

BUSINESS TIMES

VOLUME XXV NO. 2

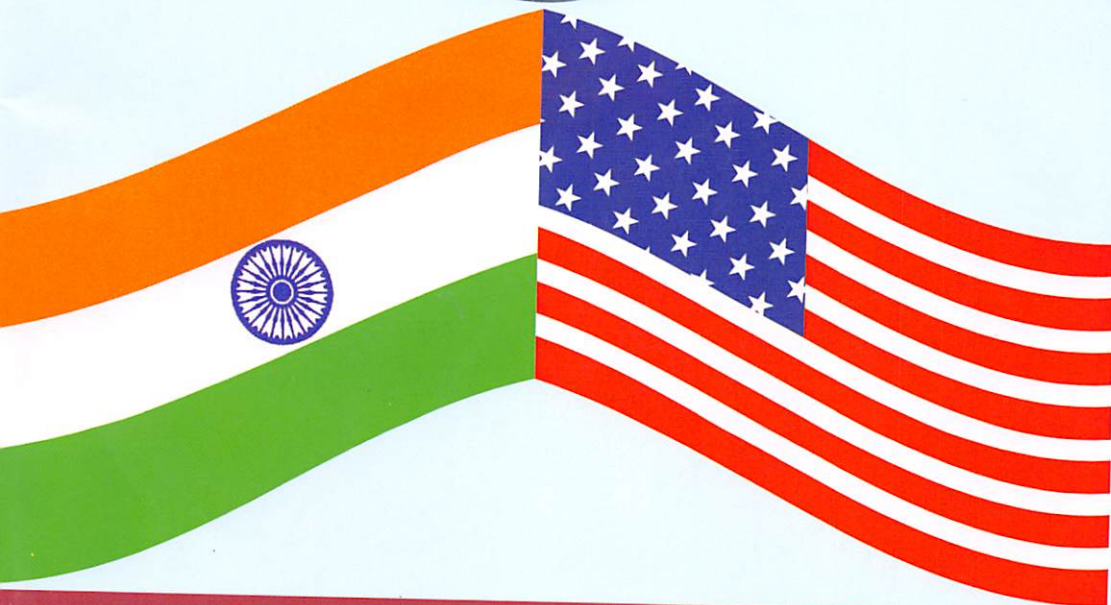
JULY 2005

WASHINGTON, DC

Leaders of India and USA Trace Blueprint for World's Future : Singh-Bush Historic Meeting Set July 18-20, 2005



Dr. Manmohan Singh
Prime Minister of India :
Architect of Nation's
Economic Reforms



Global Player India
Poised to Become
Superpower



HIGHLIGHTS

India Poised to Become World Aviation Industry Hub

Economic Scenario and Update on India's Economic Reforms

India's Prospective Industry Sectors for Foreign Firms

USIACC: 1st Annual Convention in Washington, DC Oct. 11-12

US-India Business: Resource Directory-Useful Contacts

The Maharajah now conquers the East



Air India proudly announces 56 NON-STOP/
DIRECT flights to Bangkok, Singapore, Kuala
Lumpur, Hong Kong & Seoul. Flying to East
and South East Asia has never been better.

Fly well | **एअर इंडिया**
AIR INDIA 

www.airindia.in

USIACC: First Annual Convention, Business Expo Scheduled Oct. 11-12, 2005 in Washington, DC

WASHINGTON, DC—The first annual convention and business expo of the United States Indian American Chamber of Commerce, Inc. (USIACC) is scheduled to be held here on October 11-12, 2005.

Washington, DC-based USIACC, the all-America business association, has been set up to promote bilateral business relations between the small and medium-sized enterprises (SMEs) in the USA and their counterparts in India.

Leading US Senators and Congressmen and New York Board of Trade (NYBOT) Chairman Mr. Fred W. Schoenhut have consented to be the speakers at the conference. Prominent businessmen and senior-level Government officials from both USA and India will also be participating in these important Indo-US business promotional events.

