



**Wishing all readers a very happy and prosperous New Year**

### President's Message



From the perspective of MSMEs, one of the most important developments during 2011 has been the Cabinet's nod for 20% set-aside in public procurement for MSMEs. It is a historic development. Continued rise in interest rates and fall of demand across many MSME segments especially those connected to housing, auto and white goods, have adversely impacted large number of MSMEs. The trend, if continued, is going to pose even greater challenges to MSMEs during 2012. The economic upheavals in Western markets may compound the problem further. It is time the MSME sector wage a war against wastage, improve productivity and think innovatively. FISME is gearing itself to be a facilitator in your endeavour for all such initiatives.

- Mr V.K. Agarwal



### Editorial

Dear Readers,  
The new year has started on a happy note with food inflation declining, core sector output looking up and overall manufacturing also seems headed northwards. The logical consequence should be a reduction in interest rates the next time the RBI reviews its monetary policy stance and that should spell good news for an economy that seems to have got stuck in a quagmire. Apart from this note of optimism, this issue of your favourite newsletter again brings to you something new and heart-warming – we have begun to cover activities of our member/partner associations. So join the fraternity, expand the



### ACTIVITIES

#### IPR exchange for MSMEs: Consultations begin



FISME, which is setting up IPR Facilitation Centres for MSMEs in Delhi, Bangalore and Hyderabad with the support of the Development Commissioner-MSME (Ministry of MSME) to provide hand-holding and technical support to MSMEs on protection of their intellectual property, is also creating an "IPR Exchange for MSMEs" in India in collaboration with the Economic & Trade Policy Division of the British High Commission in India. This first of its kind initiative envisages creation of an online market-based commercial exchange for IPRs to facilitate sale, licensing, franchising etc. of IPRs. In order to deliberate upon the blueprint of the structure and services for the online market based MSME IPR exchange, FISME organised a consultative stakeholder workshop on December 29, 2011 in New Delhi.

[Read More](#)

#### Activities of member/partner organisations

##### AIAI to organise INDIALLIA 2012 in April, 2012

The All India Association of Industries (AIAI) in collaboration with the World Trade Centre, Mumbai will organise INDIALLIA 2012, an international business development forum from 23rd – 25th April, 2012 at the Expo Centre, World Trade Centre, Mumbai. INDIALLIA is based on the internationally recognized B2B matchmaking event called FUTURALLIA, a unique platform which has successfully brought thousands of businesses together since its founding in 1990. The FUTURALLIA forum has been held in several countries including Canada, Belgium, France, Poland, Africa, Qatar and USA.

[Read More](#)

##### NIMA to organise industrial summit and exhibition

The Nashik Industries & Manufacturers' Association (NIMA) is organising an interactive Industrial Summit on January 10, 2012 at NIMA House, Nashik between 11am to 4pm. This will be followed by the 11th NIMA Index-2012 Industrial Exhibition which is NIMA's flagship event to be held from February 24, 2012 to February 27, 2012, at Dongare Vastigruh Ground, Gangapur road, Nashik.

[Read More](#)

##### IEF holds 11th Sustainable Energy Summit

The India Energy Forum recently organized a conclave on Nuclear Energy which was inaugurated by Mr. Gireesh B Pradhan, Secretary, Ministry of New and Renewable Energy (MNRE). Dr. Anil Kakodkar, Former Chairman, AEC and Chairman, Organising Committee gave the theme address. The other distinguished speakers were Mr. Anil Razdan, Former Secretary, Power & Chairman, Power Group and Mr. G R Srinivasan, Advisor, Nuclear Power Business, GMR Energy Ltd. Mr. P S Bami, President, IEF, gave vote of thanks. Mr V P Singh, Convenor, Nuclear Group, IEF was the Rapporteur.

[Read More](#)

MSME network and take full advantage of the improving business conditions. Happy reading even as we wish all our readers a very prosperous and delightful new year.

