



Federation of Indian Micro and Small & Medium Enterprises

The FISME Factor

Bi-weekly bulletin of India's largest MSME organisation

Vol I, Issue 1: Nov 15th, 2011[Activities](#) [News](#) [Opportunities](#) [Members](#) [Contact](#) [Print Version](#)

President's Message



" The indecisiveness of the central government on supply side reforms coupled with its fiscal profligacy has rendered the RBI's interest-rate hikes more or less ineffective in containing inflation. "

- Mr V.K. Agarwal

SG's Report



"FISME is going through a very exciting period. New partnerships and new activities are opening up new horizons. As this newsletter shows, there is a lot that is happening. In the days to come, we hope to bring you more good news on many fronts. Make sure to subscribe to our newsletter to get all the updates that you need."

- Mr Anil Bharadwaj

Upcoming Events

4th MSME Summit
December, 2011, Kolkata



Join the 4th MSME Summit in Kolkata, Dec and expand your business network.

[Book your seat now.](#)

Def+Contract Expo
March 2-4, 2012, Bangalore



EDITORIAL

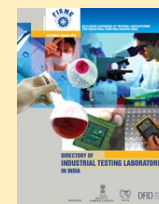
Dear Readers,

You are receiving the first issue of **The FISME Factor**, bi-weekly news bulletin of the **Federation of Indian Micro and Small & Medium Enterprises (FISME)**, India's largest organisation of micro, small and medium enterprises (MSMEs).

While launching this e-bulletin we have renamed our earlier avatar **FISME Newsletter** as **The FISME Factor** to constantly remind our members, member associations, affiliates and partners that just as land, labour, capital and management are the four factors of production, FISME too is an additional enabling and facilitating factor in your individual business or the businesses that you represent .

Every two weeks, **The FISME Factor** will bring to you information about our activities over the past two weeks, a compendium of news about the MSME business space both in India and abroad, a compilation of interesting and informative articles, a collection of business and trade leads received by us from different organisations and embassies, as well as information about all the services and products that we have to offer to you.

Please feel free to give us your feedback so that we can constantly try to further enrich this bulletin and meet your needs as best as we can.

Arjun Sen
(Editor)[Avail our services](#)[Buy our Publications](#)

ACTIVITIES

Google Partners FISME

[Google India](#), the Indian arm of global search giant [Google Inc.](#), launched on November 2, 2011, [Indiagetonline](#) campaign - an initiative to offer 500,000 free websites to Indian micro, small and medium enterprises (MSMEs) over the next three years. To reach out to millions of Indian MSMEs, Google has partnered with FISME, India's largest MSME organisation. The launch event got extensive [media coverage](#) and gave FISME a lot of media visibility. Thanks to Joint Secretary Mukesh Kalra and his team the event was a resounding success.

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FISME Makes Rwanda Road Show a Big Hit



A high-level 25-member business delegation from the central African [Republic of Rwanda](#) led by



Participate in the second edition of the hugely popular Def+Contract India exhibition - an international MSME sub-contracting & supply expo for Defence, Aerospace and Homeland Security to be held in Bangalore, March 2-4, 2012.

[Book your stall now.](#)

IPR Awareness



The Intellectual Property Rights Facilitation Centre 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 Policy Polemics

Are FTAs boon or bane?

In recent years, India's trade policy is being determined more and more by Free Trade Agreements (FTAs) which threatens access to essential medicines, seeds, and domestic micro, small and medium enterprises.

[Read the full article](#)

Marketing Mantras

Go for low cost ads

A new concept called transaction-based advertising is replacing the traditional retail advertising to cater to Small and Medium Enterprises (SMEs) that have small advertising budgets.

[Read the full article](#)

Technology Tracker

Know cloud computing

To what extent are small & medium-sized businesses making use of new technologies, such as cloud computing? A survey of UK small businesses show only 10% of senior business decision makers claim to fully understand what cloud computing means. The findings provide key insights for Indian SMEs as well.



their agriculture and animal resources minister Dr Agnes M. Kalibata (shown in the photograph) was here in India last fortnight to hold business road shows to attract Indian investments to Rwanda. This was the second such road show after the one held last year. This year the Rwandan government chose to collaborate with FISME, India's largest MSME organisation, for the business road shows which were held in Delhi on October 18, 2011, in Bangalore on October 20, 2011 and in Chennai on October 21, 2011. The

event got fairly wide [media coverage](#).

[Read more](#)

FISME hails Cabinet nod to procurement policy

FISME, India's largest MSME organisation, warmly welcomed the decision of the Union Cabinet on November 1, 2011, to clear the Public Procurement Policy that would require all central ministries and public sector units to purchase at least 20 per cent of their total annual purchases from the MSME sector. "This is a very welcome move as it would help provide support to the MSME sector which is very vulnerable to market fluctuations," said Mr V.K. Agarwal, President, FISME in a [press statement](#).