The 2-day events on October 11-12 include golf tournament, gala reception/dinner, awards lunch, panel discussions, Expo/Exhibition and networking opportunities.

Mineta, Thulasidas to Attend

U.S. Transportation Secretary Norman Y. Mineta and Air-India Chairman Mr. V. Thulasidas have confirmed their participation in the Civil Aviation Sector session.

New York Board of Trade, Standard and Poor's and U.S. Department of Interior have already committed to be sponsors. Many prominent organizations in USA and India are expected to sponsor these important

US-India SME business promotional conference.

Conference Program

- Sectorwise discussions will be held simultaneously at different locations;
- Expert panel members will be invited;
- Small Business issues, networking, expanding business relations with suppliers and Government agencies;
- Women-owned businesses, women in international business issues;



- Promoting young entrepreneurs, opening doors,
- International Trade: Export and Import Business between U.S.A. and India: Issues and Suggested Remedies.

Participants: VIP Guests and speakers from U.S. and India, U.S. Departments of: Commerce, International Trade, SBA, Energy, Interior, Agriculture, EPA, DOD, DOJ, White House, State, Education, Labor, HUD, HHS, etc.

Target Subjects

Following are the target subjects with special emphasis as mentioned:

Small and Medium Enterprises: Issues, networking and expanding business relations;

International Legal Disputes: Settlement of disputes with special emphasis on India;

Agricultural Products and Agro-industries: Issues and future—special emphasis on India;

Science & Technology: Using latest technology for research and product development;

Aviation, Banking, Infrastructure and other investment opportunities;

U.S. India Relations, including Defense.

Convention Hotel Information

Renaissance Washington DC Hotel
999-9th Street, N.W.

Washington, DC 20006

Phone: 202-898-9000

Reservations: Phone (Toll-free): 800-228-9290. A block of rooms have been reserved for the convention attendees in the name of U.S. Indian American Chamber of Commerce.

Giving the impressions of their recent India visit and the progress made by the USIACC, National Chairman Mr. K.V. Kumar and USIACC Executive Director for India Mr. Hasmukh Shah, in a press release state that as we approach the first anniversary of United States Indian American Chamber of



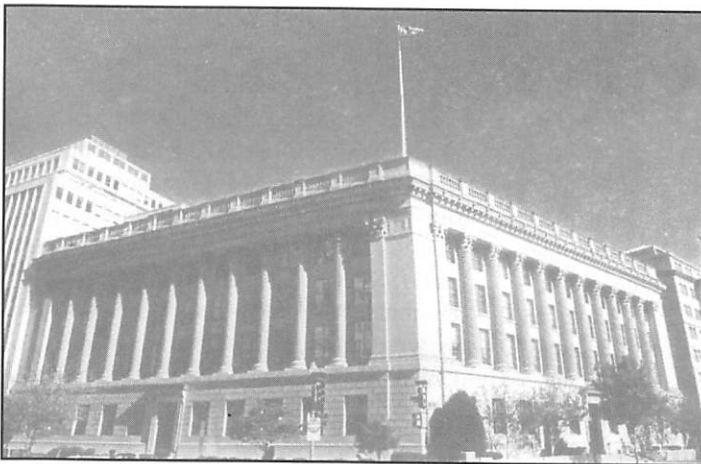
Charles H. Falk
*President & CEO, NYBOT & Director
USIACC Corporate Advisory Board*



Fred W. Schoenhut
*Chairman NYBOT and Chairman,
USIACC Corporate Advisory Board*



Joseph J. O'Neil
*Sr. Ex. V.P. NYBOT & Director,
USIACC Corporate Advisory Board*