Editor



### Upcoming Events

**4<sup>th</sup> MSME Summit**  
January 19, 2012, Kolkata



Join the 4<sup>th</sup> MSME Summit in Kolkata on January 19, 2012, and expand your business network. There are no charges for participation and registration. However, prior confirmation is necessary for free registration. Please [click here](#) for free registration.

[Click here for free registration .](#)

### IPR Awareness

#### IPR Awareness Programme

The Intellectual Property Rights Facilitation Centre (IPFC) of FISME will soon be organising IPR Awareness programmes at Ferozabad, Ankleshwar, Meerut, Aurangabad, Nasik, and Vishakhapatnam. Watch this space for more details.

[Book your seat now.](#)



### Knowledge Store

#### Finance Fundamentals

##### Factoring In The SME Sector

India Factoring and Finance Solutions — a joint venture NBFC between Punjab National Bank, Malta-based credit institution, FIM Bank Group, Italy-based Banca IFIS and Blend Financial Services of Mumbai — is in the business of 'factoring' - providing trade finance services for small and medium enterprises (SMEs) and small-scale industries with a special focus on the ever-increasing international (export and import) and domestic factoring. India Factoring CEO Sudeb Sarbadhikary talked to BW's



### Voice Your Views

#### Take up trade issues with Latam-Caribbean countries

If you want any trade issues with Latin American and Caribbean countries reviewed under the WTO, please write to [shubha.s@nic.in](mailto:shubha.s@nic.in) and [moc\\_ftlac@nic.in](mailto:moc_ftlac@nic.in).

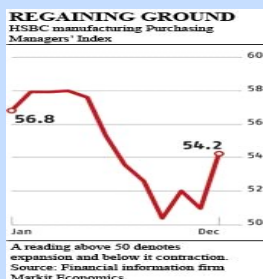
[Read Details](#)



### MEDIA MONITOR

#### Macro Metre

##### Manufacturing PMI rebounds in December

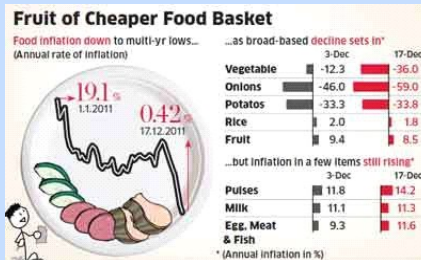


After a six per cent contraction in October, manufacturing activity staged a welcome recovery. The widely tracked HSBC Purchasing Managers' Index (PMI) rose to 54.2 points in December, the fastest in a month since April 2009. In another set of pleasant data out today, four-wheel passenger vehicles witnessed nine per cent sales growth in December, the highest monthly rise since June last year. The numbers defied gloomy predictions by several industry players.

[Read More](#)

##### Food inflation drops to 6-year low of 0.42%

India's food inflation rose at its slowest pace in nearly six years, prompting Finance Minister Pranab Mukherjee to express the hope that overall inflation may recede to 6% by March and raising hopes that the central bank will start easing monetary policy. Prices of primary food articles rose only 0.42% in the week ended December 17 from a year ago, according to recent government data. The drop was largely on account of lower prices of vegetables and fruits. Food inflation was 1.81% in the previous week and 8.54% in November.



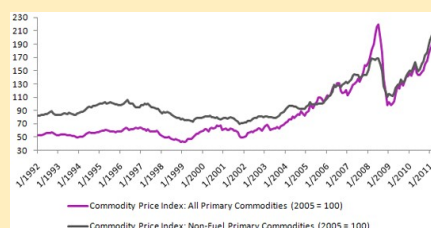
Prices of primary food articles rose only 0.42% in the week ended December 17 from a year ago, according to recent government data. The drop was largely on account of lower prices of vegetables and fruits. Food inflation was 1.81% in the previous week and 8.54% in November.

