



**Indian Council for Research on
International Economic Relations**



ANNUAL REPORT 2012-13

**“Linking India
with the World”**



ICRIER

**Indian Council for Research on
International Economic Relations**

**Annual Report
2012-13**

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Foreword by the Chairperson



ICRIER has continued to provide policy support through research and knowledge sharing in the demanding economic environment of 2012-13. Research at ICRIER has addressed the challenges of improving the competitiveness of the Indian economy through domestic policy reform, stabilising the macroeconomic environment, and providing research support for building an external economic environment which is conducive to India's economic agenda. The challenges of urbanisation, climate change, skill development, and institutional reform have been added as new areas of research at ICRIER.

A study commissioned by the Department of Commerce, Ministry of Commerce & Industry, Government of India this year on Special Economic Zones (SEZ) and led by Professor Arpita Mukherjee, is at the heart of domestic reform and competitiveness. Some of the other ongoing studies that reinforce our attention to domestic policy reform and competitiveness, focus on measuring competitiveness of Indian agriculture, estimating the compliance cost of direct taxes in India and assessing the implications of rationalising fossil-fuel subsidies in India.

Last year, ICRIER launched a major programme on urbanisation under my personal guidance in an honorary capacity. Funded by the Ministry of Urban Development,

Government of India, this programme focuses on research in a number of critical themes of urbanisation in India by in-house researchers as well as external experts with a view to placing the debate on urbanisation within the overall economic policy discourse on the Indian economy. A parallel programme of capacity building on urbanisation has received strong support from state governments.

A very important area of growing importance in the years to come is the impact of climate change on competitiveness of cities. Research in this field at ICRIER is being funded by the Rockefeller Foundation. The programme is led by Professor Meenu Tewari, HUDCO Chair at ICRIER. In its second year, the HUDCO Chair has focused research on the quality of public service delivery in cities. This research has strong synergies with research on urbanisation at ICRIER.

ICRIER's long standing emphasis on South Asian economic integration has provided key policy inputs to governments in the South Asia region – particularly in the bilateral trade dialogue between India and Pakistan. The ongoing study "Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan" under the leadership of Professor Nisha Taneja has generated several high-level exchanges between the two countries and kept the dialogue open despite a challenging overall environment. Bilateral economic relations are also being strengthened through research and seminars on Korea and Japan. ICRIER hosted a two-day international conference at New Delhi on the theme "The Changing Paradigm of India-Japan Relations", which was inaugurated by Mr. Salman Khurshid, Minister for External Affairs, Government of India.

Research under the G20 programme has continued to constitute a major part of ICRIER's international economic research agenda during the year. The G20 programme funded by the Department of Economic Affairs, Ministry of Finance, Government of India and led by Dr. Rajat Kathuria completed its second phase, studying and analysing issues that were the subject of discussion in the G20 inter-governmental deliberations.

ICRIER also organised the fifth annual international conference on the major policy concerns of G20 countries. Dr. Rajat Kathuria represented ICRIER in the Think-20 meetings in Moscow held on the sidelines of the G20 Leaders Summit in December 2012. Looking ahead, ICRIER is engaging with the Lowy Institute in Sydney on research cooperation in the G20 agenda as Australia assumes the Presidency of the G20 next year.

The coming two years are crucial for ICRIER as we set out to construct and occupy new premises in Saket, New Delhi. The change will be accompanied by expansion in the number of researchers and administrative support staff and also an increase in research activity. The fifth Dr. K. B. Lall Memorial Lecture, a flagship

event of ICRIER, will be delivered by Nobel Laureate Professor A. Michael Spence on November 21, 2013. ICRIER will also host the annual Neemrana conference jointly with the National Bureau of Economic Research (NBER) in December 2013. No doubt our plate is full, but I am convinced that with the support of our well-wishers, we at ICRIER will achieve our ambitious targets in the coming years.

A handwritten signature in blue ink, which appears to read 'Isher Judge Ahluwalia', is positioned above the name and title.

Isher Judge Ahluwalia
Chairperson, ICRIER

Board of Governors

Chairperson

Dr. Isher Judge Ahluwalia

32, Aurangzeb Road, New Delhi - 110 011

Elected Members

Mr. Tarun Das

Founding Trustee,
Aspen Institute, India
102-B, Beverly Park-I, Mehrauli - Gurgaon Road,
Gurgaon - 122 009

Ms. Janaki Kathpalia

Former Additional Secretary
Ministry of Finance, Government of India
D-935, New Friends Colony, New Delhi - 110 065

Dr. Vijay Laxman Kelkar

Non-Executive Chairman
National Stock Exchange of India Ltd.
A-701, Blossom Boulevard, Plot No. 421,
South Main Road, Koregaon Park, Pune - 411 001

Ms. Chanda Kochhar

Managing Director & Chief Executive Officer
ICICI Bank Ltd., ICICI Bank Tower,
Bandra-Kurla Complex, Mumbai - 400 051

Mr. Uday S. Kotak

Vice Chairman & Managing Director
Kotak Mahindra Bank Ltd.
Bakhtawar, 2nd Floor, 229, Nariman Point,
Mumbai - 400 021

Mr. Anand G. Mahindra

Chairman & Managing Director
Mahindra & Mahindra Ltd.
Gateway Building, Apollo Bunder, Mumbai - 400 001

Mr. Nandan M. Nilekani

Chairman
Unique Identification Authority of India,
Room No.125, Planning Commission
Yojana Bhavan, Parliament Street, New Delhi - 110 001

Dr. Raghuram G. Rajan

Chief Economic Adviser
Ministry of Finance
Government of India, Room No. 39A, North Block
New Delhi 110 001

Mr. N. K. Singh

Member of Parliament, Rajya Sabha
House No. 7, South Avenue, New Delhi - 110 001

Mr. Malvinder Mohan Singh

Group Chairman
Religare & Fortis Healthcare
1, South End Lane, New Delhi - 110 011

Co-opted Members

Dr. Kiran Mazumdar Shaw

Chairman & Managing Director
Biocon Ltd., 20th KM, Hosur Road, Electronics City
Bengaluru - 560 100

Mr. Nitin Desai

Honorary Professor, ICRIER &
Former Under Secretary General, United Nations
B-63, Defence Colony (First Floor),
New Delhi - 110 024

Mr. Ashok Jha

Chairman
MCX Stock Exchange Ltd., 501-505, 5th Floor,
Babar Road, Connaught Place, New Delhi - 110 001

Member-Secretary

Dr. Rajat Kathuria

Director & Chief Executive, ICRIER
Core 6-A, 4th Floor, India Habitat Centre,
Lodhi Road, New Delhi - 110 003

Executive-cum-Finance Committee

Dr. Isher Judge Ahluwalia	:	Chairperson
Mr. Tarun Das	:	Member
Ms. Janaki Kathpalia	:	Member
Mr. N. K. Singh	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

Investment Committee

Mr. Uday S. Kotak	:	Chairman
Ms. Janaki Kathpalia	:	Member
Ms. Chanda Kochhar	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

Establishment Sub-Committee

Mr. N. K. Singh	:	Chairman
Ms. Janaki Kathpalia	:	Member
Dr. Rajat Kathuria	:	Member-Secretary

Founder Members and Life Members

Founder Members

1. Dr. Montek Singh Ahluwalia
2. Dr. Jagdish Bhagwati
3. Mr. K. K. Bhargava
4. Mr. I. S. Chadha
5. Mr. K. L. Dalal
6. Mr. B. S. Das
7. Mr. Ashok V. Desai
8. Mr. Nitin Desai
9. Mr. M. Dubey
10. Mr. R. S. Gae
11. Dr. S. P. Gupta
12. Mr. R. M. Honavar
13. Mr. B. D. Jayal
14. Mr. S. V. S. Juneja
15. Dr. Rajni Kothari
16. Mrs. Anna R. Malhotra
17. Dr. Suman K. Modwel
18. Mr. P. K. Nanda
19. Mr. N. C. B. Nath
20. Mr. P. C. Nayak
21. Dr. Deepak Nayyar
22. Dr. V. R. Panchamukhi
23. Mr. Vijay G. Pande
24. Mr. R. D. Pradhan
25. Mr. Vinay Bharat Ram
26. Mr. S. S. Ramphal
27. Dr. C. Rangarajan
28. Mr. S. S. Rao
29. Mr. N. K. Sengupta
30. Mr. Harbans Singh
31. Dr. Manmohan Singh
32. Mr. R. V. Subrahmanian
33. Dr. M. S. Swaminathan
34. Mr. T. K. N. Unnithan
35. Dr. Charan D. Wadhva

Late Founder Members

36. Malcolm S. Adiseshiah
37. Mr. M. C. Bhatt
38. Mr. Brij Bhushan
39. Dr. Sukhamoy Chakravorty
40. Mr. Khub Chand
41. Mr. B. K. Chatterjee
42. Dr. R. J. Chelliah
43. Mr. P. K. Dave
44. Professor P. N. Dhar
45. Mr. L. K. Jha
46. Mr. P. K. Kaul
47. Dr. A. M. Khusro
48. Mr. Raj Krishna
49. Mr. Lovraj Kumar
50. Mr. Suresh Kumar
51. Mr. K. B. Lall
52. Mr. Sanjaya Lall
53. Mr. R. N. Malhotra
54. Mr. S. S. Marathe
55. Mr. Govind Narain
56. Mr. Freddie A. Mehta
57. Mr. B. K. Nehru
58. Mr. I. G. Patel
59. Mr. Anand Prakash
60. Mr. Bharat Ram
61. Mr. P. Chenstal Rao
62. Mr. J. Rameshwar Rao
63. Mr. H. N. Ray
64. Mr. S. R. Sen
65. Mr. Y. T. Shah
66. Mr. Manu R. Shroff
67. Mr. Prakash Tandon
68. Mr. Mohammad Yunus