BUSINESS TIMES
July 2005
TABLE OF CONTENTS

	Page
Messages from Dignitaries	5 to 8
Prime Minister Singh's US Visit:	
Implications for Indo-US Ties	9
New Delhi Letter by Kundan Vyas	10
US-India Ties—By Ambassador David Mulford	12
Export Opportunities for US Firms—By Daniel Harris	14
India Ties Important—By Christina Rocca	16
FICCI and Indo-US Business Ties—By Dr. Amit Mitra	17
Prospects for US-India Trade and Investment	21-24
IIT Alumni Global Conference	25
USIBC Celebrates 30th Anniversary Jubilee	28-31
US Indian American Chamber of Commerce	
1st Annual Convention Oct. 11-12, 2005	32-35
CHHATTISGARH STATE - Special Feature	37,38,40,41
Doing Business with India—"US Perspective"	43
India's Prospective Sectors for US Firms	44-62
Indian Economy	63
Tourism Growing Rapidly	65
Foreign Firms Awaiting to Enter India's Retail Sector	71
CIVIL AVIATION INDUSTRY—A special feature	73 to 87
NRI/PIO Contributions to Mother India	
—past, present and future	88, 89
Indian Merchants' Chamber Spreading Wings	90-92
ASSOCHAM, IACC, PHD, AMCHAM	93
APEDA—Promoting Exports	94-97
Investing in India—Policies & Procedures	103-129
Resource Directory & Reference Guide:	132-134

From the Publisher

The upcoming US visit by India's Prime Minister Dr. Manmohan Singh will be historic as the Indo-US relations are poised to reach new heights thanks to the prevailing self-confidence and optimism both India and the US have shown in each other. The US has already recognized India as a key global player and a rising economic power. Bilateral ties have witnessed a watershed change in US foreign policy priorities, towards a future in which India will occupy an increasing role in world affairs.

The US initiative to help India build itself as a major world power in the 21st Century reflects the change in US thinking about India. Both countries share the common views on freedom of expression, protection of individual rights, anti-terrorism, defense, and energy issues. Economist-turned politician Dr. Singh-led New Delhi Government's policy of liberalization, privatization and opening up the market to foreign competition have encouraged the US multinational companies to look to India for rewarding business opportunities. The increasing bilateral ties in science, technology, defense and energy areas reflect the strengthening of the bond of friendship between world's largest and strongest democracies.

Specially important is the NSSP (Next Steps in Strategic Partnership Initiative) of the US Government, which will include expanded engagement on nuclear regulatory and safety issues and missile defense, space technology and high technology commerce.

There are about 2.2 million NRIs (Non-Resident Indians) of Indian origin in the USA today. They are one of the most successful ethnic groups and are also becoming increasingly active in politics, not only giving money to political campaigns, but also running for office themselves. No doubt, in these relations between the USA and India, the large and increasing influence of the Indian-American community is visible enough.

It is in the light of these developments that Prime Minister Singh's upcoming US visit assumes great significance and, therefore, is viewed as an important step forward in further strengthening bilateral bonds of friendship.

The US visit of Prime Minister Dr. Singh is a historic opportunity to build a closer relationship—one that recognizes US and India's strong economic, strategic and political convergence. Prime Minister Singh's US visit will not only strengthen the Indo-US political and cultural ties, but it will also create more opportunities in economic field. We wish Dr. Singh's US Mission a big success.

In this issue, we have published a *special feature on India's Civil Aviation Sector*. 'Open Sky' policy has made India the central attraction for doing business within aviation area. India's aviation sector is poised to be a global destination and hub for the world's aviation industry.

Business Times' long journey began way back in 1981 and today we are on the threshold of crossing 25 golden years—Silver Jubilee—of meritorious service to the progress and prosperity of the world's two largest democracies, India and the USA. During these bygone 25 years, *Business Times* has played, though it may be tiny, but a very prominent role in promoting Indo-US bilateral business ties and we are proud of the success that we attained in this direction through our hard labor and dedication.