[Read More](#)

### Developments Dissector

#### The news

##### Global Commodity Price Trends and Future Prospects



Commodity prices play a big role in determining the fortunes of many a manufacturing MSME. From 2003 to early 2008, the world stood witness to the most striking commodity price boom of the past century. Click [here](#) for details. In 2011, however, prices of most commodities witnessed significant falls, due to the euro-zone crisis and uncertain economic signals from other large economies. This trend seems likely to sustain itself through the near future, [spilling into 2012](#), according to a report in the *Business Standard*. The underlying long term trend, however, seems to indicate that declining prices may be a very short term phenomenon and prices will again head northwards. Economists think that the rise of speculation is an important reason for this price rise.

[Read More](#)

#### The Dissection

Tanushree Pillai about what ails the SME sector and what needs to be done.

[Read the full article](#)

## Marketing Mantras

### 'SMEs can advertise on national TV via regional advertising'

Bangalore-based Amagi Media Labs Pvt. Ltd's targeted advertising service allows small and medium enterprises (SMEs) to advertise on national TV channels along with big brands of India by spending a tiny fraction of their budgets. By eliminating spillage and focusing on TV advertising, SME's can significantly save costs and build their brand on best of the TV channels targeting their region, says K.A. Srinivasan, the company's co-founder in an interview to SME Times.

[Read the full article](#)

## Technology Tracker

### 10 Cloud Applications Every Small Business Needs

The benefits of cloud hosting are well documented, but what about adopting cloud applications into your business IT needs? Could these further increase the benefits of using cloud and help your business grow? The simple answer is yes, cloud computing has the potential to cut IT bills and reduce dependence on in-house resources. For small businesses in particular moving to a cloud system means they will not need to invest in expensive servers and networks or hire additional staff to maintain these systems.

[Read the full article](#)

## HR Heuristics

In this issue well known HR professional and acclaimed author Rashmi Datta begins an exclusive column for The FISME Factor. Author of two books – How to Manage Your Boss (2005) and The Lion Smiled at the Rabbit (2011) – Rashmi is a past master at providing insights on people management – a key ingredient of success in any business. In this first of a series of articles Rashmi tells how to ward off negative thoughts and consciously create our own positive space.

[Read the full article](#)



Book Store

## Commodity Traders: The trillion dollar club

For the small club of companies who trade the food, fuels and metals that keep the world running, the last decade has been sensational. Driven by the rise of Brazil, China, India and other fast-growing economies, the global commodities



boom has turbocharged profits at the world's biggest trading houses.

They form an exclusive group, whose loosely regulated members are often based in such tax havens as Switzerland. Together, they are worth over a trillion dollars in annual revenue and control more than half the world's freely traded commodities. The top five piled up \$629 billion in revenues last year, just below the global top five financial companies and more than the combined sales of leading players in tech or telecoms. Many amass speculative positions worth billions in raw goods, or hoard commodities in warehouses and super-tankers during periods of tight supply. They are the people behind the long term trend of rising prices and high volatility.

[Read More](#)

## Domestic Digest

### Number of sick MSEs rises to over 90,000: govt



The number of sick micro and small enterprises (MSEs) in the country has increased to more than 90,000 during the last financial year, the Parliament was informed recently. "As per the data compiled by the Reserve Bank of India (RBI) from the scheduled commercial banks, the position regarding number of sick MSEs in the country at the end of March 2011 were 90,141," Micro, Small and Medium Enterprises (MSME) Minister Virbhadr Singh said in a written reply to the Lok Sabha.

[Read More](#)

### Micro, small and medium enterprises too deserve exit option

Well-known economist Bibek Debroy argues in this article in *The Economic Times* that with changes in the policy framework circumscribing micro, small and medium enterprises (MSMEs), there is an urgent need to offer MSMEs an exit option. FISME too has been at the forefront of the demand for amendment of existing laws so as to provide a [modern code for bankruptcy and insolvency](#) for MSMEs.



