



Vol III, Issue 42: September 15, 2013

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President's Message



" The issue of access to competitively priced raw material in adequate quantity has become increasingly challenging for MSMEs. While excessive volatility of currency and barriers of anti-dumping and safeguard duties have led to sudden bursts in raw material prices (Iron and steel, copper, aluminum and plastic polymers among others), policy led shortages have exacerbated these problems. The fall out of banning the iron-ore mining has crippled the entire downstream MSMEs engaged in production of sponge iron, casting and forgings, components and parts and so on. Urgent steps are needed to address these problems. "

-Shri D. Gandhikumar, President FISME

Real News of Real Sector, the MSME Sector!



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Upcoming Events

FISME delegation to Metalex 2013 – November 2013

Date: 19-23 November 2013
Venue: Bangkok

[See Details](#)


What's Hot?

Activities

- [Damodaran Panel, with FISME as member, calls for new support mechanism, Insolvency law for MSMEs](#)

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...And A Lot More



ACTIVITIES

Damodaran Panel, with FISME as member, calls for new support mechanism, Insolvency law for MSMEs



In order to improve business environment in India, Damodaran Committee has strongly advocated setting up of an 'overarching body' at the national level for Micro, Small and Medium Enterprises (MSMEs) to coordinate policy formulation and statutory enforcements among various Central Ministries and State Governments. Set up by Ministry of Corporate Affairs to improve India's ranking in World bank's 'Ease of Doing Business' report in August 2012, the 'Committee for Reforming the Regulatory Environment for Doing Business in India' was headed by high profile Former Chairman of Securities and Exchange Board of India (SEBI), M Domadaran.

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Voice Your Views

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Other Events

Indian Pharma Expo

Date: 20-21 Sep 2013
Venue: Pragati Maidan, New Delhi

[See Details](#)

India Hospitality Expo

Date: 19-21 Sep 2013
Venue: GOAEXPO CENTRE Goa

[See Details](#)

India Composites Show 2013

Date: 24-26 Oct, 2013
Venue: New Delhi

[See Details](#)

Residential training programme on 'Effective Office Administration & Management'

Date: November 14-18, 2013
Venue: Port Blair

[See Details](#)



Your Views

Economy may further decline in the next quarter: MSME survey



According to the FISME Factor survey, 65 per cent of the Micro, Small and Medium Enterprises (MSMEs) think that Indian Economy will further show a declining trend and the situation will deteriorate for the next quarter.



Knowledge Store

HR Heuristics

The right processes can turn your SME into a big business



In writer director Gauri Shinde's 2012 movie English Vinglish, Sridevi's character Shashi



Business Banter: Lessons from Entrepreneurs

Create brand identity according to situation

-B S Nagesh, Founder, Vice Chairman, Shoppers Stop

When the slowdown actually hits, we start seeking advice from everyone other than our truly loyal customers, said B.S. Nagesh, Vice Chairman, Shoppers Stop. However, in 2008 I got advice when I met our customers and based on that took some decisions which then looked risky and contrarian. In hindsight, all the decisions have proved right, he said. A slowdown is the best time to put your might behind the



brand. When the slowdown hits, Shoppers Stop changed its logo and by-line, and launched a campaign under a new brand identity and logo called "Start Something New". Customers show their loyalty by coming to your stores, but retailers do not respond by delivering the required level of service. Shoppers Stop promoted heavily and gave maximum benefits to its first citizen members during the period. This helped increase the programme contribution and the company also came out with a better performance during the downturn.

[Adapted from the Best Advice I Ever Got, Business Today]



WRITING ON THE WALL

"Juice Up Manufacturing"

Anshu Jain, Co-CEO, Deutsche Bank (World's largest Private Bank) says in ET

"During times of currency devaluation, manufacturing benefits...but India must deal with supply-side constraints stifling growth. If India deploys its domestic savings for building bridges, ports, roads.. then it can realize a self-reinforcing and strong economic momentum which could last for decades"

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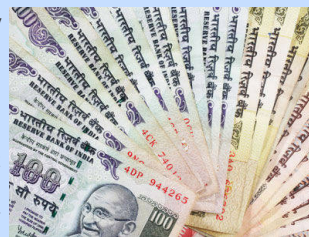


MEDIA MONITOR

Macro Metre

From the worst to the best performer: Rupee to touch 60 as Raghuram Rajan reverses sentiment

The local currency had its best four-day rally in four decades after Reserve Bank of India Governor Raghuram Rajan moved to reverse sentiment on policymaking, introducing several measures soon after taking over last Wednesday. The local currency had its best four-day rally in four decades after Reserve Bank of India Governor Raghuram Rajan moved to reverse sentiment on policymaking, introducing several measures soon after taking over last Wednesday. Liberal fund-raising rules for banks and exchange risk cover for NRI deposits are estimated to draw about \$20 billion in the next few weeks.