Hasmukh Shah
 (Hasmukh Shah)

BUSINESS TIMES
 (Established : 1981)

Vol. XXV No. 2 July 2005

Published Quarterly By
 U.S.-India Enterprises, Inc.
 Publisher and Editor-in-Chief
 Hasmukh Shah

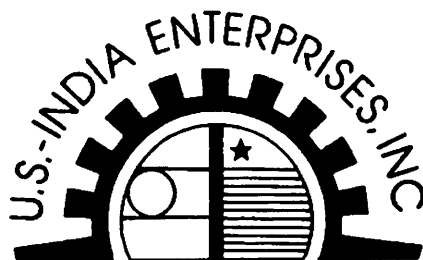
<p><i>Media Director:</i> Lisa Parker</p> <p><i>Administrative Executive:</i> Mary Wilson</p> <p><i>Production Director:</i> Shobha Shah</p> <p><i>Annual Subscription:</i> USA \$40; Canada: US \$50 Other Countries: US \$60 (Air-mail only)</p>	<p style="text-align: center;">INDIA</p> <p>Mumbai (Bombay): <i>Representative:</i> Arvind Shah <i>Media Manager:</i> M. R. Menon</p> <p>Om Siddhivinayak Society Suite No. 3, Gr. Fl., Gopi Tank Road Mumbai (Bombay) - 400 016 Phones: 2445 3116 / 2447 3343 Fax: 2447 3343 E-mail: btimes@vsnl.com</p>
--	---

Ahmedabad Representative:
 Bharat Dholakia
 Photo Journalist

Business Times
 P.O. Box 33364, Farragut Station, Washington, D.C. 20033, USA
 Telephone: 301-572-6067; Fax: 301-572-7233; E-mail: usiei@erols.com

All rights reserved. No part of this publication may be reproduced in any form or by any means or stored electronically for further use without the written permission from the publisher.

OUR BUSINESS IS TO PROMOTE YOUR BUSINESS



U.S. – INDIA ENTERPRISES, INC.

The Washington, D.C. – based leading company well-known for promoting bilateral business relations between the American/Canadian/NRI companies and the Indian firms.

Our data bank is frequently updated to provide the latest information required which enables us to find the Right Buyer of your products/services and the Suitable Partner you are looking for.

WE OFFER

- ★ Liaison Service
- ★ Technical Collaboration
- ★ Equipment Supply
- ★ Joint Ventures
- ★ Licensing Arrangements
- ★ Product Information
- ★ Finding Suitable Partner/Buyer
- ★ Arranging Seminars, Conferences and one-to-one meetings in USA/Canada and India.



U.S.-INDIA ENTERPRISES, INC.

10169 New Hampshire Avenue, # 180
Silver Spring, Maryland 20903, USA
(Metropolitan Washington, D.C.)

Phone: 301-572-6067 • Fax: 301-572-7233
E-Mail: usiei@erols.com

can 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.

Promoting SMEs

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 between USA and India is currently about US\$20 billion.

US Exports to India

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. The inevitable direction for U.S. international trade is South East Asia of which India is a dominant player.

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 stated Mr. Kumar USIACC National Chairman. 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 Advisory Service and Dispute Resolution program for U.S. and Indian companies engaged in international trade.

SBA Assistance Program

SBA assistance in the form of loans, management and technical assistance, venture capital programs, disaster loans, and entre-

preneurial assistance for billions of dollars are available. As President Bush said, "the government can create an environment where business and entrepreneurs and families can dream and flourish."

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 on the Capital Hill and US 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, Executive 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



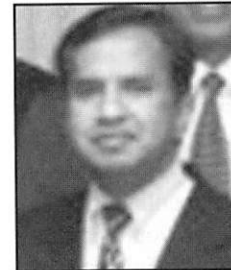
in the USA/Canada and India make him an ideal candidate to provide a serious qualitative edge to promote Indo-US business relations.



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 27 years, business ties between US/Canadian and Indian firms in areas of investment, joint venture, technology transfer, liaison, etc.

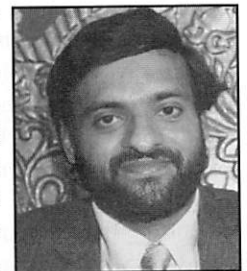
Mr. Shah is the publisher of popular journal *Business Times*, the Washington, DC-based magazine, that has been diligently working, since last 25 years, towards providing India a cutting edge presence in the USA by providing up-to-date information on US-India bilateral business opportunities.