[Read More](#)

### MPs want package for micro, small and medium enterprises

A strong demand was made in the Lok Sabha on December 20, for a package for the micro, small and medium enterprises, which are facing problems on account of the economic slowdown. Members from different parties such as Shailendra Kumar (SP), Gorakhnath Pandey (BSP) and Udai Singh (BJP), to name a few, were among those who raised the issue. They made the demand while participating in a discussion on the Regulation of Factors (Assignment of Receivables) Bill, 2011. The bill, which was introduced by Finance Minister Pranab Mukherjee during the budget session, seeks to address delays in payment and liquidity problems of micro and small enterprises, and empower the Reserve Bank to regulate factor business in the country.

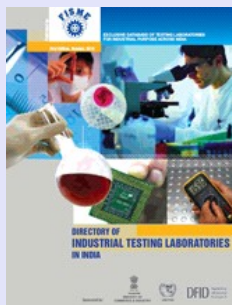
[Read More](#)

### Parliament passes Factoring Bill to help MSMEs

To help micro, small and medium enterprises (MSMEs) in dealing with their liquidity problems, Parliament passed a bill to regulate the factoring business on December 27. The Regulation of Factors (Assignment of Receivables) Bill 2011, earlier been passed by the Lok Sabha, was passed by the Upper House.

[Read More](#)

## Directory of Testing Laboratories in India



Buy our one-of-a-kind guide to all industrial testing laboratories in India. Find the one most convenient for getting your products tested and certified. An invaluable compendium for all industrial units and exporters. PP: 894, Hard Cover. Price: Rs 900. 50% discount for members.

[Buy your copy now](#)

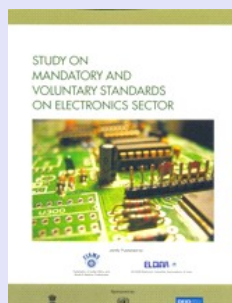
## Handbook for Managing Export Payment Risks



If you are an exporter you simply cannot do without this unique publication which tells you how to manage payment and other risks arising from exports. PP: 78. Price: Rs 300. 50% discount for members.

[Buy your copy now](#)

## Study on Standards in Electronics Sector



Another one-of-a-kind collection of mandatory and voluntary standards applicable for the electronics sector. A must have for those in the business of producing electronic products. PP: 108. Price: Rs 300. 50% discount for members.

[Buy your copy now](#)

## Banks set to recast loans of textile cos

With a vast majority of textile firms deep in the red, banks are actively working on restructuring loans. However, RBI has made it clear that loans should not be recast for the entire industry. "If some leeway is given to the textile sector then other industry verticals would soon start clamouring for similar concessions," bankers said.

[Read More](#)

## DIPP urges various ministries to implement NMP early

In the backdrop of declining factory output, the industry ministry has written to finance, labour and MSME counterparts seeking their urgent cooperation in early implementation of the National Manufacturing Policy according to PTI report on December 15. "This Department (DIPP) is now undertaking the implementation of this (NMP) policy in a time-bound manner in view of the urgent need to arrest the slowdown in Indian manufacturing," Secretary, Department of Industrial Policy and Promotion (DIPP), P K Chaudhery said in separate letters to finance, MSME, labour and environment ministries.

[Read More](#)

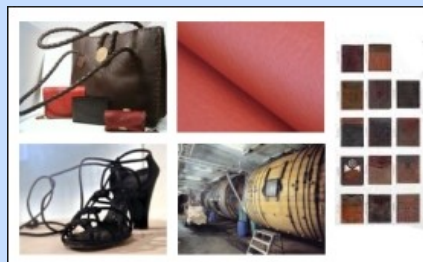
## Exporters seeks forex loans at cheaper rates

Ahead of RBI money policy on December 16, exporters have sought lowering cost and greater availability of foreign currency loans to help merchandise exports. The issue has becoming increasingly important for exporting community as Indian exports across sectors have slowed down on back of dip in demand in traditional markets like EU and US.