Life Members

1. Dr. Shankar Acharya
2. Dr. Isher Judge Ahluwalia
3. Mr. Mukesh D. Ambani
4. Mr. J. S. Bajjal
5. Mr. Jagmohan Lal Bajaj
6. Mr. Surjit S. Bhalla
7. Mr. Y. C. Deveshwar
8. Mr. Jamshyd Godrej
9. Ms. Lalita D. Gupte
10. Mr. Anwarul Hoda
11. Dr. Bimal Jalan
12. Mr. K. V. Kamath
13. Dr. Vijay Kelkar
14. Mr. Uday S. Kotak
15. Dr. Rajiv Kumar
16. Mr. Darshan Lal
17. Dr. Deepak Lal
18. Dr. Rajiv B. Lall
19. Mr. Arun Maira
20. Mr. Raghunandan D. Maluste
21. Dr. R. A. Mashelkar
22. Mr. Aman Mehta
23. Dr. Rakesh Mohan
24. Mr. N. R. Narayana Murthy
25. Dr. Arvind Panagariya
26. Dr. Kirit S. Parikh
27. Dr. Swati A. Piramal
28. Mr. N. Ravi
29. Dr. Y. V. Reddy
30. Mr. Parth J. Shah
31. Mr. Prakash Shah
32. Dr. Kiran Mazumdar Shaw
33. Mr. N. K. Singh
34. Mr. Surendra Singh
35. Mr. Pramath Sinha
36. Professor T. N. Srinivasan
37. Mr. C. M. Vasudev



This year, macroeconomic difficulties which were reflected in a large fiscal deficit, inflation and widening current account imbalances, stood alongside several disquieting microeconomic challenges relating to sluggish manufacturing, labour market rigidities, skill gaps, and an overhang of institutional fragility.

The Indian media polarised the Bhagwati-Sen debate as a choice between redistribution and growth, whereas in fact it is a matter, albeit tricky, of creating the right conditions for inclusive growth. The 5 percent increase in real GDP realised in 2012-13 must therefore be raised, and a number of forecasts for the next year from reputable institutions do offer a basis for cautious optimism. On the other hand, the gloomy predictions of a retreat to the “Hindu rate of growth” are decidedly overblown. They do, however, point to the critical need for domestic reform.

In keeping with its core mandate to increase the knowledge content of policy making, ICRIER undertook a range of studies through the year to support policymakers in their quest to unlock the tremendous untapped potential of the Indian economy.

The scope of ICRIER's new and ongoing research included both the domestic economy and its interface with the global economy. The many new studies commissioned during the year are all united by the common aim to help create a solid basis for policy action to put the economy firmly back on the track of higher growth. ICRIER's important studies included, “Revisiting Special Economic Zones (SEZ): A Review and Evaluation of India's SEZ Policy”, “Preparing for the Urban Challenges

of the 21st Century”, “Climate Change and the Economic Competitiveness of Cities: Making the Business Case for Adaptation”, “Estimating Domestic and Foreign Value added in Indian Export”, and “Stabilising Food Prices through Buffer Stocking and Trade Policies.” The precise research questions and expected policy outcomes of each of these studies are provided in the Annual Report.

Among the ongoing studies, the one on trade normalisation between India and Pakistan, ably led by ICRIER's Professor Nisha Taneja, has drawn special attention. Several papers are being written in collaboration with the Institute of Business Administration (IBA), Karachi and the Sustainable Development Policy Institute (SDPI), Islamabad. Besides, two quarterly newsletters were published during the year. The inaugural lecture in the Distinguished Lecture series under the project “Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan,” was delivered by Dr. Ishrat Husain, Dean and Director, IBA, Karachi and former Governor, State Bank of Pakistan.

Another ongoing programme, the DEA-ICRIER collaboration on G20 Issues, for 2012-13 aimed at supporting policy formulation, capacity building, improving knowledge, and contributing to India's negotiating positions at the G20 forum. A team of ten junior researchers, some of them based at the G20 Secretariat, and two external consultants were involved in preparing a monthly global economy bulletin, briefs, quick response notes, position pieces as well as bi-monthly updates in identified thematic areas. The fourth Annual G20 Conference organised in October 2012 by ICRIER and its partners, ADBI, World Bank, KAS and IMF, was held within the DEA-ICRIER programme. The conference papers have been brought together in a book being published by Springer-Verlag and scheduled for release in December 2013.

The urbanisation theme in ICRIER has gained solid traction. A number of capacity building and knowledge dissemination workshops were organised under the ongoing “Programme on Capacity Building and Knowledge Dissemination on Urbanisation” funded by the Ministry of Urban Development, Government of India. The workshops were conducted in Bhopal, Hyderabad, Delhi, Chandigarh, Guwahati and Pune. The importance of these workshops was significantly enhanced by the presence of the Chief Ministers of Andhra Pradesh,

Haryana, Assam, Maharashtra and Madhya Pradesh as chief guests at the inaugural sessions of the workshops held in their states. This year a closely related research programme devoted to the “Urban Challenges of the 21st Century” was also added to the growing list of research studies at ICRIER. Both these programmes mutually reinforce each other with significant synergy and are being skillfully led by Dr. Isher Judge Ahluwalia, the ICRIER Chairperson.

The Reserve Bank of India Chair, held this year by Professor Chetan Ghate, developed a theoretical framework to understand business cycles in India and other emerging markets. A simple model, built up jointly with Mr. Pawan Gopalakrishnan and Ms. Suchismita Tarafdar, attempted to understand the key stylised facts governing Indian business cycles during the period 1999-2010. A preliminary report that has been completed will be brought out as a working paper and presented at the Singapore Economic Review Conference in 2013.

The India KLEMS Project is part of the World KLEMS initiative, which uses the KLEMS framework for measuring productivity and is currently being undertaken by many developing economies of Asia and Latin America. This project, also funded by the Reserve Bank of India, attempts to generate an industry level productivity database consistent with official national accounts and input-output transactions tables in an internationally comparable framework for the period 1980-81 to 2008-09. The project has completed its second phase.

The Japan Project at ICRIER, established in 2007 with the support of the Sasakawa Peace Foundation (SPF), Tokyo, completed Phase II under the leadership of Ms. Sanjana Joshi. Mr. Naoki Oka, Senior Adviser, National Tax Administration, Japan was a visiting fellow at ICRIER during March 18-29, 2013. His research theme was “Cross-border flows of investment and dispute resolution and prevention in tax matters: Comparative study of India and Japan and lessons for the future.” To commemorate the 60th year of the establishment of diplomatic relations between India and Japan, the project organised a two-day international conference in New Delhi on the theme “The Changing Paradigm of India-Japan Relations.” The

conference was inaugurated by Mr. Salman Khurshid, Minister for External Affairs, Government of India.

In the area of strategic economic relations, Ambassador Hemant Krishan Singh as the Wadhvani Foundation funded Chair issued regular policy briefs, brought out a series titled “India-US Insight”, and undertook research in key areas that seek to unlock the potential of India-US trade and investment ties. The ICRIER-Wadhvani Chair’s Policy Report “BIT and Beyond: Advancing India-US Economic Relations,” by Ambassador Hemant Krishan Singh and Ms. Tincy Sara Solomon was launched by Mr. Salman Khurshid, Minister of External Affairs, Government of India in the presence of Ms. Nancy Powell, US Ambassador to India.

The India-US trade dialogue, a component of our US-India Private Sector Advisory Group (PSAG) was at a standstill during the past year, although we at ICRIER have been trying to provide some momentum to restart the dialogue. ICRIER is the secretariat for the PSAG with Dr. Isher Judge Ahluwalia as the co-Chair. Two meetings of PSAG India were held in 2012. At the September 2012 meeting, papers on agriculture and education prepared in ICRIER were considered. Subsequently, in January 2013, a meeting was held to discuss the long-term strategy for intensifying India-US economic relations.

ICRIER’s HUDCO Chair Programme is a three-year project aimed at conducting research and undertaking capacity building activities on urban issues in India. The programme has three main components: (i) a seminar series on urbanisation and the competitiveness of cities; (ii) research on a subset of urban issues; and (iii) thematic capacity building workshops on select themes based on the research that is conducted under the programme. Prof. Meenu Tewari is the HUDCO Chair Professor at ICRIER.

Going forward, several new and exciting projects have been commissioned in 2012-13. The one that I would like to specially highlight is the project on Special Economic Zones (SEZ), led by Professor Arpita Mukherjee. This project is funded by the Ministry of Commerce & Industry, Government of India and will undertake a comprehensive

assessment of India's SEZ policy. The policy has attracted a great deal of debate with its supporters arguing that it would attract more FDI, lead to higher exports, generate economic activity and employment. On the other hand, its critics have highlighted challenging issues such as agricultural land acquisition, duty foregone, low FDI and a growing trade deficit. The study aims at a comprehensive cost-benefit analysis of the competing claims and the results will provide substantive inputs for making informed policy choices in this area.

We have undertaken a lot more. An interesting project on "Cover Bond as a Complementary Source of Financing Mortgage Lending in India: Lessons from the Global Covered Bond Systems" has been commissioned this year. This study is perhaps the first of its kind in India and is led by Ms. Mira Tamboli with assistance from Ms. Neha Malik. Two projects on agriculture, namely, "Stabilising Food Prices through Buffer Stocking and Trade Policies" and "Measuring the Competitiveness of Indian Agriculture" led by Professor Anwarul Hoda and Dr. Pooja Sharma respectively seek to develop constructive policy inputs in this area. Ms. Amrita Goldar is spearheading a study on "Assessment and Implications of Rationalising Fossil-Fuel Subsidies in India" while Dr. Saon Ray is examining the "Impact of American Investment in India." Another interesting study is attempting to estimate the "Compliance Cost of Direct Taxes in India" under my overall leadership, with significant contributions from two external consultants and from Ms. Neetika Kaushal and Ms. Mansi Kedia.