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Rate hike playing havoc with SMEs: FISME

When The Reserve Bank of India (RBI) hiked the repo rate under the liquidity adjustment facility (the rate at which the RBI lends to scheduled commercial banks) by 25 basis points on October 25, 2011, as part of monetary policy measures accompanying the Second Quarter Review of Monetary Policy for 2011-12, FISME had to react as rate hikes are playing havoc with MSMEs. Read our [press statement](#) and subsequent media [reports](#).

[Read More](#)

SME stock exchanges will foster innovation: SG

FISME's Secretary General Mr Anil Bharadwaj was invited to write for the prestigious business daily [The Economic Times](#) on the subject of the proposed stock exchange for small and medium enterprises (SMEs). He argued that the proposed bourse would help SMEs to grow and innovate.

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Auto sector event makes big news

FISME in collaboration with the [Small and Medium Enterprises Rating Agency \(SMERA\)](#), a leader in MSME credit and performance ratings, organized the 'Profit from Knowledge Series- Auto Sector' to bring auto majors and MSME supply chain face to face. During the course of the event, Ashwani Muppasani, Vice-President, Global Purchasing and Supply Chain of General Motors India (shown in the photograph) said his company has decided to source as much as 95% of components from local manufacturers for some of its newer models while



doubling its production from 1,50,000 vehicles now to 300,000 vehicles by 2014. The event got good [media coverage](#) based on our [press release](#).

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FISME conducts Design Orientation Programme



As part of the promotional campaign under the Design Clinic Scheme, FISME in association with the National Institute of Design organised a Design Orientation Programme for MSMEs on October 13, 2011, in Hyderabad. The objective of the programme was to sensitize the relevant stakeholders of Andhra Pradesh about the design clinic

scheme and to bring about design interventions among MSMEs.

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FISME supports Anna's anti-corruption crusade

The Central Executive Committee of FISME recently passed a resolution supporting Anna Hazare's crusade against corruption. The resolution said that corruption was the biggest hurdle to small and medium



[Read the full article](#)

HR Heuristics

Lessons from Maruti stir



V.S. Mahesh, now managing director of VSM Consulting Services, Chennai and a former vice-president (HR) of Taj Group of Hotels quotes the legendary JRD Tata who is reported to have said "One lesson I have learnt through 50 years of working with people is that there are no union problems...only management problems," to draw important people management lessons from the recently ended strike at Maruti Suzuki India Ltd's Manesar plant.

[Read the full article](#)

Trade Trends

Changing trade contours



A recent report based on deliberations at the recently concluded World Economic Forum's India Economic Summit 2012 held in Mumbai argues that the contours of India's merchandise trade with the rest of the world have changed dramatically in the past six years. While the combined share of the US and the European Union as destinations of Indian exports declined to 30% in 2010-11 from 40% in 2004-05, the share of shipments to Asian economies jumped to 54% from 47%. Exports to Latin America and Africa also increased to 12% of the total from 10% in the same period.

[Read the full article](#)

South-South trade to rise



Another report based on panel discussions at the recently concluded World Economic Forum's India Economic Summit 2012 held in Mumbai says that trade between the fast-growing BRIC nations—Brazil,

enterprises realising their full potential for growth and development. Firms from across the borders are today increasingly outcompeting Indian MSMEs mainly because Indian small businesses are forced to bear the burden of much higher transaction costs arising from such burgeoning corruption. Read [media reports](#) based on our [press statement](#) on the subject.



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High-level Danish Delegation Visits FISME



A high level Danish delegation led by Mr. Uffe Ellemann-Jensen, former Foreign Minister of Denmark and presently Special Advisor to the Danish Government visited FISME to discuss the areas of mutual cooperation in SME space. He was accompanied by Mr. Peter Sand, Head of Section, Danish Ministry of Foreign Affairs and Mr. Lars Christiansen,

Commercial Counsellor & Deputy Head of the Royal Danish Embassy in New Delhi.

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MEDIA MONITOR

Domestic Digest

Cabinet nod for national manufacturing policy

The Union cabinet on October 25, 2011, gave its nod to the national manufacturing policy that aims to create 100 million additional jobs by 2025 and develop mega industrial zones with world-class infrastructure facilities and flexible labour and environment regulations.

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Sharma for Italian, Indian SME tie-ups

The Union Minister of Commerce, Industry and Textiles Anand Sharma said on October 31, 2011, that he would encourage further cooperation between Indian and Italian small and medium enterprises (SMEs). He said, "Earlier, the SME sector in India used to be protected and foreign investment was restricted in this sector, but recently we have liberalised this sector to enable its modernisation. Now, the SME sector is open to foreign investment just like any other sector."