Mr. Appen Menon is one of the founding partners of the law firm of Menon & Posner, located in downtown Manhattan. Menon & Posner is a general practice firm with concentration in general civil litigation, corporate finance, real estate and corporate immigration matters.

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 Nbn-Resident Indian (NRI) investment opportunities, Mr. Shah is the auditor for the USIACC.



For more information about USIACC, please contact:

Mr. K.V. Kumar
National Chairman
United States Indian American Chamber of Commerce, Inc.
7272 E. Gainey Ranch Rd, #103, Scottsdale, AZ 85258, USA Tel: 480-368-5500
Fax: 480-607-9500
Email: kvkumar@usiacc.com
Email: info@usiacc.com
Website: usiacc.com



Commerce (USIACC) launched on September 22, 2004 on the trading floor of the New York Board of Trade (NYBOT) in New York City, what comes to our mind first is the enormous amount of support we have received from the Chairman of New York Board of Trade, Mr. Frederick W. Schonehut.

Appreciation for NYBOT Support

On behalf of the members and Board of Directors of USIACC, we are grateful and thank: Mr. Frederick W. Schonehut for being the best supporter and Chairman of USIACC Corporate Advisory Board; NYBOT President & CEO, Mr. C. Harry Falk; Senior Executive Vice President, Mr. Joe O'Neil (Corporate Advisory Board Members); and NYBOT officials for their unstinted support and generous contributions stated Mr. Kumar and Mr. Shah.

We are also grateful to the members of the USIACC Corporate Advisory Board—our members, partners and collaborators—without whose support, we would not have been as successful. Our special thanks to Government of the United States and the Government of India for their encouragement and support as well, press release said.

Participation in Important Events

USIACC and its officers have participated in many important events, including the White House Conference on Economy; U.S. Small Business Administration - EXPO 2005; U.S. Department Energy's Conference; AZMC Skill Center's Business Conference; and many events of importance to USIACC members.

But the most important of all, is yet to come—USIACC First Annual Convention. "We cordially invite you all to attend the USIACC Convention on October 11-12, 2005. We would like you to be part of this historic event and be a partner in success," stated Mr. Kumar and Mr. Shah.

Support of Dr. Kalam, Shekhawat

During their June visit to New Delhi, USIACC National Chairman Mr. KV Kumar and USIACC Executive Director for India Mr. Hasmukh Shah met with India's President APJ Abdul Kalam, Vice President B.S. Shekhawat and the Government of India ministers and secretaries and apprised them about USIACC and the upcoming Indo-US business promotional 1st Convention in October in Washington, DC. The responses from all these dignitaries have been very encouraging.

USIACC has made tremendous progress

within a short period of time since its launch last September in New York City.

USIACC was inaugurated on September 22, 2004 on the Trading Floor of the New York Board of Trade (NYBOT) in the Wall Street—world's financial district. Representing the Bush Administration, Honorable Hector Barreto, Administrator, United States Small Business Administration (SBA), gave the keynote address to the large number of participants—leaders from business, industry and Government.

Messages from Bush, Cheney

President George Bush and vice president Dick Cheney sent their encouraging well-wishing message for the USIACC inauguration.

The keynote speaker at the function was Hon. Barreto, who stated that there are more than 26 million small businesses in the USA,



accounting for 52% of the GDP of the United States.

Seventy four percent of the growth of employment came from these small business enterprises, he said.

MOU with US SBA

Mr. Barreto said USIACC and U.S. Small Business Administration (US SBA) have signed an MOU, and it is very beneficial to both entities. The U.S. Small Business Administration looks upon USIACC to help them popularize their program, get trained up to service the business community or be an effective catalyst.

Last year US SBA allocated \$12.5 billion by way of loans, and other assistance.

Encouraging Responses

This newly established chamber has been receiving encouraging responses both from the Bush Administration and the Government of India as well as business leaders in both the countries.

The USIACC has signed MOUs with the US SBA, U.S. Environmental Protection Agency (EPA), U.S. Departments of Commerce, Labor, Energy and Interior and ASSOCHAM and IMC in India.