During the year several noteworthy events, including public lectures by distinguished international scholars and events with participation from cabinet ministers and high-level policymakers were successfully organised. Dr. Surjit Bhalla's book "Devaluing to Prosperity: Misaligned Currencies and Their Growth" was released by Mr. P. Chidambaram, Hon. Finance Minister, Government of India. A number of seminars were held during the year on a range of issues, ably articulated by Dr. Rahul Khullar, Dr. Ejaz Ghani, Dr. Gurbachan Singh, Dr. David Kim, Dr. Marcos Prado Troyjo, Dr. Ganesh Wignaraja, Dr. Alok Bhargava, Dr. Munawer Sultan Khwaja and Dr. Christof Rühl.

I am delighted to announce that the 5th K. B. Lall Memorial Lecture, instituted to honour our founder Chairman, will be delivered by Nobel Laureate Professor Michael Spence on November 21, 2013 and the 15th Annual ICRIER-NBER-NCAER Conference will be held, as in the past at the Neemrana Fort Palace, during December 13-15, 2013. Scholars from India and the US will get together for a free flowing discussion on contemporary research themes. On the drawing board is a partnership with the Global Commission on Climate Economy for a report that seeks to review the state of policy around climate change from both macro and sectoral (agriculture and urbanisation) perspectives. This is an exciting new area of research for ICRIER which we hope to develop as a thrust area. Apart from this, based on the recommendation of the external evaluation committee established by our Board in 2011, from next year we will begin publishing a biennial flagship report on a specific theme of research interest to ICRIER. Many more exciting initiatives are being taken to strengthen the thematic research areas at ICRIER. We acknowledge our gratitude to our Board member, Dr. Raghuram G. Rajan for endowing a sum of Rs. 25 lakh in ICRIER to support the visit of two Indian scholars to attend the NBER Summer Institute every year. This year's recipients, based on a rigorous selection process, were Dr. Rajeswari Sengupta and Dr. Jagannath Mallick.

It has been a little over nine months since I assumed the position of Director & Chief Executive of ICRIER. I take this opportunity to specially thank Dr. Isher Judge Ahluwalia, our Chairperson, for her unconditional support, my predecessor, Dr. Parthasarathi Shome, and all colleagues in ICRIER for the healthy state of research and finances at ICRIER which I inherited.

I hope you enjoy reading the snapshots of ICRIER's activities in this Annual Report.



Rajat Kathuria
Director & Chief Executive, ICRIER

Abbreviations

AAS	Association of Asia Scholars
ADB	Asian Development Bank
ADB I	Asian Development Bank Institute
AoA	Agreement on Agriculture
ASEAN	Association of Southeast Asian Nations
BCCI	Bombay Chambers of Commerce & Industry
BIMSTEC	Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIPA	Bilateral Investment Promotion and Protection Agreement
BIT	Bilateral Investment Treaty
BP	British Petroleum
BPO	Business Process Outsourcing
BRICS	Association of five major emerging national economies: Brazil, Russia, India, China and South Africa
BTIA	Board-based Trade and Investment Agreement
BVIEER	Bharati Vidyapeeth University, Institute of Environment Education and Research
BWSSB	Bangalore Water Supply and Sewerage Board
CACP	Commission for Agricultural Costs and Prices
CAFRAL	Centre for Advanced Financial Research and Learning
CARIM	Consortium for Applied Research on International Migration
CDM	Clean Development Mechanism
CECA	Comprehensive Economic Cooperation Agreements
CeETAD	Center for Enterprise, Trade and Development
CEO	Chief Executive Officer
CEPA	Comprehensive Economic Partnership Agreement
CEPT	Center for Environmental Planning and Technology
CGE	Computable General Equilibrium
CIER	Chung-Hua Institute for Economic Research
CII	Confederation of Indian Industry
CIRC	Centre for International Relations and Community Well-Being
CIS	Commonwealth of Independent States
CPD	Centre for Policy Dialogue
CPMA	Chemicals and Petrochemicals Manufacturers' Association
CSIR	Council of Scientific and Industrial Research
CSIS	Centre for Southeast Asia Studies
CTT	Commodities Transaction Tax
CUTS	Consumer Unity & Trust Society
DDG	Deputy Director-General

DEA	Department of Economic Affairs
DMICDC	Delhi Mumbai Industrial Corridor Development Corporation
EMEs	Emerging Market Economies
EPZ	Export Processing Zone
ER	Economic Relations
ERIA	Economic Research Institute for ASEAN and East Asia
ESCAP	Economic and Social Commission for Asia and the Pacific
ETS	Emissions Trading Scheme
EU	European Union
FAPCCI	Federation of Andhra Pradesh Chambers of Commerce & Industry
FDI	Foreign Direct Investment
FGI	Fung Global Institute
FICCI	Federation of Indian Chambers of Commerce and Industry
FII	Foreign Institutional Investors
FPRC	Foreign Policy Research Centre
FSI	Floor Space Index
FTA	Free Trade Agreement
G20	Group of Twenty Countries
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GE	General Electric
GHz	Gigahertz
GICS	Global Industry Classification Standard
GIS	Geographic Information System
GMS	Greater Mekong Subregion
GOI	Government of India
HPEC	High Powered Expert Committee
HUDCO	Housing and Urban Development Corporation
HVM	High Value Manufacturing
IBA	Institute of Business Administration
ICFAI	Institute of Chartered Financial Analysts of India
iCISA	International Centre for Information Systems and Audit
ICRIER	Indian Council for Research on International Economic Relations
ICT	Information and Communications Technology
ICTSD	International Centre for Trade and Sustainable Development
ICWA	Indian Council of World Affairs

IDSA	Institute for Defence Studies and Analyses
IFIs	International Financial Institutions
IFMR	Institute for Financial Management and Research
IHC	India Habitat Centre
IIFT	Indian Institute of Foreign Trade
IIM	Indian Institute of Management
IIP	Index of Industrial Production
IMF	International Monetary Fund
IMI	International Management Institute
IMS	International Monetary System
IP	Intellectual Property
IPS	Institute of Policy Studies of Sri Lanka
ISI	Indian Statistical Institute
IT	Information Technology
ITES	Information Technology Enabled Services
ITIF	Information Technology and Innovation Fund
ITU	International Telecommunication Union
IZA	International Zeolite Association
JBIC	Japan Bank for International Cooperation
JIIA	Japan Institute of International Affairs
JKJCCI	Jammu & Kashmir Joint Chamber of Commerce and Industry
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
JNU	Jawaharlal Nehru University
JPRI	Japan Policy Research Institute
KAS	Konrad-Adenauer-Stiftung
KIEP	Korea Institute for International Economic Policy
KLEMS	Capital Labour Energy Material and Services
LEP	Look East Policy
LM	Lagrange Multiplier
LTU	Large Taxpayer Units
LUMS	Lahore University of Management Studies
MBE	Master of Business Economics
MCX-SX	MCX Stock Exchange
MD	Managing Director
MEA	Ministry of External Affairs
MEPMA	Mission for Elimination of Poverty in Municipal Areas

MFA	Multi Fiber Agreement
MHz	Megahertz
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MSP	Minimum Support Price
NASSCOM	National Association of Software and Services Companies
NBER	National Bureau of Economic Research
NCAER	National Council of Applied Economic Research
NIPFP	National Institute of Public Finance and Policy
NISTAD	National Institute of Science, Technology & Development Studies
NMCC	National Manufacturing Competitiveness Council
NREGA	National Rural Employment Guarantee Act
ODA	Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organization of the Petroleum Exporting Countries
ORF	Observer Research Foundation
PITAD	Pakistan Institute of Trade and Development
PRI	Policy Research Institute
PSAG	Private Sector Advisory Group
R&D	Research and Development
RAP	Research Advisory Panel
RBC	Real Business Cycle
RBI	Reserve Bank of India
RCA	Revealed Comparative Advantage
RCEP	Regional Comprehensive Economic Partnership
RCI	Regional Cooperation and Integration
RMG	Ready-Made Garments
RRC	Regional Research Competition
RTAs	Regional and Preferential Trading Agreements
SACEPS	South Asia Centre for Policy Studies
SAFTA	South Asian Free Trade Area
SAM	Social Accounting Matrix
SANEI	South Asia Network of Economic Research Institutes
SAWTEE	South Asia Watch on Trade, Economics and Environment
SBIR	Small Business Innovation Research
SDPI	Sustainable Development Policy Institute

SECP	Strategic and Economic Capacity Building Programme
SEZ	Special Economic Zone
SFIA	Skills Framework for the Information Age
SMEs	Small and Medium-sized Enterprises
SPF	Sasakawa Peace Foundation
SPS	Society for Policy Studies
STT	Securities Transaction Tax
SVAR	Structural Vector Autoregressive (Model)
TFP	Total Factor Productivity
TNUISL	Tamil Nadu Urban Infrastructure Financial Services Limited
TPP	Trans Pacific Partnership
TRIPS	The Agreement on Trade Related Aspects of Intellectual Property Rights
UK	United Kingdom
ULB	Urban Local Bodies
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNITAID	International facility for the purchase of drugs against HIV/AIDS, malaria and tuberculosis
UPOV	International Union for the Protection of New Varieties of Plants
US	United States
USA	United States of America
USD	United States Dollar
USIBC	United States-India Business Council
VAT	Value Added Tax
WEO	World Economic Outlook
WTO	World Trade Organization
ZEF	Zentrum für Entwicklungsforschung (Centre for Development Research)

1. Macroeconomic Management in an Open Economy

Ongoing Projects (2)

Reserve Bank of India Chair

Project Leader: *Dr. Chetan Ghate*

Commencement: June 1996

Expected date of completion: Ongoing

Funded by: Reserve Bank of India (Rs. 400.00 lakh)

Emerging market business cycles form a new and exciting area in business cycle research. While a few theoretical frameworks have been developed to understand emerging market business cycles, these models are in their infancy. A simple model was developed (jointly with Pawan Gopalakrishnan and Suchismita Tarafdar) that attempted to understand the key stylised facts governing the Indian business cycle during the period 1999-2010. In this framework, fiscal policy is embedded in a standard emerging market business cycle model with interest rate shocks. The aim of the study is to provide: (i) normative optimal taxation results; and (ii) a dynamic general equilibrium framework that replicates the key features of Indian data.

