

DIGITAL INDIA

Heralding a revolution

“Every citizen in the country has a role to play in promoting the government of India’s ambitious programmes such as ‘Digital India’, ‘Skill India’, ‘Ease of doing Business’ and ‘Make in India,’” said Ravindra Chavan, minister for information technology, ports, medical education, food & civil supplies and consumer protection, Maharashtra. “We have to change the nation by taking a new positive direction. The state government of Maharashtra is committed to working closely with citizens to fulfill these objectives”. Chavan was giving the keynote address at a conference on *SME Infocon: Digitisation, a game changer for SMEs*, organised by the World Trade Centre, Mumbai, and the All India Association of Industries.

More than 50 per cent of the villages in Maharashtra were connected via fibre-optic networks, because of the Bharat Net project, Chavan said. “We intend to connect all villages in Maharashtra by 2019,” he added. According to Suresh M. Nair, deputy general manager, SME, State Bank of India, “as much as 87 per cent of the credit needs of SMEs are met by commercial banks. The State Bank of India has 25 per cent market share in the SME lending segment, covering all commercial banks. The bank has lent ₹20,000 crore for dealer financing through its virtual (online) platform. We also use virtual platforms for vendor financing, fleet financing and funding and are awaiting guidelines from the Reserve Bank of India on peer-to-peer lending (P2P).”

Hemant Mishr, chief executive officer, Iloanz, concurred: “The world of payment & lending will change more in the next five years. India has received \$687 million investments in the online lending sector in 2016, which is four times higher than the previous year. Demonetisation has worsened liquidity issues for SMEs. According to a McKinsey report, there is \$680 billion business



opportunity in the online financing industry in India between now and 2020. Banks and financial technology companies must work together to meet the credit needs of SMEs better. Digitisation will bring the unorganised SMEs into the formal sector.”

Nikhil Sawaitul, associate director, payments & digital initiatives, IDFC Bank, touched upon the emerging modes of payment in India, in his presentation. “China is far ahead of India in online payment industry, as mobile payment itself accounts for 40 per cent of its GDP,” he said. “India’s online payment industry has got a fillip from demonetisation measure, with various payment modes emerging in the country after demonetisation. The Unified Payment Interface has the potential to change the payment system in India. Other payment modes gaining popularity are Aadhar pay, digital wallet, Bharat QR.” Sushmit Bhattacharya, director, Deloitte, highlighted the relevance of compliance, fraud detection and cyber security challenges in online transactions.

Dinesh Kulchandra, chief digital officer, SIX INCHES Communications, explained the importance of digital marketing for better customer engagement. Digital transformation is the convergence of the physical world with tech-enabled business processes, he said, and declared that, next year, the number of people buying goods online may double to 700 million.

Vijay Kalantri, president, All India Association of Industries &

vice-chairman, World Trade Centre, Mumbai, was of the opinion that the MSME sector is the most vibrant segment in India. Even at the worst of times, MSMEs have grown at 11-13 per cent, but it has the potential to grow 16 per cent, if supported by timely, adequate finance and flexibility in doing business. Digitisation will be successful with broadband connectivity, power and other infrastructure. India has a brand name in IT, which could be taken further; and the government should incentivise SMEs to adopt digital technologies.

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EMPLOYMENT

New paradigms

Indian Staffing Federation (ISF), an apex body of the flexi-staffing industry in India, had organised the 11th National Employment Conference themed ‘Future of Employment’, where corporate experts and human resources leaders had come together to share their plans and create disruptive structures that would be the future of employment. Experts from the government, employment industry, education fraternity and corporates participated in this event, discussed the present employment ecosystem, mapped it against

future trends, identified future jobs and skill requirements and proposed a way to re-engineer the ecosystem. With the current fall in jobs between April and December 2016, India had created just 231,000 jobs.