Advisory Board

Prominent businessmen from India and the USA have joined the USIACC Advisory Board of Directors, including the Chairman of HDFC Mr. Deepak Parekh, Air-India Chairman Mr. V. Thulasidas and New York Board of Trade Chairman Mr. Schoenhut. Other business leaders from both the USA and India are expected to join the USIACC Corporate Advisory Board of Directors.

The USIACC presented in January 2005 a check (courtesy of NYBOT) for US \$10,000 to the Indian Prime Minister's Fund for Tsunami victims; USIACC was the co-chair of SBA's Expo 2005 held in Washington, DC in April 2005; on May 2, 2005, USIACC-Arizona Chapter (first of 16 chapters to be established by the end of 2005) was launched in Phoenix, Arizona State.

Objectives Outlined

The Chamber is organized to achieve the following objectives:

Preserving the competitive enterprise system of business by creating a better understanding 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.

The objectives of USIACC, specifically, 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 Ameri-



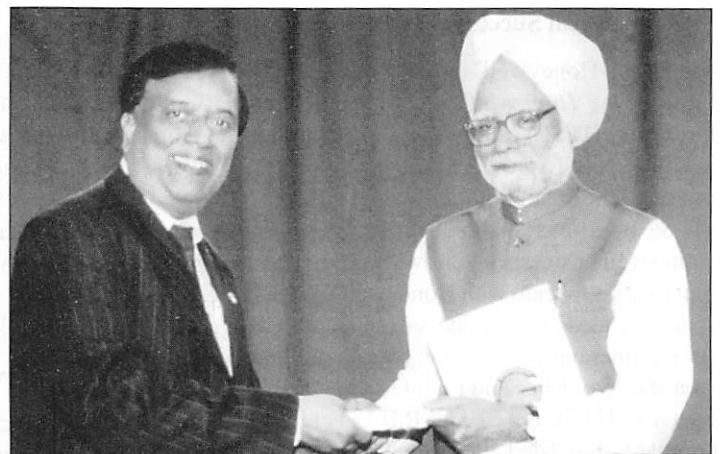
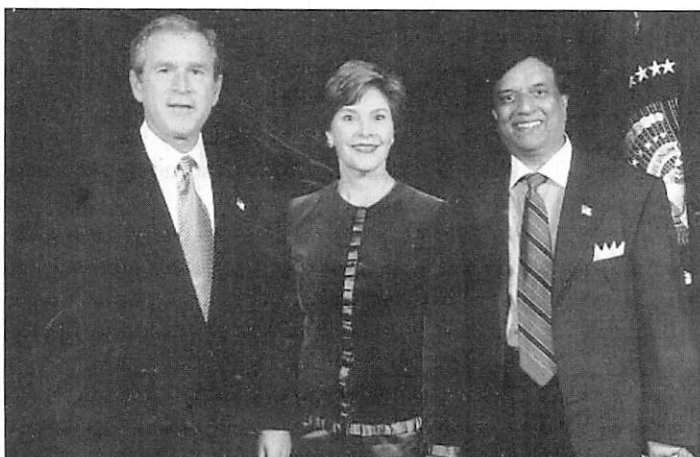


ACTION

US Indian American Chamber of Commerce



Strengthening Business Ties Between US and Indian SMEs



Honeywell International Playing Significant Role in Promoting India's Economic, Industrial Growth

Honeywell International is a \$26 billion, 100,000 employee diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; automotive products; turbochargers; and specialty materials.

Based in the United States, Honeywell's shares are traded on the New York, London, Chicago and Pacific Stock Exchanges. It is one of the 30 stocks that make up the Dow Jones Industrial Average and is also a component of the Standard & Poor's 500 Index.

Significant Presence in India

Honeywell has had a significant presence in India dating back almost 50 years with the supply of industrial automation and building controls to India's growing economy. A long and well-established member of India's business community, Honeywell now employs over 5,000 people in the country generating over \$270million in sales to India's domestic and export markets.