A preliminary report has been completed that will be brought out as a working paper. The paper will be presented at the 2013 Singapore Economic Review Conference.

Fiscal Prudence: A Comparative Analysis of Germany and India

Senior Adviser: *Dr. Shankar Acharya*

Research Team: *Alamuru Soumya, M. Shuheeb Khan and Kirti Gupta*

Commencement: February 2013

Expected date of completion: November 2013

Funded by: Konrad-Adenauer-Stiftung, India (Rs. 20.00 lakh)

The global financial crisis (2008-10) dealt a severe blow to the world economy, which is yet to witness a sustained recovery. Fiscal prudence has become the key challenge for both advanced and emerging economies in this context. There is, however, no consensus on the nature of fiscal policies that need to be implemented as the debate between austerity and stimulus continues. The crisis led to some important lessons. The concept of fiscal space and tools has gained prominence for ensuring a quick response to the folding up of demand and providing short- and medium-term stabilisation. Hence, there is a need for policies that deal with both short- and long-term problems.

Against this backdrop, the study focuses on the comparison of fiscal strategies of Germany and India, efficacy of the policies used in both economies to weather the crisis, lessons learnt and the institutional underpinnings of fiscal prudence in the two countries. The study also examines the flexibility of fiscal rules, given the high levels of public debt and deficit. It further intends to compare the evolution of fiscal policy in India and Germany from 1980-2012, the impact of the financial crisis on both countries including the transmission channels and seeks to highlight lessons that Germany and India can learn from each other. The study also aims to review the literature on fiscal sustainability and construct a conceptual framework to examine the sustainability of fiscal policy in both countries.

Completed Project (1)

DEA-ICRIER Research Programme on G20 Issues

Project Leader/Coordinator: *Dr. Rajat Kathuria and Dr. Pooja Sharma*

Research Team: *Dr. Renu Kohli and Dr. Susan Thomas (External Consultants), Dr. Francis X Rathinam, Dr. Ranjan Kumar Dash, Alamuru Soumya, Shuheeb Khan, Manjeeta Singh, Kuntala Bandyopadhyay, Kirti Gupta, Kavleen Chatwal, Jaskiran Ahluwalia, Aastha Dara and Tincy Sara Solomon*

Commencement: July 2012

Date of completion: June 2013

Funded by: Department of Economic Affairs, Ministry of Finance, Government of India (Rs. 155.3 lakh)

The DEA-ICRIER Programme on G20 Issues for 2012-13 aimed at supporting policy formulation, capacity building, improving knowledge, and contributing to India's negotiating positions at the G20 forum. The programme covered four broad thematic areas comprising: (i) the global economy and the framework for strong, sustainable and balanced growth; (ii) international financial architecture; (iii) financial regulatory reforms; and (iv) energy, commodities and climate change.

A team of ten junior researchers at ICRIER (based at ICRIER and the G20 Secretariat) and two external consultants were involved in preparing a monthly global economy bulletin, briefs, quick response notes, position pieces as well as bi-monthly updates in the identified thematic areas. Other responsibilities included preparation of strategy and research papers, and organisation of brainstorming sessions. The Annual G20 Conference organised in October 2012 by ICRIER and its partners was partly sponsored by the programme. The conference proceedings are available on the ICRIER website and an edited book on the conference will be published by Springer-Verlag in late 2013.

2. Financial Sector Liberalisation and Regulation

Ongoing Projects (2)

Cover Bonds as a Complementary Source of Financing Mortgage Lending in India: Lessons from the Global Covered Bond Systems

Project Leader: *Ms. Mira Tamboli*

Research Team: *Neha Malik*

Commencement: May 2013

Expected date of completion: March 2014

Funded by: Housing & Urban Development Corporation Ltd. (HUDCO), (Rs. 20.18 lakh)

The Indian housing finance market grew to \$90 billion in December 2009. However, funds in excess of \$200 billion are still required to meet the funding shortage. Since it is critical for India's development to close this \$200 billion funding gap, it is important that financial institutions engage in viable long-term financing options.

Globally, securitisation and covered bonds are used to access long-term funding for the housing market. Securitisation was one of the primary mechanisms of sourcing mortgage financing in the US until the financial crisis of 2008. Subsequently, due to the lack of investor confidence, the volume of mortgage securitisation has shrunk considerably,

while covered bond issuance is benefiting from a market environment of heightened sovereign risk and favourable regulatory treatment. The critical need for finding alternative sources of long-term funding, amidst the rising popularity of covered bonds across the globe has created an opportunity for developing a covered bond market in India. Covered bonds have the potential to provide long-term funding in the mortgage markets from a diverse investor base and can complement securitisation to form part of a well-diversified liquidity management programme for financial institutions.

The research project seeks to provide a historical overview of covered bond systems and analyse their key design features in selected countries. The focus will be on a legal and regulatory framework, structure of the issuer, cover assets, valuation criteria, etc. The project will compare select global covered bond systems, evaluate the applicability of their features to the Indian market and offer broad guidelines for developing a covered bond system in India.

Securities Transaction Tax in India: Motives, Revenues and Effects

Project Leader: *Dr. Saon Ray*

Research Team: *Neha Malik*

Commencement: April 2013

Expected date of completion: November 2013

Funded by: MCX-SX (Rs. 4.71 lakh)

In India, Securities Transaction Tax (STT) was introduced on all securities transactions in the secondary markets and derivatives in 2004. The rationale was to mobilise additional revenue and to regulate the activities of speculators in the stock market. However, in the Indian context, there is little empirical research that systematically analyses the impact of STT on the volume of trade, inter-day trading, liquidity, bid-ask spread, retail participation, volatility and market efficiency, etc. Given this backdrop, the project analyses the impact of STT in a developing country, where all segments of the market are not well developed, and the goal of the regulator is to encourage greater participation in the market rather than dampening it.

The objective of the project is to: (i) track the effect of STT on stock markets in India during the last eight years in order to gauge the temporal impact of taxes, especially on the market structure and migration of transactions to tax-havens, and their impact on the overall health of the equity markets; and (ii) undertake policy simulation to determine the effect of increased transaction costs due to STT on transaction volume, velocity, market efficiency, market capitalisation and economic growth in India.

3. Trade Openness, Restructuring and Competitiveness

Ongoing Projects (16)

Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India

Project Leader: *Dr. Isher Judge Ahluwalia*

Research Team: *Dr. Simanti Bandyopadhyay, Dr. Radhicka Kapoor, Kanak Tiwari, Tanushree Bhan, Kartik Misra, Ruchika Singh, Sabyasachi Tripathi, Dr. Deepak Santhanakrishnan, Dr. Jyotsna Bapat, Tarika Khanna and Debraj Bagchi*

Commencement: July 2012

Expected date of completion: June 2014

Funded by: Ministry of Urban Development, Government of India (Rs.145.04 lakh)

India's historic transition to a predominantly urban economy in the next 40-50 years will throw up numerous challenges for urban planners, city managers and urban local bodies (ULBs). These urban challenges range from dealing with worsening urban congestion, to handling escalating demands for land, water, energy, housing and basic urban services (sanitation, waste management, public health) for millions of new and existing urban residents. Enhancing the capabilities of ULBs, many of which are frequently strapped for resources and limited by inadequate institutional capacity, is therefore critical.

Building on the Report of the High Powered Expert Committee on Urban Infrastructure and Services, 2011, Ministry of Urban Development, Government of India, HPEC (Ahluwalia, 2011) Report, ICRIER has launched a "Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India." This programme is funded by the Ministry of Urban Development. The conference to launch the programme was held on August 31, 2012 in New Delhi. Mr. Kamal Nath, Minister of Urban Development was the Chief Guest, and there were participants from Gujarat, Maharashtra, Madhya Pradesh, Andhra Pradesh, Karnataka, West Bengal, Assam, and Mizoram. Urban planning, unlocking land value and transit-oriented development were the principal themes for discussion.

A number of capacity building and knowledge dissemination workshops have been organised in Bhopal, Hyderabad, Delhi, Chandigarh, Guwahati and Pune. Officials from state governments and ULBs of nearly 25 states have participated, besides professionals and academicians with expertise in different sectors of urban development. The importance of these workshops has been enhanced by the presence of the Chief Ministers of Andhra Pradesh, Haryana, Assam, Maharashtra and Madhya Pradesh, who were chief guests at the inaugural sessions of the workshops held in their states.

The themes covered by the six regional workshops were: (i) Bhopal – e-Governance; (ii) Hyderabad – Urban Governance; (iii) Delhi – Water and Sanitation; (iv) Chandigarh – Water and Sanitation; (v) Guwahati – Solid Waste Management; and (vi) Pune – Urban Sustainability. At the workshop in Pune, there was a special lecture on "Sustainable Urbanisation" by Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission, followed by an address by Mr. Prithviraj Chavan, Chief Minister, Maharashtra, who shared his thoughts on the challenges of sustainable urban development in Maharashtra.