Godbole plays a second and powerful role besides being an affectionate and hard-working home maker – that of being a home-based entrepreneur, who converts her talent of making delectable laddoos into a thriving small business.

[Read the full article](#)

Finance Fundamentals

Why financial planning is similar to running a marathon



Believe it or not, achieving your financial goals is very much like running a marathon. It requires the same dedication, patience and commitment as a marathon. Some of your goals are short term and others medium and long term. So the whole process of investing for goals is an ongoing and continuous process and not just a few transactions

[Read the full article](#)

Marketing Mantras

How to grow from within

While entrepreneurship is the act of starting up an enterprise from scratch, intrapreneurship is that of doing so within an existing larger organisation. Intrapreneurship can generate the returns equivalent to a new venture but with limited downside risk. In addition to reduced risk, intrapreneurship has the benefit of lower costs since support systems and vital processes such as finance, IT and so on can be tapped from existing cost centres

[Read the full article](#)

How team building can help you tide over tough times



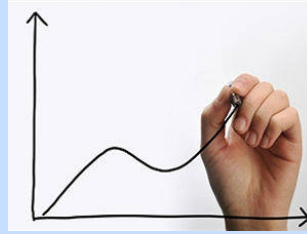
Not all entrepreneurs realise that successful businesses value human capital as much as they do financial capital. You may think you're offering a unique and innovative product or service but if your employees do not believe in your vision, it may well be a lost cause. Those who value human resources are destined to walk a tightrope between empowering their team with the freedom to innovate and pulling back the reins to meet goals and targets.

[Read the full article](#)

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Farm GDP growth can more than double from 1.9% to 4.5%: Crisil

Agriculture is set to surprise on the upside because of a bountiful and well-distributed monsoon. Farm GDP growth could more than double from last year's 1.9% to 4.5%, said CrisilBSE 0.78 % in its 'State of the Nation' report released on Wednesday. This will help check food prices and support rural consumption.



[Read Details](#)

India's trade deficit has finally shown signs of decline

India's trade deficit has finally shown signs of abatement thanks to the double digit exports growth rate. As per the latest data, the trade deficit for April-August, 2013-14 was estimated at USD 73366.07 million which was lower than the deficit of USD 74670.54 million during April-August, 2012-13.

[Read More](#)

Economy to grow at 5.3% in 2013-14

The Economic Outlook 2013-14 has projected economy to grow at 5.3% in 2013-14. Agriculture is projected to grow at 4.8% in 2013-14 as against 1.9% in 2012-13. The early and good monsoon had a huge positive impact on sowing activity. The reservoir position in the week ending August 29, 2013, was 29 per cent better than the average of the last 10 years. Thus both kharif and rabi crops are expected to be good.

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Domestic Digest

BIS to formulate standards for sports goods, toys, fitness equipment

Bureau of Indian Standards (BIS) has initiated the process of formulating new and modifying existing standards for sports goods, toys and gymnasium and physical fitness equipment to bring them at par with international norms. The technical committee of BIS will frame terminology, methods of sampling, tests and specifications for these products. Products for which standards are being revised include: Shuttlecocks, boxing gloves, footballs, volleyballs, basket balls and tennis balls.



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PM Economic Advisory Council for lower Investment threshold for MSMEs

New Delhi, Sept 13 (KNN) Strongly recommending self-assessment mode of approval for the MSMEs and reducing the threshold for minimum investment allowance to Rs 10 crore, Prime Minister's Economic Advisory Council (PMEAC) pins hope on the MSME sector to generate revenues of USD 200 billion and create 140 million jobs over the decade. "If the threshold for minimum investment allowance announced in last year's budget is reduced from Rs 100 crore to Rs 10 crore, this would benefit MSMEs," said Rangarajan in the press conference.



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Industry body and EEPC express disappointment on duty drawback rates

New Delhi, Sep 17 (KNN) Engineering Export Promotion Council (EEPC) and PHD Chamber of Commerce and Industry have expressed disappointment and concern over the



Policy Polemic

Moradabad metalware cluster faces challenges like bad working conditions



Moradabad brassware cluster in Uttar Pradesh has an annual turnover over Rs 3,500 crore of which 80 per cent is earned through exports of metalware. Despite growth there has been a significant decline in the number of artisans due to challenges in living conditions, wages, raw material procurement, prices and stricter international compliance norms, according to a study.