[Read More](#)

## Rs. 1251.29 cr outlay for leather industry in 12th plan

In order to promote leather industry, the government is implementing Indian Leather Development Programme (ILDLP) in the 12th Five year plan with an outlay of Rs.1251.29 crore, informed Jyotiradiya M. Scindia, Minister of State for Commerce & Industry in written reply to a question in Lok Sabha on December 12. Scindia said, "The Government is implementing Indian Leather Development Programme in the 12th Five year plan with an outlay of Rs.1251.29 crore in order to promote the growth of the sector in critical areas namely capacity modernization & technological up gradation, environment management, human resources development etc."



[Read More](#)

## Call to simplify loan procedures

Industries and Commerce Director T O Sooraj has stressed the need to simplify procedures for sanctioning loans to micro, small and medium enterprises (MSME) so that adequate and timely credit is made available to entrepreneurs. Sooraj was addressing an MSME meet organised by the Corporation Bank in Thiruvananthapuram on December 12, in association with the Credit Analysis and Rating Ltd (CARE).

[Read More](#)

## Demand for electronics in India to top \$400 billion by 2020

Demand for electronics products in India is expected to cross \$400 billion annually by 2020, R Chandrashekhara, secretary, ministry of communications and information technology, said in New Delhi. Addressing a national conference organised by The Associated Chambers of Commerce and Industry of India (Assocham), Chandrashekhara said, "A national strategy has to be formulated through discussions with key stakeholders including existing manufacturers and members of the MSME sector, industry associations, respective government departments and regulatory bodies."

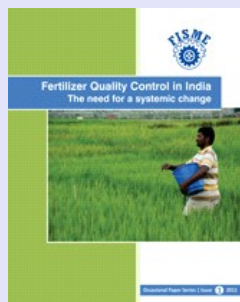
[Read More](#)

## SME Exchange to be operational in Jan

BSE's SME (Small and Medium Enterprises) Exchange will be operational by

## Free Publications

### Fertilizer quality control in India: Need for change



This monograph argues for a systemic change in fertiliser quality control. Essential reading for those in policy-making positions.

[Ask for your copy now](#)



## Country Chronicles

FISME regularly receives monthly reports on the economies of various countries from their missions in India. These reports provide information on key economic parameters, trade related information and all news relevant for importers and exporters. In this edition you can take a look at reports on:

[Greece](#)

[Austria](#)

[Canada](#)

[Egypt](#)

[Singapore](#)

[UK](#)



## Travel Advisory

In case you are planning to visit the United Arab Emirates (UAE) or via the UAE to any other country, please make sure that you are not only not carrying any known narcotic drug but also such items as khus khus (poppy seeds), a commonly used Indian spice, as also gat leaf, betel leaf or nuts, niswar and guthka in any form, either intentionally or accidentally. The country has extremely strict anti-drug laws, and recent reports indicate innocent people carrying such items without knowing the stringent UAE laws have faced imprisonment and severe harassment. The UAE's anti-drug laws provide for stiff punishment including a minimum of 20 years of imprisonment or even death

the third week of January, according to reports. The listings on the new platform will be completed in the last week and the companies to be listed are from the IT, pharmaceuticals, manufacturing, garments and auto ancillary segments, the report said, quoting Lakshman Gugulothu, CEO, BSE SME Exchange.

[Read More](#)

### Powerloom cluster coming up at Warangal

A powerloom cluster is coming up in the Rampur industrial estate in Warangal soon. The Andhra Pradesh Industrial Infrastructure Corporation had allocated 50 acres for the proposed cluster and land-development was currently on, said Mr M. Srinivasulu, Deputy Director, MSME Development Institute.