Programme on Research on Urbanisation in India: Preparing for the Urban Challenges of the 21st Century

Project Leader: *Dr. Isher Judge Ahluwalia*

Research Team: *Dr. Simanti Bandyopadhyay, Dr. Radhicka Kapoor, Kanak Tiwari, Tanushree Bhan, Kartik Misra, Ruchika Singh, Sabyasachi Tripathi, Dr. Deepak Santhanakrishnan, Dr. Jyotsna Bapat, Tarika Khanna and Debraj Bagchi*

Commencement: December 2012

Expected date of completion: November 2014

Funded by: Ministry of Urban Development, Government of India (Rs. 120.00 lakh)

Closely associated with the “Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India,” is the “Programme of Research on Urbanisation in India: Preparing for the Urban Challenges of the 21st Century.” The two programmes are significantly synergistic and mutually reinforce the process of learning and disseminating knowledge.

The research programme focuses on seven themes: (i) water, sewerage, waste water treatment, and solid waste management; (ii) unlocking urban land value; (iii) municipal finance; (iv) governance and administrative reforms; (v) planning: land use, zoning and transit-oriented development; (vi) sustainable project management and implementation; and (vii) e-Governance. The research papers are intended to inform policy, and will be published as working papers in the first instance, and subsequently developed into thematic papers for professional journals and other publications. A number of studies under the different themes (listed below) have been initiated, while others will be taken up during the coming year.

i. Towards achieving Service Level Benchmarks for Water Supply in Indian Cities

Kanak Tiwari and Dr. Deepak Santhanakrishnan

This study attempts an overview of the performance of states and cities with respect to service level benchmarks for water supply, as formulated by the Ministry of Urban Development in 2008. It focuses on good practices and analyses what worked and what did not in terms of achieving these standards of service delivery. It attempts to extract strategies and enabling factors that have acted as catalysts in some of the successful initiatives. The study explores both state-wide approaches (e.g. Maharashtra) and city-level practices to create a relationship-matrix of these enabling factors. It assimilates the lessons to recommend generic strategies and policies that can be adapted for other cities and towns.

ii. Decentralised Composting and Biomethanation of Solid Waste Management in India

Dr. Isher Judge Ahluwalia and Tarika Khanna

This study examines the case for decentralised composting and biomethanation as an environmentally and financially sustainable option to process and manage municipal solid waste. It reviews current practices in some of the major cities of India. The challenges of segregation of dry and wet waste at the household level, the availability of land, issues such as the scale of operations and transport subsidy on chemical fertilisers, are explicitly addressed.

iii. Property Taxation: A Comparison of Delhi and Bengaluru

Dr. Simanti Bandyopadhyay

Property tax is a major source of revenue for ULBs. Adequate coverage, a proper methodology for assessment of the tax, and changing valuation of properties in the face of rising prices, are some of the major factors that affect the ability of ULBs to realise the potential of revenue from property tax. This study attempts to identify the factors responsible for the differences in performance of Delhi and Bengaluru. In Delhi, a transition from rental valuation to unit area based valuation has not been successful in bringing about the desired revenue; Bengaluru has achieved greater success. This is so even though there are similarities in the approach to reform and both cities have used the Geographic Information System (GIS) and Information Technology (IT). The interaction between policy and administrative reforms to support the change in the outcomes emerges very clearly from this study.

iv. Unlocking Land Value for Financing Urban Development in India

Dr. Isher Judge Ahluwalia

This study highlights the importance of unlocking land value for financing urban infrastructure development. Considering the large financing requirements of urban infrastructure and the strained finances of ULBs as well as state governments, instruments such as tax increment financing, betterment levies, development charges and special assessments are examined for their potential in unlocking urban land value in India's urban infrastructure development. The study presents evidence from international experience in this area.

v. Planning for Urban Development in India

Dr. Isher Judge Ahluwalia

This study presents a brief overview of the present approach to urban planning in India. It highlights the importance of an integrated approach to the planning of transportation and land use. It presents the conundrum of high population density and low FSI (floor space index) in Indian cities and calls for integrating urban design with planning for urban development. The challenges of inclusion of low-income households in urban planning in the light of the political economy of land acquisition in India are also examined. The study presents alternative models of land assembly and the role of instruments, such as impact fee or betterment charges for revenue mobilisation in the course of putting urban infrastructure in place.

vi. The Importance of Regional Perspectives in Urban Planning

Kanak Tiwari

This study presents an approach to urban planning that takes into account regional sharing of resources, urban-rural synergy and better management and planning of peri-urban areas. It examines the forces that have led most cities in India to become urban agglomerations and the larger cities to transform into metropolitan regions with the attendant challenges. It explores the institutional arrangements that need to be created to manage and plan for the entities that go beyond municipal boundaries. The study also looks at new planned development coming up as a result of transport corridors and opportunities for regional linkages between these and the proximate existing cities.

vii. Policy Initiatives for Promotion of Urban Agglomeration in India

Sabyasachi Tripathi

This study attempts to identify which policies can help to promote urban agglomeration for rapid and sustainable economic growth in India. It covers the areas of transport infrastructure, efficient land use and its integration with transport planning as well as administrative reforms for better delivery of public services. Only when ease of living is improved together with ease of doing business can agglomeration economies be harnessed.

viii. Using GIS for Greater Efficiency in Operations and Better Delivery of Services by ULBs in India

Tanushree Bhan

This paper explores the use of GIS technology to improve the system of service delivery and bring about transparency and accountability in the functioning of ULBs. A few good practices have been deconstructed to identify the role of GIS and the enabling factors that have led to a smooth transition from a manual system to IT-enabled administrative arrangements for operations as well as service delivery in Indian cities.

ix. Approaches to Sustainable Management and Implementation of Urban Infrastructure Projects in Public Transport

Dr. Deepak Santhanakrishnan and Pavan Kumar Ankinapalli

This study examines the risks, opportunities, best practices and conditions (social, economic, institutional and policy) that are crucial for designing, managing and implementing urban infrastructure projects in public transport in a sustainable manner. It seeks to identify the challenges in creating enabling conditions for service provision and potential trade-offs through selected case studies from Indian cities (e.g. Ahmedabad, Indore).

x. The Challenge of Productive Employment Creation in Urban India

Dr. Radhicka Kapoor

Besides an infrastructure and service delivery crisis, the unprecedented rate of urbanisation in India is creating an employment and poverty crisis. While the former is the principal focus of the “Programme on Research on Urbanisation in India,” the latter is equally important. For Indian cities to emerge as engines of growth, a process of structural transformation is necessarily associated with urbanisation. It requires jobs to be reallocated from low-productivity to high-productivity sectors. The generation of productive employment is, therefore, central to the process of fostering inclusive economic growth.

This study will attempt to answer some pressing issues: How do we provide high-productivity jobs for the rapidly rising urban population? How do we energise jobs in manufacturing and how can governments create an enabling environment for productive employment generation in the manufacturing sector? How can labour policies be redesigned to reduce growth in the casualisation and informalisation of jobs? How can India take advantage of its demographic dividend, which has the potential of increasing its growth rate and labour force? The study will provide key insights into the manner in which productive employment generation will drive urbanisation and be crucial to India’s future, productivity and economic growth.

xi. JNNURM Heritage Cities: Way Forward

Dr. Jyotsna Bapat

This study is based on the premise that investing in regeneration of inner city historical districts and conservation of urban heritage creates assets that give multiple economic and social returns. The study begins by reviewing projects and practices of improving heritage cities under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). These range from repair of sidewalks in a historical precinct to formulation of a heritage plan for an entire city. Taking care of deficiencies in infrastructure in heritage cities and sites is the first step. But regenerating cities through conservation needs much more, e.g., creating livelihoods, attracting investments, blending urban design with architectural heritage, deriving a special character for the city from its cultural heritage, and improving the overall liveability and quality of these areas. The study brings out the social and economic implications and impacts of such interventions and attempts to demonstrate that the immense wealth of urban heritage in India is largely untapped in terms of being a revenue generator for cities.

The HUDCO Chair Programme

Project Leader: *Professor Meenu Tewari*

Research Team: *Kartik Misra and Zeba Aziz*

Commencement: March 2012

Expected date of completion: February 2015

Funded by: Housing and Urban Development Corporation (HUDCO), (Rs.60.00 lakh)

ICRIER's HUDCO Chair Programme is a three-year project aimed at conducting research and undertaking capacity building activities on urban issues in India. The programme has three main components: (i) a seminar series on urbanisation and the competitiveness of cities; (ii) research on a subset of urban issues; and (iii) thematic capacity building workshops on select themes based on the research that is conducted under the programme.

During 2012-13, four seminars were held as part of the seminar series on Urbanisation and the Competitiveness of Cities. In the first seminar, Dr. Ejaz Ghani, Lead Economist at the World Bank presented his research on changing trends in the location of manufacturing in Indian cities. In the second seminar, Dr. Isher Judge Ahluwalia presented the findings of the HPEC (Ahluwalia, 2011) Report. The third seminar was delivered by Dr. Anant Sudarshan, Sustainability Science Fellow, Harvard University, who presented a research paper on the relative effectiveness of policy tools aimed at demand management of electricity consumed by urban households in New Delhi. In the fourth seminar, Dr. Indro Ray of ICRIER presented his research findings on the relationship between the housing foreclosure crisis in the US and the regional economic structure at the county-level.

Research under the programme included a study on the work carried out by Transparent Chennai to innovatively map the delivery of urban services to the poor in a large metro area. The project was led by Ms. Nithya Raman, Institute of Financial Management and Research (IFMR) and was titled, "Making Visible the Invisible City – Dynamics of a New Approach to Analysing Access of the Urban Poor to Basic Services."

The second research study (which is continuing into the second year of the HUDCO Chair Programme) is led by Prof. Meenu Tewari and examines how service delivery innovations are sustained over time. It has already analysed the Bangalore Water Supply and Sewerage Board's (BWSSB) programme on providing paid piped water connections to the urban poor.