He said that the micro, small and medium enterprises (MSME) sector is the backbone of Indian economy, contributing 8 percent of our gross domestic product, 45 percent of manufactured output and 40 percent of our exports.

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Govt launches 'Niryat Bandhu' for start-ups

The government on October 13, 2011, launched a scheme - '[Niryat Bandhu](#)' - for international business mentoring of young start-up Small and Medium Enterprise (SME) exporters. "We are devising a new Niryat Bandhu scheme for mentoring the first generation entrepreneurs to provide hand holding support and facilitating these new exporters," said Commerce and Industry Minister Anand Sharma in his address while releasing the Foreign Trade Policy (2009-2014) in the national capital.

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NSE to launch SME Exchange shortly

The National Stock Exchange (NSE) plans to operationalise the proposed SME Exchange in the next few months, after getting the approval from the regulator last week. "We may start the proposed SME Exchange in the next few months," NSE Joint Managing Director Chitra Ramkrishna told PTI on October 23, 2011. But she did not divulge further details.

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Volatility clouds Gujarat SMEs' listing dreams

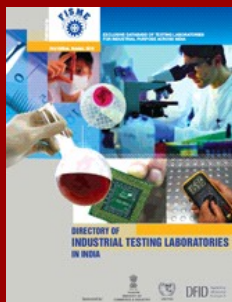
Recent market volatility and mounting economic concerns may play spoilsport for small and medium enterprises (SMEs) in Gujarat which were planning to list on the country's first-ever dedicated bourse for SMEs — the SME Exchange.

Russia, India and China—and other developing economies in Asia, South America and Africa is set to accelerate in the next few years, while advanced economies focus on recovering from the slowdown.

[Read the full article](#)

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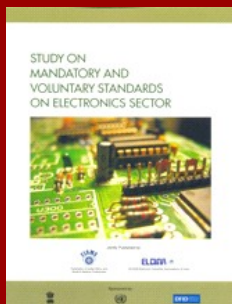
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Price: Rs 300.

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Study on Standards in Electronics Sector



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Banks wary of drive to list SMEs on bourses

Stock exchanges face an uphill task to attract firms to their proposed trading platform, meant for small- and mid-sized entities. The biggest obstacle to the platform's success would be lack of support from merchant bankers, who may stay away from managing such issues, because of tough market making rules and lower fees due to the smaller offer size.

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Time for SMEs to buy foreign cos: MSME Sec

The uncertainty in major world economies presents a "good opportunity" and it is the "right time" for Indian SMEs to acquire small firms in the US and Europe, the MSME Ministry said in New Delhi on October 5, 2011. "Europe is bright for acquisition. US is right for acquisition," Micro, Small and Medium Enterprises (MSME) Secretary Uday Kumar Varma said.

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Exim told to offer loan plan for pharma SMEs

The commerce ministry has asked the Export and Import Bank of India (Exim) to work out a suitable loan package to suit the needs of the small- and medium-scale exporters in the pharmaceutical sector. This will be over and above the general market access and focus market schemes the ministry has extended to the sector.

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MSME Min for higher sector contribution to GDP

The MSME sector, which plays a pivotal role in the national economic growth, is set to get further importance in the Twelfth Five-Year Plan (2012-17). The MSME Ministry expects the sector's contribution to GDP to increase substantially during the next 5-year period, thereby facilitating economic growth.

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MSME confidence slipping: CII survey

Business confidence among micro and small units is currently low in the quarter of October-December 2011. There has been a drop of 2.5 percentage points in business confidence index to a value of 54.7 in the current quarter from a value of 57.2 during July-September this year, according to a recently concluded survey by the Confederation of Indian Industry (CII).

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Outsourcing to improve productivity of SMEs

Outsourcing of technology development, helpdesk to accounting back-office and even high-end equity research by large corporations across the globe has taken firm roots in India. A similar phenomenon of outsourcing locally by companies, especially Small and Medium Enterprises (SMEs), has started taking shape, which if nurtured and adopted widely, can greatly improve productivity of SMEs in India.

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World Watch

Focus on US

Why small businesses matter

Over the next 12 months, few issues will likely be more important than policies that reduce barriers to job creation and spur economic growth. US small businesses, which are responsible for almost two-thirds of new hires annually, are facing rising barriers and an increasingly hostile relationship with Washington due to federal regulations. As one Nevada small business owner recently said: "I feel like it's them against us."

