to trade in overseas markets. Even more important, however, is what small business participation in these markets does for local communities. The simple fact is that small business exporters are essential to local communities.

Small businesses exporters have a direct stake in their communities and tend to pay higher wages, better benefits and are less likely to go out of business than non-exporters. They invest in their communities for the long haul. Beyond the statistics, however, small business participation in international trade is a proven method of helping build peaceful and prosperous communities around the world.

Opportunities in India

The SBA does not have a great deal of experience in India, but we fully expect this to change as we expand our ties with the world's largest democracy. Trade between the U.S. and India has been growing strongly since the early 1990s, and is likely to grow even further as India further liberalizes its economy and moves more assertively into the global electronic economy.

It is impossible to ignore India's impressive economic profile: low annual inflation, low levels of external debt, sustained growth and a very large and highly educated middle class.

India is second only to the United States in the size of its pool of trained scientists and engineers. Demand for technical skills is outstripping supply in the United States and the technical prowess of the Indian software and information technology sector is well known in this country. Information technol-

ogy is probably the fastest growing sector, and is arguably the most important sector in our economies. It is inevitable that we find ways to work together on a macro level.

Engine for Indo-US Growth

Once again, SMEs are the engine for much of this growth, and both nations must ensure that our agile and creative small business information technology sectors are fully included in these cooperative opportunities.

Information technology is the sector that will most likely experience the greatest benefit in terms of SME cooperation and development. In today's information age, the trend towards "wired" businesses and communities is increasing every day.

From our work at the SBA and its Office of International Trade, we find that there is more to bring the small businesses of the world together than there is to divide them. Small business entrepreneurs understand how the market process stimulates within them, their employees and their communities, an artistic and creative talent. This is a hallmark of successful entrepreneurs everywhere. We have all heard of small business owners who began with almost nothing,

worked diligently and created something of a higher value.

What is happening with small business is something of a social and commercial revolution.

For this revolution to gain momentum, countries and governments around the world must make a commitment to assist small businesses by providing an appropriate infrastructure.

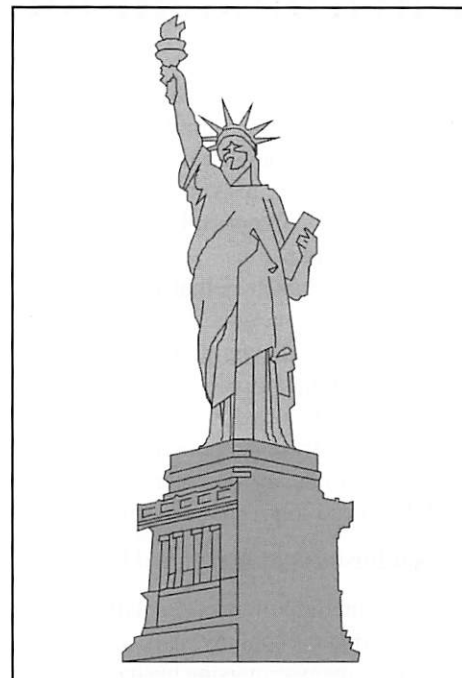
This infrastructure should include programs that provide education, technical assistance and access to capital. Building this infrastructure is the key to empowering those with the dream of improving the financial prosperity of their families and their communities through small business creation and growth.

EDITOR'S NOTE: *The U.S. Small Business Administrator Hector V. Barreto, the author of this article is a visionary for the small businesses.*

Mr. Barreto himself being a highly successful small business entrepreneur, he fully understands the needs of SMEs.

Under his dynamic leadership, the US SBA is delivering financial and business tools to America's small and medium-sized

entrepreneurs, acting as a largest single financial backer and facilitator of technical assistance and contracting opportunities for America's small business. Mr. Barreto is the winner of many meritorious awards for the excellent services he is rendering to the U.S. SMEs.



WHEN IT COMES TO GIVING EXPORTERS THE ADVANTAGE ONE ZONE TRULY RISES TO THE OCCASION

SEEPZ SEZ an Exporters' Paradise primarily committed to boost exports from India, by providing exporters the facilities to contribute a host of value-added services to their product. **SEEPZ SEZ** offers the facilities as follows:

- Ready built premises / Plots on lease and outright purchase basis
 - Uninterrupted Power
 - Abundant water
 - Hi-tech communication facilities
 - Adequate warehousing and forwarding services
 - In-Zone customs clearance
 - Other facilities of the Zone include a Foreign Post Office, four Banks, Communication centre, an exclusive Telephone Exchange, Three ATM centres, Industrial Canteens, an executive restaurant and a creche for working Women's children.