Finally, a capacity building workshop was led by Professor Meenu Tewari in Surat on the issue of urban competitiveness and climate change adaptation. The workshop involved presentations and interactive discussion with municipal officers, planners, climate related non-profit organisations in Surat, among other stakeholders.

Barriers to Compliance and Compliance Cost of Direct Taxes in India

Project Leader: *Dr. Rajat Kathuria*

Research Team: *Dr. Arindam Dasgupta and Dr. Surajit Deb (External Consultants), Neetika Kaushal*

Commencement: November 2012

Expected date of completion: October 2013

Funded by: Directorate of Income Tax, Ministry of Finance, Government of India (Rs. 120.90 lakh)

India has one of the lowest tax-GDP ratios among emerging economies. Indian tax policymakers and administrators are faced with a major challenge of minimising tax base erosion to raise revenue. This objective must be achieved without increasing the cost of compliance for taxpayers. Complexity in tax procedures discourages tax compliance, resulting in increasing the tax gap and lower tax revenue. Such difficulties lead to high cost incidence for the taxpayer and any other party who is assessing and submitting tax returns on the taxpayer's behalf. The compliance cost of taxation is viewed as economically undesirable primarily due to the deadweight loss it imposes on society, regressive appeal and overall inefficiency. Since no research on the compliance cost of taxation has been conducted on a large scale, encompassing all categories of taxpayers in India, the study is novel and at the same time imperative for policy formulation. The study identifies the factors, (administrative procedures and discretionary provisions) that act as barriers to compliance and provide a measure of the cost of compliance with direct taxes for taxpayers in India. It focuses on individuals and businesses (small, medium and large) including domestic and foreign enterprises. For the purpose of the study, data will be obtained from a primary survey of 5000 stakeholders to be conducted across 12 cities and an empirical model will be built to estimate the measure of compliance cost.

Revisiting Special Economic Zones (SEZ): A Review and Evaluation of India's SEZ Policy

Project Leader: *Dr. Arpita Mukherjee*

Research Team: *Subhobrota Ray, Dr. Parthapratim Pal and Saubhik Deb (External Consultants), Debolina Mukherjee, Deboshree Ghosh and Deepti Mathur*

Commencement: May 2013

Expected date of completion: November 2013

Funded by: Department of Commerce, Government of India, and Export Promotion Council for EOUs and SEZs (Rs. 50.21 lakh)

India was one of the first Asian countries to recognise the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. The SEZ Act was introduced in 2005. Since then, this policy has been widely debated. Supporters of this policy argue that it would attract more foreign direct investment (FDI), lead to higher exports, generate economic activity and employment, etc., whereas the opponents highlight the problems, such as agricultural land acquisition, duty foregone, low FDI and growing trade deficit.

This study aims to: (i) examine the objectives laid down under the SEZ policy and how far these have been achieved; (ii) undertake a comparative analysis of incentives, concessions, exemptions etc; (iii) conduct a cost-benefit analysis of SEZs; (iv) understand the sectoral and regional patterns of the SEZ sector; (v) analyse the incentives provided under the Free Trade Agreements (FTAs) and their effect on the growth of businesses in SEZs; (vi) identify global

best practices in countries where SEZs have been successfully implemented and to understand if the incentives offered can be replicated in India; (vii) examine WTO compatibility of the SEZ schemes; and (viii) make policy recommendations to the Indian government. The study is based on primary and secondary data findings.

Subsidies Provided to the Services Sector in India

Project Leader: *Dr. Rupa Chanda*

Research Team: *Shravani Prakash and Sasidaran Gopalan (External Consultants)*

Commencement: May 2013

Expected date of completion: January 2014

Funded by: Ministry of Commerce & Industry, Government of India (Rs. 32.77 lakh)

Unlike the area of goods, the General Agreement on Trade in Services (GATS) so far does not contain any substantive discipline on subsidies with respect to trade in services. However, Article XV of the GATS recognises that subsidies may have distortive effects on trade in services. Consequently, members have made a commitment to enter into negotiations in order to develop the necessary multilateral discipline on subsidies to services. Although these negotiations commenced more than a decade ago, they have been inconclusive and have mainly focused on the working definition of subsidies and on information exchange. Overall, little progress has been made in understanding the nature of these subsidies and their likely impact on trade flows.

The purpose of this study is to examine the subsidies provided to services by selected developed and developing countries, namely US, Canada, UK, China and India. Three services will be chosen for each country. The objective will be to: (i) identify the various forms in which subsidies are granted; (ii) understand whether and how they may distort trade; (iii) give a comparative picture of subsidies provided to services across the selected countries; (iv) assess if India's trade interests are affected by subsidies provided to services in other countries; (v) assess if these subsidies are compatible with the countries' GATS commitments; and (vi) provide some directions for developing discipline in services subsidies.

The study will be based on secondary and primary research and will also involve two stakeholder consultations at defined stages of the project.

Stabilising Food Prices through Buffer Stocking and Trade Policies

Project Leader: *Professor Anwarul Hoda*

Research Team: *Shweta Saini*

Commencement: May 2013

Expected date of completion: May 2014

Funded by: Centre for Development Research (ZEF), University of Bonn, Germany (Rs.30.4 lakh)

This study, undertaken in cooperation with ZEF, will analyse the buffer-stocking policies in India, and make recommendations aimed at ensuring that the stocking operations are cost effective and achieve stabilisation and food security objectives. In the wake of the 2008 global food crisis, decisions on strategic buffer stocking of food grains have become a major issue, particularly for populous countries like India and China. Such decisions have cost and price repercussions at both intra-country and global levels. Countries view buffer stocks as a potential means to dampen short-term price volatility, while using most production enhancing policies to work only in the longer term. But public buffer stocking does not come free of cost and its operations can be marred by systemic inefficiencies. Therefore, there is a need to revisit not just the buffer stocking operations but also the policy itself.

This project involves modeling exercises to compute the fiscal costs of alternative stabilisation policy objectives that can be achieved through such buffer stocking operations. A key feature of this project is to construct and empirically test simulation models that incorporate the links between agricultural commodity prices, commodity storage, its trade options, and different price stabilisation policies in the short- and medium-term (1-3 years) context.

Impact of American Investment in India

Project Leader: *Dr. Saon Ray*

Research Team: *Smita Miglani and Neha Malik*

Commencement: December 2012

Expected date of completion: August 2013

Funded by: American Chambers of Commerce in India (Rs. 25.10 lakh)

The importance of trade and investment in India has grown following the opening of its economy. There are several ways in which investment can contribute to a country's growth i.e. through creation of high-quality jobs, transfer of technology and exports. The impact of FDI in a country depends on many factors including policies and institutions, the nature of the regulatory framework and the labour market as well as the quality of investment. The US is India's largest trade and investment partner and is engaged with India at various levels of economic cooperation. This study investigates the socio-economic impact of American investment in India, identifies the challenges faced by American investors and highlights future opportunities. The study uses both primary and secondary data as part of the analysis.

Measuring the Competitiveness of Indian Agriculture

Project Leader: *Dr. Pooja Sharma*

Research Team: *Manjeeta Singh*

Commencement: July 2013

Expected date of completion: July 2014

Funded by: Commission for Agricultural Costs and Prices, Ministry of Agriculture, Government of India (Rs. 24.67 lakh)

Today, while making its recommendation with respect to the minimum support prices (MSPs) of agricultural commodities, the Commission for Agricultural Costs and Prices (CACP) takes into account a range of factors, including the domestic terms of trade and cost of production of the commodities. However, it does not fully factor in prevailing world commodity prices. In recent years, the government has been able to raise the MSPs, partly on account of high world prices of these commodities. It is felt that eventually the CACP and the government will need to take into consideration, more systematically, India's competitive position in world markets while fixing the MSPs. Substantial and systematic differences in domestic and world reference prices or excessive unevenness in protection accorded to different agricultural products can have adverse economic impact. The coefficients of competitiveness and protection are considered very useful instruments for evaluating agricultural price policy by allowing analytically sound comparison of domestic and world prices for a given commodity. Improved measurement of the international competitiveness of Indian agriculture would enable the CACP and the government to make more informed policy and programmatic decisions, potentially allowing for a more balanced and improved allocation of domestic resources.

With this aim, the CACP has invited ICRIER to conduct a research study to measure and evaluate the competitiveness of a set of 12 agricultural commodities, out of a total of 24, for which the CACP presently announces MSPs periodically. The study will provide estimates of alternative measures of protection for the period 2000-01 to 2011-12. The study will be conducted in consultation and collaboration with the CACP.

Facilitating Investments between India and the European Union: The case of Bilateral Investments between India and Germany

Project Leader: *Dr. Arpita Mukherjee*

Research Team: *Tanu M. Goyal, Ramneet Goswami and Tincy Sara Solomon*

Commencement: January 2013

Expected date of completion: November 2013

Funded by: Konrad-Adenauer-Stiftung (KAS) (Rs. 20.00 lakh)

India and the EU are negotiating a Broad-based Trade and Investment Agreement (BTIA). Within the EU, Germany is an important investor for India and a key source country for technology transfer. A number of Indian companies have invested in Germany and some of these investments are linked to acquisition of technology. Recent policy measures in India and the economic slowdown in Germany have impacted investment flows. The BTIA is likely to affect the flow of investment and transfer of technology between India and Germany. Given this background, the study analyses the trends and patterns in bilateral investments between India and Germany and attempts to understand mutual opportunities and prospects for investment. The study also aims to identify the barriers to investment and examine the expectations of investors from the India-EU BTIA (currently being negotiated). The objective is to make policy recommendations to the Indian and German governments and suggest strategies for the BTIA and beyond to facilitate an increase in bilateral investment flows in the two markets. The study is based on a primary survey and secondary data analysis.