[Read the full article](#)

SME Special

IIFT Shimla to benefit MSMEs



IIFT Shimla to benefit MSMEs State government of Himachal Pradesh would provide suitable land for setting up regional centre of Indian Institute of Foreign Trade (IIFT) in Shimla which would largely benefit micro small and medium enterprises (MSME) units in the state.

[Read the full article](#)

Success Story

Arttd'inox gives steel products the designer edge



How often would you bring out your best stainless steel tableware when you have special guests dropping in? If I could give a penny for every 'not', you would be richer.

[Read the full Text](#)

Stockpile

The Quick Estimates of Index of Industrial Production (IIP) with base 2004-05 for the month of July 2013 have been released by the Central Statistics Office of the Ministry of Statistics and Programme Implementation. The

proposed duty drawback rates for exporters and requested authorities to review the rates as they may affect shipments adversely. "The EEPC India expressed a strong resentment and disappointment over the government decision to effect a steep cut of 26-30 per cent in the duty drawback rates, a shocking development that will make negative impact of rupee depreciation," said EEPC India Chairman Aman Chadha today.

[Read Details](#)

MSMEs need conducive regulatory environment to enter formal sector: Secretary

Simplified regulations are needed to ensure more small and medium enterprises get aligned to the formal sector which will enable them to access bank finances on beneficial terms, a top government official said today. Absence of conducive regulatory environment and improper implementation of laws are acting as stumbling blocks for the sector to enter into formal segment, Micro, Small & Medium Enterprises (MSME) Secretary Madhav Lal said. "It's high time that local authorities simplified the laws and regulation regarding MSMEs. We need an ecosystem in which MSME units are encouraged to come into the organised space," he said.



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PMI national conference 2013 to focus on

Project Management National Conference 2013 will take place on 27th September 2013. The Project Management Institute (PM) India had hosted an annual conference last year, which amassed immense gratitude and appreciation. This year, the event stretches for two days providing abounding opportunities for professionals. The PMI national conference 2013 is based on a thematic concept – 'Bringing certainty in uncertain times'. The seminar runs along similar lines. The entire conference will be staged at The Leela Kempinski, Gurgaon, NCR-New Delhi.

[Read More](#)

Companies Act 2013 to allow small investors to get credit by forming a legal entity

The Companies Act 2013 is investment-friendly and would allow freedom to small investors like craftsman and villagers to get credit facility by forming a legal entity that is one person company. "The new legislation is investment-friendly and would allow freedom to small investors like craftsman and villagers to get the credit facility and other facilities by forming a legal entity that is one person company," said the Minister of Corporate Affairs Sachin Pilot here. The new company law has the potential to unleash huge economic and social value, Pilot said.



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SME market offers Cloud opportunities

Small and medium-sized enterprises (businesses with less than 250 employees) represent almost 99% of all businesses worldwide, employ 1.5 billion people and in 2012 spent \$203 billion on ICT services annually. While the vast majority of the ICT spend is on traditional communications services like mobile voice, fixed-line and broadband, the growth for telcos is in cloud services. According to forecasts by Analysys Mason, worldwide revenue from SMEs for ICT will jump from \$203 billion in 2012 to \$226 billion by 2017.

[Read More](#)

Exporters pitch for easy credit to keep momentum going

Despite the fact that India's exports climbed 13 per cent to \$26 billion in August, exporter associations have highlighted a multitude of stumbling blocks that plague various sectors. Due to these hurdles, exporters have been unable to reap the benefits of the rupee's slide against the dollar. The apex body of apparel exports, the Apparel Export Promotion Council (AEPC), has pitched for easy availability of credit for the industry, and has urged the government to keep the momentum of growth rolling, even though the sector is growing at double digits currently.

General Index for the month of July 2013 stands at 171.5, which is 2.6% higher as compared to the level in the month of July 2012.

[Read the full Text](#)

Quotable Quotes



"Entrepreneurship actually implies an independence of spirit. It is this independence that women in India have begun to express over the last two or three decades. That is why the percentage of women among the total number of entrepreneurs in India has been steadily growing"

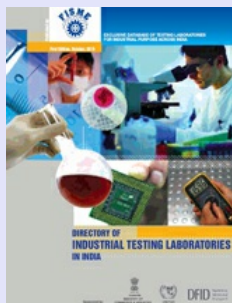
- Shahnaz Husain, Chief Executive Officer of Shahnaz Herbals Inc

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Handbook for Managing Export Payment Risks

Signs currency

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Skill growth programme at KIIT Polytechnic

The KIIT Polytechnic here, in partnership with the National Institute for Micro, Small and Medium Enterprises (NI-MSME), has started a short term entrepreneurship-cum-skill development programme in Electronic Mechanic, Fitter Fabrication, Fitter Maintenance General, Bakery Products, CAD/CAM and Motor and Transformer.