[Read More](#)

### RBI hits pause button on rate hikes

The Reserve Bank of India (RBI) recently kept key rates unchanged -- after as many as 13 successive hikes since early 2010 -- in a bid to spur growth, while also drawing some comfort from the easing of annual inflation. "While inflation remains on its projected trajectory, the downside risks to growth have clearly increased," the Reserve Bank of India (RBI) said in a statement, presenting the mid-quarter review of the monetary policy for the current fiscal.



[Read More](#)



## World Watch

### Focus on Tokyo

#### Malaysian SME products penetrate Japanese market

Products manufactured by Malaysian small and medium enterprises (SMEs) are penetrating the Japanese market with the launch of the Taste of Malaysia (TOM) programme at AEON Jusco shopping mall in Koshigaya Lake Town on December 26.

[Read More](#)

### Focus on US

#### Walmart in NYC would devastate small businesses: Study



Walmart cuts more than just prices -- it cuts small businesses and jobs, according to a new study released by Manhattan Borough President Scott Stringer. Weighing in on the debate about whether Walmart should enter New York City, the study

found that between 30 and 41 small retailers would go out of business within the first year of just one Walmart opening in Harlem. By the second year, as many as 66 small retailers could be out of business. "When you lose local businesses, you lose local jobs," Stringer says. "And Walmart wages are so low; they're basically pushing people to public assistance."

[Read More](#)



## Opportunities

#### Business offers from Austria

Seven Austrian companies are looking for co-operation partners, representatives and sales partners.

[Read Details](#)

penalty.

**Advertise in  
this newsletter**

[Contact Us](#)

### Business offers from Canada

Two Canadian companies are looking Indian partners.

[Read Details](#)

### Business opportunities from Turkey

Eighteen Turkish companies are looking for Indian partners.

[Read Details](#)

### Used machines from Europe

German partner consulting GmbH has informed that it has in its stock several used machines for sales.

[Read Details](#)



## New Members

### 9 new members join FISME

During the period December 15, 2011 to January 1, 2012 a total of 9 new MSMEs became members of FISME.

[Read Details](#)

You are receiving this Newsletter because you are included in our mailing list of recipients who are involved or interested in FISME or Indian MSMEs. You are welcome to partly or fully reproduce and disseminate the contents of this publication provided that you acknowledge the source.

To **subscribe/unsubscribe** to this Newsletter

click [subscribe](#) or [unsubscribe](#)

This Newsletter is edited by the FISME Secretariat. We welcome contributions as well as comments and suggestions. Please write to [newsletter@fisme.org.in](mailto:newsletter@fisme.org.in)

## Federation of Indian Micro and Small & Medium Enterprises (FISME)



### Delhi Office

B – 4/161 | Safdarjung Enclave |  
New Delhi – 110029  
Telephone: +91 11 26187948,  
+91 11 26712064, +91 11  
46023157  
Fax: +91 – 11 – 26109470 |  
Email: [newsletter@fisme.org.in](mailto:newsletter@fisme.org.in)  
Mobile: +91 9312274911  
Website: [www.fisme.org.in](http://www.fisme.org.in)

### Bangalore Office

57/5, Family YMCA Building,  
Millers Road, Benson Town,  
Bangalore - 560046 Email:  
[bangalore@fisme.org.in](mailto:bangalore@fisme.org.in)  
Mobile: +91-80-23543589  
Website: [www.fisme.org.in](http://www.fisme.org.in)

### Hyderabad Office

H. No. 6-3-569 / 1/2/4  
2nd floor, Rockdale Compound  
Beside: Eenadu Office  
Opp: RTO office  
Somajiguda  
Hyderabad – 500082 Telephone:  
+91- 40- 23312116  
Fax: +91 -40- 23322117 |  
Email: [hyderabad@fisme.org.in](mailto:hyderabad@fisme.org.in)  
Website: [www.fisme.org.in](http://www.fisme.org.in)

If you want to forward this email to a friend, [Click here](#)