Linkage between Index of Industrial Production (IIP) Growth Rate and Export Growth Rate

Project Leader: *Dr. Deb Kusum Das*

Research Team: *Professor Bishwa Nath Goldar (External Consultant) and Amit Sadhukhan*

Commencement: March 2013

Expected date of completion: September 2013

Funded by: Ministry of Commerce & Industry, Government of India (Rs.17.90 lakh)

This study aims to analyse the observed volatility of the Index of Industrial Production (IIP) in relation to exports and vice-versa. The period of study is 2006-2012. In particular, it will examine the relation between the growth of IIP and the growth of exports in the Indian manufacturing sector at different disaggregative levels. This will be done using 397 IIP product items, which are utilised for constructing the IIP by the Central Statistical Organisation. The products which show a positive association with IIP growth and export growth are expected to have different policy implications than the products which show a negative association. The study, therefore, seeks to identify such products and proposes possible policies to address the issue.

The Indian Economy at the Crossroads

Project Leaders: *Dr. Rajat Kathuria and Dr. Saon Ray*

Research Team: *Dr. Deeparghya Mukherjee and Mansi Kedia*

Commencement: June 2013

Expected date of completion: December 2013

Funded by: Information Technology and Innovation Fund (ITIF) (Rs. 16.2 lakh)

Over the past few decades, the literature on economics has documented the impact of India's liberalisation policies (since 1991) on its robust economic growth. Emphasis was placed on free markets and open and non-discriminatory trade. As the race for innovation and technology-based economic growth has intensified, countries are increasingly

turning to protectionist measures often termed, “innovation mercantilism”, such as forcing technology or intellectual property transfer as a condition of market access, erecting trade barriers, and manipulating standards, preventing foreign competitors from gaining advantage.

This study, jointly conducted by ITIF and ICRIER, will attempt to validate the concerns raised by foreign countries and provide arguments for and against India’s choice of policy instruments to achieve strong and sustained economic growth in the future. The study will focus on ICT, biotechnology and pharmaceuticals, and iron and steel industries – three sectors which potentially face the maximum barriers to free trade and investment in the country.

The research will be based on analysis of trade data in each of these sectors, and primary data collected during stakeholders’ consultations. Recommendations based on the research findings will provide a vision for the future, outlining India’s domestic and international policy stance.

An Inquiry into the Impact of India’s “App Economy”

Project Leader: *Dr. Rajat Kathuria*

Research Team: *Dr. Sahana Roy Chowdhury and Mansi Kedia*

Commencement: July 2013

Expected date of completion: December 2013

Funded by: Internet and Mobile Association of India (Rs.10.46 lakh)

Mobile applications have created a new trend in content creation and dissemination on mobile platforms. Lightweight and function-specific applications, more popularly known as “Apps”, are driving consumption in this industry, and will only increase as newer devices are introduced in the market. The ecosystem around applications in India has been evolving rapidly over the last few years, and has resulted in the emergence of new business models.

The aim of this study is to capture and analyse the entire value chain of the App economy in India, including importantly its impact on growth and employment. The study will attempt to provide an estimate of people engaged in application development and its supporting ecosystem.

The research will be based on both primary and secondary data analysis. The primary data collection will be conducted in several rounds for application developers, platform developers, and subsequently for application publishers, such as device manufacturers and service providers. The findings will help provide policy recommendations on the constraints to improving the ecosystem around applications supported on smart phones and tablets in India.

Estimating Domestic and Foreign Value added in Indian Export

Project Leader: *Dr. Deb Kusum Das*

Research Team: *Sreerupa Sengupta*

Commencement: July 2013

Expected date of completion: October 2013

Funded by: Ministry of Finance, Government of India (Rs. 8.75 lakh)

The increasing importance of vertical specialisation trade has been a notable feature of rapid economic globalisation and regional integration. In an attempt to analyse the depth of participation in global production chains, the study will provide an accounting framework for decomposing Indian exports into value added components by source. The study funded by the Ministry of Finance aims to estimate the shares of domestic and foreign value added in Indian exports

at a detailed product level. This quantitative assessment will be done by combining information from trade statistics with input-output transaction tables. The study will generate a disaggregated sector database on value added trade and also analyse how the export value added decomposition may affect issues in international trade and open-economy macroeconomics.

Impacts of Taxes on Commodity Derivatives Transactions

Project Leader: *Dr. Saon Ray*

Research Team: *Neha Malik*

Commencement: November 2012

Expected date of completion: August 2013

Funded by: Multi-Commodity Exchange of India Ltd. (Rs. 6.40 lakh)

Commodity futures in India were introduced with the dual purpose of promoting price discovery and enhancing risk management in the commodities market. This study examines the rationale behind a Commodities Transaction Tax (CTT) introduced in the Indian Union Budget 2013-14. It also examines the proposition that such taxes generate additional revenue by analysing the effect of CTT on the total volume traded as well as the overall efficiency of the commodity market. For this purpose, the study probes theoretical arguments as well as available empirical evidence in the context of financial transaction taxes.

Estimates of Productivity: KLEMS Project

Project Leader: *Dr. Deb Kusum Das*

Research Team¹: *Dr. Suresh Aggarwal and Dr. Abdul Azeez Erumban (External Consultants), Sreerupa Sengupta and Pilu Chandra Das*

Commencement: September 2009

Expected date of completion: December 2013

Funded by: Reserve Bank of India (Rs. 174.00 lakh)

The India-KLEMS Project is a part of the World KLEMS initiative, which uses the KLEMS framework for measuring productivity and is currently being undertaken by many developing economies of Asia and Latin America.

This project attempts to construct an internationally comparable dataset on the Indian economy for the period 1980-81 to 2009-10 for productivity measurement at a disaggregated industry-level covering the entire economy. Time series data on gross output, gross value added, capital, labour and intermediate inputs (energy, material and services) for a disaggregated internationally comparable industrial classification have been constructed. The project generates an industry-level productivity database, consistent with official national accounts and input-output transaction tables.

Two of the three phases of the study have been completed, namely: (i) construction of productivity estimates for 26 subsectors comprising the Indian economy using the value added approach (phase-1); and (ii) gross output approach (phase-2), respectively.

¹ The project work is being carried out under the guidance of the Advisory Committee chaired by Professor K. L. Krishna and research adviser, Professor B. N. Goldar.

Completed Projects (4)

Non-Alcoholic Beverages Sector in India: Constraints and Prospects

Project Leader: *Dr. Arpita Mukherjee*

Research Team: *Debolina Mukherjee, Deboshree Ghosh and Divya Satija*

Commencement: June 2012

Completion: February 2013

Funded by: Indian Beverage Association (Rs. 30.20 lakh)

The non-alcoholic beverages sector is a key constraint in the food processing industry. It is a labour-intensive sector with strong backward and forward linkages. The objective of the study is to: (i) analyse the contribution of this industry to GDP, exports, investment and employment generation; (ii) identify the key growth drivers; (iii) analyse the barriers to the growth of the sector; and (iv) make policy recommendations to improve the productivity and competitiveness of the sector and develop India as a food processing hub. Based on secondary data and a primary survey of around 500 stakeholders, the results show that India has the advantage of a large market, rich raw material base and supply of a skilled workforce. However, the country has not been successful in developing an agro-processing hub due to various barriers, such as lack of raw materials of processible quality, infrastructure bottlenecks, high and multiple regulation and lack of coordination between different regulatory bodies, among others. The study prioritises the reforms which, if implemented, will reduce agricultural wastage, enable the food processing sector to grow and create employment opportunities. The study's findings will be published in the form of a book.

Study on Petrochemical Feedstock

Project Leader: *Dr. Saon Ray*

Research Team: *Amrita Goldar, Swati Saluja and Gautam Mohan*

Commencement: November 2011

Completion: August 2012

Funded by: Chemicals and Petrochemicals Manufacturers' Association (CPMA) (Rs. 40.00 lakh)

This study examined the hydrocarbon feedstock scenario for petrochemicals in India in terms of availability, pricing, regulatory and fiscal issues. The products of the industry are the building blocks in many industries including polymers, synthetic rubber, synthetic fibres, fibre intermediates and basic chemicals. The study examined the feedstock scenario in the neighbouring region and assessed the competitive position of Indian petrochemical producers vis-à-vis producers in these countries. Based on secondary data and stakeholders' consultations, the research identified the future challenges to growth of the sector in India and made policy suggestions to strengthen India's competitive position. The study found that feedstock costs were key determinants of the cost competitiveness of the petrochemical sector. India's predominantly naphtha-based industrial structure is susceptible to risks emanating from high international prices, but the possibility of producing a wide-ranging product and by-product basket offsets this to an extent. This was analysed through a per unit production cost estimation and comparison of ethylene cracking for naphtha and natural gas. The study also noted that India has one of the highest levels of indirect tax incidence on raw materials for petrochemicals compared to many developing and developed countries. The Indian import duty structure provides for no incremental tariff protection between key petrochemical inputs and their end-products (building blocks) or for products such as polymers of downstream industries. There is also an urgent need to correct the duality in the fiscal structure across the petrochemical value chain for India to emerge as a globally attractive location for investment in the petrochemicals sector.