[Read More](#)

SBA to hike penalties for cos falsifying size

Contractors who misrepresent their size or status to the US government would face much stiffer penalties under a rule proposed by the Small Business Administration earlier in October. The proposal, an implementation of last year's Small Business Jobs Act, would make contractors that misrepresent themselves in order to qualify for contracts intended for small businesses or those owned by women, veterans or other disadvantaged groups liable for the full amount of the contracts they win — even if they provide the desired services or equipment.

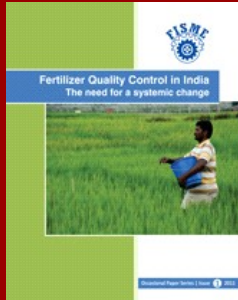
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Focus on UK

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](#)

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.

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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:

[Canada](#)

[Greece](#)

[Muscat](#)

[Egypt](#)

[Indonesia](#)

[United Kingdom](#)

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SME sentiment slumps, says CBI

Sentiment has fallen sharply among the UK's small and medium-sized manufacturers, as firms predict a slight decline in production over the next three months, the Confederation of British Industry (CBI) said on November 7, 2011. Of the 412 respondents to the CBI's latest quarterly SME Trends Survey, 27% said that domestic orders rose in the three months to October and 27% said that they fell - the resulting balance of 0% was the lowest since January 2010 (-10%). Over the same period export orders fell (-8%) for the first time since October 2009 (-13%) and disappointed expectations of a modest increase (+8%).

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Focus on Denmark

Recession fear makes cos plead for bank credit

Danish firms are entreating banks in the Nordic country to step up their efforts to find funds that can be channelled into corporate lending as a lack of credit threatens to choke business, kill jobs and trigger a recession. With funding options disappearing, banks should make better use of the Luxembourg-based European Investment Bank, which specializes in loans designed to support small- and medium-sized enterprises, said Thomas Soerensen, director of SMEs at the Confederation of Danish Industry.

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Focus on China

SMEs hit as liquidity shrinks, interest rates surge

Train accidents, tree felling or skyrocketing home prices — China's online 'protest square' now throbs with energy and angst. This time, the attention of thousands of internet protestors has been drawn to urgent calls from Europe on its \$3.2 trillion (Dh11.75 trillion) foreign exchange purse. But standing in the way of the European special purpose investment vehicle or the 'rescue fund' are thousands of struggling small and medium Chinese enterprises.

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SMEs expand fee protest to Alipay

A group of small-business owners in China has expanded a protest against higher fees to target Alipay, the country's leading online payment platform, after its corporate sibling, Taobao Mall, announced up to tenfold fee hikes for some businesses using its service, Chinese media reported on October 24, 2011. Alibaba Group is affiliated with Alipay and owns Taobao Mall, which announced on October 10 that it would raise the annual fee for business owners to the maximum of 60,000 yuan (\$9,400) in 2012 from 6,000 yuan (\$940) and raise required deposits to 150,000 yuan from 10,000 yuan.

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Focus on Pakistan

SME promotion not possible without strategy

The Union of Small and Medium Enterprises (UNISAME) has said that the SME promotion and development is not possible without a strategy, urging the government to approach the SME promotion and development agenda strategically. President UNISAME Zulfikar Thaver regretted that the government lacks political will to put SME promotion on fast track and has not implemented the SME Policy.

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Focus on Singapore

Local SMEs looking to grow in home market

With uncertainty rattling the global economy, local SMEs are seeking home comforts and more are now looking to expand domestically. According to an annual SME Development Survey conducted by DP Information Group (DP Info), expanding local presence has become the most popular business strategy, with 45 per cent of the SMEs polled citing it as one of the plans they are implementing for growth. This is up from the 16 per cent who said so last year.

[Read More](#)

Focus on Malaysia

Apec must help SMEs to boost local economies

Asia-Pacific Economic Cooperation (APEC) leaders, who meet in Hawaii for their summit soon, must demonstrate solidarity in helping small- and medium-sized enterprises (SMEs) by implementing policies and strategies to boost micro-finance development in the region. The move, crucial to bolster regional economies and expand global commerce, would push the fledgling global economy to recover from the recent slowdown, particularly with APEC dominating 44 per cent of the world's trade and 55 per cent of gross domestic product (GDP).

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Opportunities

Canadian cos looking for Indian partners

Two Canadian companies - Canada Motor Import Inc. and Earigate International Inc. - are looking for Indian partners.

[Read Details](#)

Business offers from Turkey

The Union of Chambers and Commodity Exchanges of Turkey has sent a list of business offers from Turkey.

[Read Details](#)



New Members

16 new members join FISME

During the period October 1, 2011 to November 14, 2011, a total of 16 new MSMEs became members of members of FISME.

[Read Details](#)

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