The exports from SEEPZ SEZ during the last five years have been as follows:

Year	Exports (Fig. Rs. In crs)
1998-99	3281.88
1999-2000	4145.57
2000-01	5193.44
2001-02	5225.60
2002-03	6083.02
2003-04	7856.33

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The Development Commissioner
SEEPZ Special Economic Zone,
Ministry of Commerce & Industry,

Government of India, Andheri (East), Mumbai - 400 096, India.

Tel.: 91-22-2829 0143 / 2144 / 2147 / 0046. Fax: 91-22-2829 1385 / 2829 1754

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US Small Business Administration Is Successfully Cultivating American Entrepreneurs and Creating Environment for Entrepreneurial Spirit to Flourish

This is unmistakably the age of American entrepreneurship. Small businesses today represent 99 percent of all employers, employ 51 percent of America's non-farm private sector workers and are creating 75 percent of all new jobs.

It is small business that is leading the way to a full economic recovery by creating jobs and producing goods and services for the world marketplace.

Now, more than ever, the U.S. Small Business Administration is on the front lines helping small business owners get the support they need to prosper and grow.

Good Business Management Practices

Given the importance of small business to our national economy, it is unfortunate that far too many promising businesses close their doors because owners overlook the importance of good business management practices. Very often, business failures that are mistakenly attributed to poor cash flow, bad location or shoddy advertising, actually result from the owner's failure to recognize that *solid management skills are just as necessary for business success as are the technical skills needed to produce the company's product or deliver its service.*

Fortunately, the SBA is available to assist both existing and prospective business owners navigate through these sometimes rocky waters.

Loan Guarantee Program

Our best known program is the 7(a) small business loan guaranty program. The SBA 7(a) loan allows high-risk small businesses the ability to receive financing for a variety of business purposes.

Last year alone, the SBA guaranteed more than 67,300 loans worth \$11.27 billion to small businesses across the United States. Loans can be used for working capital, machinery and equipment, furniture and fixtures, land and building, and leasehold improvements. Under special circumstances, proceeds can even be used for debt refinancing.

The 7(a) loan works like any other loan

and is actually delivered by local commercial lenders. The only difference in a 7(a) loan is that the SBA assumes a large portion of the loan's risk, giving local lenders an incentive to take on a loan they otherwise might have passed over. There are several thousand lenders across the USA that participate in the program.

Specific Criteria to Be Met

The 7(a) loan program, like any other loan, requires that certain specific criteria be met: the business applying for financing must be a for-profit company and meet the size standards for being a small business. Additionally, the proceeds must be used for the purposes outlined above.



Another important factor considered by the SBA is repayment ability as measured by the cash flow of the small business. However, good character, management capability, collateral and the owner's equity contribution are also taken into account as the SBA considers loan applicants.

Beyond financing, SBA-sponsored counseling and training programs offer the advantage of highly trained and experienced business professionals. Two SBA-sponsored organizations with exceptional services to small business are the Small Business Development Centers (SBDC) and SCORE, Counselors to America's Small Business.

Services by SBDC, SCORE

In partnership with the all 50 states in the USA, the SBA funds a network of more than 1,000 SBDC offices that offer counseling and technical assistance at low or no cost to small businesses. Their low-cost continuing education courses are highly recommended on subjects from business start-

up to Marketing on a Budget. More detailed information on the SBDC program can be found at the SBA Web site under technical assistance, at <http://www.sba.gov/sbdc/>.

Likewise, SCORE offers excellent free counseling and affordable workshops provided by experienced business owners and corporate executives. SCORE counselors offer business owners the unique insight of those who have already succeeded in the world of business. SCORE chapters are located in several locations across the country and e-mail counseling is available. More information can be found at www.score.org.

SBA Services on Website

Whether you are a seasoned business owner or first-time entrepreneur, chances are the SBA has something that can help you start or grow your small business. Information on how to access the full range of SBA services is available on the web at www.sba.gov or by calling the SBA Answer Desk at 800-USAASKSBA.

At the SBA, staff members are committed to fulfilling President Bush's pledge to create an environment where the entrepreneurial spirit can flourish. Make sure you have what it takes to keep your business on track by making the SBA your small business resource.

The SBA Celebrates 50 Years