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State Scan

Uttarakhand

State Govt bid to encourage SMEs to boost GDP

The State Government is laying emphasis on promotion on small and medium enterprises (SME) because this can help increase the Gross Domestic Product (GDP) and check migration as well. These views were expressed by the State Small and Medium Enterprise Minister Harish Chandra Durgapal while convening a meeting with officials and sector representatives at industry directorate in Dehradun on Monday. It would be pertinent to mention here that SMEs are playing pivotal role in State GDP and currently 43,000 SME are running in the State. There is need to reopen closed SME so he instructed them to compile the recommendations or suggestions of entrepreneurs so that we would incorporate these while making policy for the industrial promotion in the State.

[Read Details](#)

Karnataka

KVGB to organise MSME credit campaigns

Karnataka Vikas Grammeena Bank (KVGB), a regional rural bank sponsored by Syndicate Bank, will observe the MSME (micro, small and medium enterprises) credit campaign in all its 525 branches in nine districts of Karnataka during September 15-21. A statement by the Mangalore regional office of KVGB said here that there would be a minimum of four 'gram sabhas' by each branch at different places within its area of operation during the period. The 'gram sabhas' are aimed at creating awareness and at popularising MSME projects and finance options to those projects, it said.

[Read Details](#)

West Bengal

Clinics for small industry

The state government will set up "clinics" at a six-day conclave in Calcutta to address such problems being faced by the owners of micro, small and medium enterprises (MSME). The conclave — Synergy MSME 2013 — will be held at the Mian Mela grounds off EM

Bypass from September 16 to 21. The conclave, billed the first of its kind anywhere in India, is part of chief minister Mamata Banerjee's focus on industrial rejuvenation of Bengal in the aftermath of the resounding victory in the panchayat polls. The main attraction of the six-day conclave will be the clinics, which will address specific problems being faced by the MSME sector.

[Read Details](#)



Mizoram

Bandh affects normal life in Mizoram

A bandh called by the Opposition Mizo National Front to demand the resignation of Health Minister Lalrinliana Sailo for his alleged involvement in drug smuggling disrupted normal life in the State today. Government offices, educational institutions, shops and business establishments remained closed in Aizawl and other seven district headquarters due to the 12-hour bandh, which began at 5 a.m.

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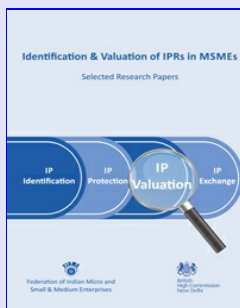
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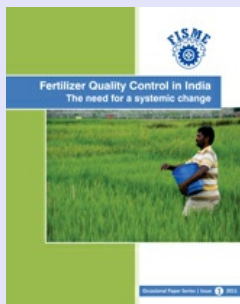
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Country Chronicles

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

Uttar Pradesh

Measures in place to empower mega handloom cluster in Varanasi

In order to make the mega handloom cluster here more productive and competitive, the Development Commissioner for Handlooms has plans to provide battery linked inverter lighting units to handloom weavers. There are 470 handloom clusters, out of which 240 clusters have less than 1000 handlooms and 230 clusters have more than 1000 handlooms. Out of these 230 clusters, there are 41 clusters, which have over



25,000 handlooms. Some of these clusters have very poor infrastructure and common facilities, causing hardships to the weavers. To overcome these constraints faced by the weavers, the textile ministry wants to provide full power backups to the Varanasi Mega Handloom Cluster (VMHC), so that weavers can carry out their weaving activity without loss of time

[Read Details](#)

Muzaffarnagar industry limping back to normalcy; insecurity among workforce

Swati Dayal

Trade activities have resumed in the city but industry has not been able to resume full production since the workforce drawn from the near about villages want to leave before the sunset and are not prepared to work at night, as the city is trying to come to grip with



deadly riots which claimed 44 lives. "While people, especially those living on daily wages are back to work, workers are not willing to do night shift as there is a sense of insecurity," Managing Director of the city-based Chakradhar Chemicals Private Ltd Neeraj Kedia said, estimating the total loss of Rs 1,000 crore to the trade and industry from the riots which broke out from August 27 and engulfed Muzaffarnagar and Shamli districts for over a week.