Today's job market is witnessing changes at a more rapid pace than earlier as the trends of digitalisation and automation are affecting the core functioning of organisations. As per the recent report by the Indian Staffing Federation only 15 major sectors drove the entire jobs market growth in 11 states which is comparatively low in a country like India. Every year a 12 million workforce is added and 5 million people look out of agriculture for new job opportunities which means we need to have 70-80 million jobs per year. In the IT industry itself, despite lay-offs on the rise, flexi-hiring is likely to grow 53 per cent by 2018, as staffing players are experts and can help meet the existing skill gap of the IT industry.

New era The future of employment is not jobs but creating an ecosystem, which enables our youth to create their own work. In the long run, the narrative will shift away from permanent versus temporary, formal versus informal jobs to jobs of dignity irrespective of the form of employment. "Today, we are entering a new era where shapes of enterprises and livelihoods are undergoing massive transformation, which makes embracing lifelong learning an imperative towards ensuring sustainability", says Rituparna Chakraborty, president, Indian Staffing Federation. "Despite the current layoffs and negativity in certain sectors, the Indian jobs market seems to look positive in sectors like IT, start-ups, telecom and BPO and blue collar roles will gain prominence in these. It's important for businesses and industries not to find themselves blindfolded and, hence, we need to show up prepared to be ahead of the employment renaissance."

India will be the world's third largest flexi-staffing employer by 2018. The flexi-staffing industry is booming, with massive changes happening at lightning speed not only for

business houses but also for the concerned processes.

However, ISF was set up by leading staffing companies in India with one common goal – to staff India's growth. Staffing—an established form of outsourcing globally – is yet to be recognised and adopted as an effective means of running a business in India. The staffing industry provides a platform for recognised employment, work choice, even compensation, annual benefits and health benefits for the temporary workforce that constitutes a sizeable segment of India's total workforce. The purpose of ISF is to enhance long-term growth of the staffing industry and to ensure its continued ability to make positive contributions to the economy and society. The principal focus of the federation's activities will be to strengthen triangular employment relationships, in which the staffing company is the employer of the temporary worker, who works under the supervision of the user company. Currently, ISF has a member base of over 60, employing about 750,000 employee workers.

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HISTORIC PRECINCTS

Mumbai's conservation efforts

Avid Learning and Gateway House presented a robust panel discussion on re-energising historic neighbourhoods through art, architecture and design. The agenda was to discuss how the city is, and could be, re-imagined and reused. For revitalising Mumbai's historic precincts, the panel examined how entrepreneurs, iconic brands, designers and architects have transformed the city, conservation of architecture and economic strategy to gentrify areas and redefine communities.

Anita Garware (chairperson, Indian Heritage Society), Harish Bhat (Brand



Custodian, Tata Sons Ltd.), Marlies Bloemendaal (founder & creative director, Ministry of New) and Kruti Garg (conservation architect & curator, Heritage Walks, Kala Ghoda Arts Fest), spoke with Sifra Lentin (author & Mumbai History Fellow, Gateway House). Lentin touched on protecting precincts and welding together infrastructure, development and progress to make Mumbai a global city, the way forward in sensitizing people and reusing areas.

Harish Bhat discussed making heritage properties relevant and financially sustainable and how corporations have conserved buildings like Bombay House for the future. He noted that brands like Starbucks and Zara (TATA ventures) conserve heritage structures and their beauty.

Marlies Bloemendaal said her earlier ventures in Lalbagh and Parel did not work as much as in Fountain and that Churchgate station had played a role in her success with the Ministry of New. She raised a beautiful point: (cheaper), neglected areas attract artists, who attract young people, who attract brands.

Kruti Garg said the Royal Opera House leases new life into its precinct. She shed light on why it is important to revive the essence of the city, making it more usable and giving people access to its history by restoring architecture and reinventing spaces for new users.

Anita Garware emphasised teaching local history by using contemporary media and e-books, awareness programmes and apps to tell the story of Mumbai. She spoke about the history of areas such as Ballard Estate, mills and ports and that Phoenix Mills was one example of a successful, useful revitalisation.