In 1987, Honeywell teamed with the Tata Group in a joint venture called Tata Honeywell to be a provider of integrated automation and software solutions that increase productivity in industry, provide comfort in work environments, and ensure safety & security of home and business.

This venture, now known as *Honeywell Automation India Limited* (HAIL), is based in Pune and employs 1,500 people, 500 as engineers who provide engineering services to Honeywell's Automation and Control Systems (ACS) business.

Great Success in India

One of Honeywell's great successes in India is the *Honeywell Technology Solutions Lab* (HTSL) established in Bangalore in 1994. HTSL provides high technology product & software solutions, analytics, and IT & business process solutions, to Honeywell businesses worldwide. Their current focus is to team with Honeywell's Aerospace business to provide safety solutions for commercial jets, such as Terrain Collision and Avoidance and Flight Management Systems. HTSL is a SEI CMMI Level Five company, has filed more than 50 patents

since 1994, and employs over 3,400 professionals. HTSL was recently recognized as one of the "Top 10 Great Places to Work in India" by a leading business magazine.

In Gurgaon, Honeywell has approximately 120 professionals supporting Honeywell's Specialty Materials and Automation & Control Solutions businesses.

Helping Infrastructure Projects

Honeywell is providing effective solutions to many of the most critical Indian infrastructure projects, including:

- Security solutions to refineries of Indian Oil Corporation;
- Automation solutions to Oil and Natural Gas Corporation, LNG Petronet, National Thermal Power Corporation;
- Heating, ventilation and air-conditioning systems to the Delhi Metro Rail Corporation; and
- Aeronautical equipment to the De-

Honeywell

fence Research & Development Organization and the Indian armed forces.

Transportation Sector

In the transportation sector, *Honeywell Turbo Technologies* is establishing a new production facility in Pune. This new facility will give Honeywell an important presence close to its main customer in India, Tata Motors, and its supply-base. The facility, expected to employ over 40 people, is scheduled to be in full operation by the third quarter of 2005.

Tata Motors, India's largest manufacturer of diesel vehicles and the sixth largest CV manufacturer in the world with over \$3B in revenues, has selected Honeywell Turbo Technologies' Step 2 VNT turbochargers for its new 1.4 and 2.2 liter common rail, Euro IV, engine programs with an SOP in 2005/2006, respectively, for use in its new generation passenger car and SUV.

Active in Aerospace Sector

The Aerospace sector of Honeywell specializes in turbine engines for commercial and

military aircraft and combat vehicles, aircraft displays, navigation, radar, oxygen generation, electrical and auxiliary power, lighting, and wheels & braking systems.

Honeywell is working with Hindustan Aeronautics Limited on the production of the TPE 331 turboprop engine for the HAL produced DO-228 maritime aircraft. Honeywell also provides key electronic and avionic systems for the Advanced Light Helicopter and Light Combat Aircraft produced at HAL, as well as battlefield combat systems and commercial satellite systems.

Fostering Bilateral Trade

Over the years, Honeywell has played an increasingly important role in India's business community and continues to foster growth in bilateral trade. Serge Buchakjian, Vice President Defense and Space International, as Chairman of the US India Business Council Defense Industry Executive Committee, was afforded the honor of welcoming, Mr. Pranab Mukherjee on his first visit to Washington, DC as Defense Minister.

The Minister's visit of to Washington, June 27-29, was a prelude to upcoming summits in Washington, in July, and New Delhi, later part of 2005 or early 2006, between President Bush and Prime Minister Singh.

Government-Industry Partnership

Honeywell's meeting with the Minister, and members of his delegation, served to build and strengthen key relationships with government and industry partners in the important India market.

Following the welcoming ceremony, India and the United States signed a new framework for the US-India defense relationship for the next ten years, which includes new opportunities for technology transfer, collaboration, co-production and research and development.

The agreement, signed between Mukherjee and Secretary Rumsfeld, defined the goals as, "strengthening our countries' security, reinforcing our strategic partnership, and building a greater understanding between our Defense establishments."

Honeywell looks forward to continued growth and activity in India.