[Read Details](#)

West Bengal

Bengal to set up company to promote MSME sector

The West Bengal government said Monday it would set up a holding company to bring all state corporations marketing different products under the MSME sector under a single umbrella. Following a cabinet meeting, Chief Minister Mamata Banerjee announced that the company, which has been christened "Brand Bengal Marketing Corporation", will take the help of experts from varied fields to promote its activities.

[Read Details](#)



World Watch

Pakistan



SME Conference 2013 on 19th in Lahore

The 7th Pakistan SME Conference 2013 organised by SHAMROCK will be held on Sept 19, 2013. A number of issues now challenging the SME sector in Pakistan will be taken up for discussions for policy interventions. Several key organizations such as the SBP, Commercial Banks, SMEDA, Business Support Fund (BSF) of the Ministry of Finance, LCCI, IFC-World Bank and UNISAME will be participating in the conference which now serves as a benchmark to address issues and pressing needs of the SME sector in Pakistan.

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Nigeria



take a look at reports on:

[Oman](#)



Starting a New Venture

Coming August, [K.J Somaiya Institute of Management Studies and Research](#) located in Vidyavihar, Mumbai is launching a certificate programme on Creating New Ventures.

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Nigeria Launches Diaspora Export Programme

Nigeria's President Goodluck Jonathan has launched the Diaspora Export Programme (DEP) initiative to help improve trade between Nigeria and other countries. The programme, a brain-child of the Ministry of Industry, Trade and Investment (MTI), would encourage the growth of Small and Medium Enterprises (SMEs), owned by Nigerians at home and abroad. resident Jonathan has however urged the Nigerians in Kenya to key into the DEP as a veritable means of ensuring that trade between both countries improved in favour of Nigeria. Nigeria's President told Nigerian women in Kenya, who had complained of not being able to start businesses, to liaise with the MTI on the steps to follow. To improve trade between both countries, Nigeria and Kenya has established the Nigeria-Kenya Trade and Investment Council as a mechanism that will help double trade between them within two years. Both African nations will partner in area of tourism, agriculture and agro-processing, oil and gas, entertainment and manufacturing, among others.

Canada



Mr. Saumitra Chaudhuri, Member Planning Commission led an 8 member delegation to Canada

Mr. Chaudhuri visited Canada from August 6-11 for the India-Canada Energy Dialogue. The delegation included representatives from Ministry of External Affairs, Ministry of Power, Ministry of Petroleum and Natural Gas, Indian Oil Corporation and Gas Authority of India. In Toronto the delegation had discussions with the Ontario Ministry of Energy. A business roundtable was also organized by the Canada India Business Council with the Ontario Ministry of Economic Development, Trade and Employment (MEDTE).

Foreign universities likely to open campuses in India

The Ministry of Human Resource Development has sent proposals to the relevant government departments to permit foreign universities to open their campuses in the country as companies, as stipulated under the Companies Act. "As per the powers vested with the Central Government to make rules under the UGC ACT, the ministry is in the process of finalizing the UGC (Established and Operation of Campuses of Foreign Educational Institutions) Rules by which foreign universities can set up campus in India and issue foreign degrees," said an official notification.

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Japan



Japan to set up outfit in Mumbai to help its Indian SMEs

Chalking out the roadmap to boost investment between India and Japan, the Japanese side will support its small and medium enterprises in India through the establishment of SME Overseas Business Support Platform in Mumbai and Chennai by JETRO from 2013. The idea was discussed during the meeting between visiting Minister of Economy, Trade and Industry of Japan, Toshimitsu Motegi and Minister of Commerce and Industry of India, Anand Sharma here yesterday. "Our action plan focuses investment in export oriented manufacturing. Japan has shown tremendous interest that will lead not only foreign investment flows, bring in a culture of quality and high-end management practices in Indian industry along with creation and strengthening supply chains" said Sharma at the meeting.

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Reader Reactions

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Opportunities

Business opportunities for India in Sri Lanka

There are business opportunities available for Indian companies in Sri Lanka. The interested MSMEs can check details.

[Read Details](#)



Business opportunities for India in Turkey

There are business opportunities available for Indian companies in Turkey. The interested MSMEs can check details.

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New Members

12 New Members Join FISME

During the period from 01st September 2013 to 15th September 2013 a total of 12 new MSMEs became member of FISME.

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