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TRADE & INVESTMENT CONCLAVE

Partnerships blossom

The landmark achievement of Latin America and the Caribbean countries (LAC) in alleviating poverty from 47 per cent to 25 per cent between 2000 and 2014 holds a great lesson for India. Maharashtra is implementing a livelihood mission to address poverty and is keen to learn LAC methods, said chief guest, Deepak Kesarkar, Minister of State, Home (Rural), Finance and Planning, Maharashtra while addressing the India-Latin America & Caribbean Partnership Conclave on Trade and Investment. This event was organised by the World Trade Centre, Mumbai, All India Association of Industries and GRULAC-India.

The minister said they would facilitate air connections with LAC soon to enhance bilateral business and people-to-people contact. He invited companies and investors to explore trade and investment and said that Devendra Fadnavis, CM, Maharashtra, has focussed on improving business in Maharashtra, especially in renewable energy, smart cities, food processing, pharmaceuticals and skill development.

Ankan Banerjee, director (LAC), MEA, said India's relationship with Latin America is based on shared values and long-term partnerships, with constant efforts in the last 2-3 years and that embassies in four Latin American countries will be opened. India is not a major partner in Latin America but there is tremendous



potential in agriculture, food processing, energy, pharmaceuticals, and for cultural co-operation in film production, sports, yoga, traditional medicines, etc. The government is finalising a preferential trade agreement (PTA) with Peru.

K.V. Nagi Reddy, director, department of commerce, ministry of commerce & industry, remarked on the abundant opportunity in Latin America and that industry and the chambers of commerce must take advantage of this and the agreements which promote bilateral trade and investment. India is working with Mercosur countries to expand PTAs to include 90 per cent of the tariff lines from the present 65-70 per cent. He urged Indian industry to take advantage of the zero duty benefit with Chile for over 500 tariff lines. Indian companies can explore business opportunities in CARICOM like low cost housing, agriculture and energy. India seeks trade agreement with Ecuador and, he noted, the Central American Integration System (CISA) offers free trade and a gateway to North America.

Monica Lanzetta, ambassador, Colombia, was happy to note the overwhelming response from LAC, which showed a timely opportunity to diversify trade and investment. LAC has received \$12 billion from 100 Indian companies recently and to strengthen bilateral co-operation,

India and the Community of Latin American and Caribbean States (CELAC) decided to set up a Permanent Mechanism of Political Dialogue & Co-operation last September. This will offer co-operation in science and technology, culture, education and climate change.

First initiative Vijay Kalantri, president, All India Association of Industries and vice-chairman, World Trade Centre, Mumbai said, "This is the first-ever initiative in Maharashtra and we plan to make it an annual event. India's bilateral trade with LAC countries currently stands at \$46 billion, with the potential to reach \$100 billion in the next five years. To realise this goal, the Ministry of External Affairs is working on strengthening air and maritime transport between India and LAC. The government must address all hindrances and irritants in bilateral economic ties through measures such as signing free trade agreement and introduce single visas for all LAC countries. Companies in Maharashtra must invest in LAC countries in agri-commodities, pharmaceuticals, automobile & engineering, information technology and so on". WTC is setting up a desk to promote trade and investment between India and LAC. WTC Mumbai and AIAI will host events to promote a bilateral relationship with Africa next September.

Diplomats from LAC shared presentations on regional trading blocs. Mentor Villagomez, ambassador, Ecuador, spoke on Comunidad Andina, while David Pollard, High Commissioner, Guyana, dwelt on CARICOM. Alejandro Zothner Meyer, Consul General of Argentina, shed light on MERCOSUR, with Andres Barbe, ambassador, Chile, concentrating on Pacific Alliance, and Mariela Cruz, ambassador, Costa Rica, on SICA (Central American Integration System).

WTC Mumbai and AIAI organised 500 business-to-business meetings during this conclave for business delegates, government officials and representatives of industry and chambers of commerce.

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