Advancements in Tax Administration: Lessons and Experiences of the UK, Brazil and India

Project Leader: Dr. Parthasarathi Shome

Research Team: Gautam Ray, Rajiva Ranjan Singh and Neetika Kaushal

Commencement: November 2011

Completion: July 2013

Funded by: Prosperity Fund, UK (Rs. 101.00 lakh)

The revenue authorities, in their effort to close the tax gap, often resort to non-competitive tax policies to deal with the non-compliant attitude of businesses. It is imperative to know whether such practices are successful in meeting their objectives. There exists a huge gap in the Indian tax administration that results in not only increased compliance cost of taxpayers but also a higher administrative burden for the tax department. Many developed countries have adopted best practices to improve their capacity on formulation of the tax administration policy. This project attempts to examine the methods adopted by global revenue authorities to increase the efficiency of their tax administrations and suggest lessons that our tax administration can learn from the experience of these countries. The study aims to analyse international best practices followed by both developed economies like the UK, Canada and Australia and emerging economies like Brazil. Another objective of the project is to create a platform for meaningful engagement between taxpayers and tax administrators. This objective was attained through an intensive dialogue process held across five metros (Bengaluru, Chennai, Kolkata, Mumbai and New Delhi) that brought together tax administrators, tax practitioners, private businesses, and tax advisers. On the basis of the issues highlighted in the discussions, six themes shortlisted for the study included information technology to facilitate taxpayer services, data warehousing and analysis, reforming the audit selection and dispute resolution procedure. Eleven papers on these themes were written by former and present tax officials, tax practitioners and academicians. The papers were published in a book titled *Indian Tax Administration: A Dialogue* edited by Dr. Parthasarathi Shome and published by Orient Blackswan. The book was launched by Dr. Bimal Jalan at the conference on “Tax Administration: A Dialogue” held on June 24-25, 2013 in New Delhi to disseminate the findings of the study.

A Study of India's Investment Environment, Major FDI Inflows, and Suggestions for Taiwan's Businessmen

Project Leader: Dr. Rajat Kathuria

Research Team: Mansi Kedia

Commencement: May 2012

Completion: May 2013

Funded by: Taipei Economic and Cultural Centre in India (Rs. 40.25 lakh)

As a part of its Look East Policy, India is trying to increase economic engagement with its East Asian neighbours. Taiwan, one of the leading economies of East Asia, is an important and integral part of the global economy. India's strategic ties with Taiwan in trade and investment will help support its growth and development agenda. Unfortunately, current FDI inflows from Taiwan to India are abysmally low. This study analysed the potential to develop a mutually beneficial relationship addressing the growth imperatives of both countries. The study examined the investment climate in India with respect to Taiwanese business, focusing on select sectors and states. The sectors included ICT, machine tools, retail, transport and logistics, auto and auto components, and food processing. The selected states were Tamil Nadu, Gujarat, Karnataka, Maharashtra, West Bengal, and the National Capital Region (Delhi, Gurgaon, and Noida). Primary and secondary data analysis established the tremendous potential for collaboration between the two countries beyond the sectors and states identified. The process to promote increased collaboration is already underway with representatives from both countries signing agreements to facilitate increased FDI. However, barriers

to investment continue to exist and India must expedite the process of domestic reforms to create an attractive environment for Taiwanese investors. Additionally, the study has made specific recommendations for industry associations and businesses at the micro level.

4. Regional Economic Cooperation with Focus on South Asia

Ongoing Projects (2)

Strengthening Research and Promoting Multi-Level Dialogue for Trade Normalisation between India and Pakistan

Project Leader: *Dr. Nisha Taneja*

Research Team: *Dr. Sanjib Pohit, Dr. Vaqar Ahmed, Saad Rajput, Dr. Rupa Chanda, Abid Q. Suleri, Muhammed Adnan, Kiran Javaid, Farah Shahid, Dr. Hadia Majid and Nadia Mukhtar (External Consultants), Dr. Saon Ray, Sanjana Joshi, Akanksha Awal, Mishita Mehra, Prithvijit Mukherjee, Samridhi Bimal, Isha Dayal, Radhika Saini, Palakh Jain and Shravani Prakash*

Commencement: August 2012

Expected date of completion: March 2015

Funded by: UK Government Agencies (Rs. 624.00 lakh)

India and Pakistan are in the process of normalising their trade relations. This will not only unleash trade potential but will also open up opportunities for investment and joint ventures. In keeping with the overall aim of improving trade and investment relations between India and Pakistan, the project's endeavour is to: (i) catalyse and inform a more participatory policy debate through targeted and practical research; and (ii) foster multi-level dialogue platforms for interface among policymakers, business persons and academics.

The project's research studies are being conducted in collaboration with the Lahore University of Management Studies (LUMS) and the Sustainable Development Policy Institute (SDPI), Islamabad. ICRIER has signed MOUs on research collaboration with both these institutions. In addition, a quarterly newsletter is being brought out containing short policy-oriented analytical contributions by well-known experts on themes relating to India-Pakistan trade normalisation. Two issues of the newsletter were published this year. With the aim of widely disseminating the findings of the research and to provide regular updates on the various activities, the project has launched a web portal www.indiapakistantrade.org linked to the ICRIER website.

The findings of the research studies as well as the trade perception survey were presented at the project's first annual conference in March 2013. A conference volume is being published. Brief summaries of the studies presented at the conference are as follows.

i. Normalising India-Pakistan Trade

Dr. Nisha Taneja, Mishita Mehra, Prithvijit Mukherjee, Samridhi Bimal and Isha Dayal

With the trade normalisation process between India and Pakistan gathering momentum since November 2011, new opportunities for enhancing bilateral trade have opened up between the two countries. This study estimates the trade potential between India and Pakistan, and examines how this potential can be realised. Using the Trade Possibility Approach for all items traded, followed by selecting only those items in which the countries have a Revealed Comparative

Advantage (RCA) to export, the trade potential between India and Pakistan is estimated to lie between US\$10.9 billion and US\$19.8 billion. The study finds that this trade potential remains unrealised largely due to impediments in transport and transit facilities, restrictive visa regime, continuation of large informal trade flows, and presence of ‘perceived’ non-tariff barriers to trade between India and Pakistan.

ii. Informal Flow of Merchandise from India: A Case for Pakistan

Dr. Vaqar Ahmad and Saad Rajput

The restrictive trading environment has for several decades encouraged informal trade flows between India and Pakistan. The study prepares estimates of the magnitude of informal trade flows from India to Pakistan. It is based on a primary survey in several markets across key Pakistani cities, including Lahore, Karachi, Peshawar, Rawalpindi and Bahawalpur. The results of the survey indicate that the current annual inflow of informally traded commodities from India to Pakistan is US\$4.2 billion. The study also identifies the key Indian goods that are imported informally into Pakistan, namely textiles, pharmaceuticals, tobacco, automobiles, herbs and spices, cosmetics, jewellery, fruits and vegetables.

iii. Trade Perception Survey

Dr. Sanjib Pohit, Dr. Nisha Taneja, Mishita Mehra and Prithvijit Mukherjee

A trade perception survey was conducted for the first time across several cities in India and Pakistan. The study presents the statistical results of several hypotheses related to aspects of trade and business environments, such as level of awareness, market access, infrastructure and customs facilitation. The survey also presents results of the perceptions of traders about the expected changes in these parameters. The survey will be repeated next year.

iv. Quantifying the Gains from India-Pakistan Trade Integration: A CGE Modeling Approach

Dr. Sanjib Pohit and Radhika Saini

This paper analyses the welfare effects of bilateral trade liberalisation between India and Pakistan. Using a Computable General Equilibrium (CGE) model, this paper estimates the potential benefit to India and Pakistan under various simulations of trade liberalisation. The research shows that there are avenues for significant mutual gain and that the benefits extend not only to India and Pakistan, but also to other South Asian economies. However, the analysis also shows that the realisation of these benefits depends crucially on productivity gains in the modes of transportation services between India and Pakistan.

v. Trade in Services between India and Pakistan

Dr. Rupa Chanda

This paper rests on the premise that improved trade relations in services between the two countries will not only help diversify the trade basket and build confidence through the mobility of people, but will also create synergies for merchandise trade through cooperation. The study does the following: (i) investigates the current trends in the services sectors of both economies; (ii) analyses bilateral trade and its subsectoral components; (iii) identifies avenues where there is potential for further trade; and (iv) makes recommendations to remove the current constraints to trade in services. The paper lays special emphasis on trade possibilities in the health, IT and BPO as well as the tourism sectors. Overall, the study concludes that it would be useful for India and Pakistan to begin by liberalising the more contentious

service sectors, such as tourism and IT and then use an incremental, phased and prioritised approach for the remaining sectoral coverage.

vi. FDI in India: Prospects for Pakistan

Dr. Vaqar Ahmed, Abid Q. Suleri and Muhammed Adnan

The study aims to highlight Pakistan's investment opportunities in India. A consultation was undertaken with the business community in Pakistan (engaged in outward investment in sectors such as leather, sports, surgical equipment, engineering, auto, education, textile and steel), to ascertain their interest to invest in these sectors in India. The study also discusses the concerns of Pakistani investors and their preparedness to benefit from this opportunity.

vii. Foreign Direct Investment in Pakistan: Prospects for India

Palakh Jain

This study does the following: (i) examines the possibilities of flow of investment from India to Pakistan; (ii) analyses the recent changes in the policy environment and identifies possible barriers that investors envisage; (iii) identifies sectors in Pakistan in which there is potential for Indian investors; and (iv) makes suggestions for possible measures that can be undertaken to increase Indian investment in Pakistan.

viii. India-Pakistan Bilateral Trade in the Sports Goods Sector

Kiran Javaid and Farah Shahid

Examining the sports goods sectors in India and Pakistan, this study finds that bilateral trade in the sports goods industry has been increasing, with India's exports to Pakistan being greater than those of Pakistan's to India. The paper also identifies commodities in the sports sector for which India and Pakistan have comparative advantage and recommends trade between the two countries in these goods. Further analysis is then conducted using a gravity model, which indicates that trade remains far below the potential and is influenced by factors such as GDP, transportation costs, contiguity and historical integration.

ix. Trade between India and Pakistan in Textiles

Dr. Saon Ray, Mishita Mehra and Prithvijit Mukherjee

This study analyses the trade in textiles and clothing between India and Pakistan, which accounts for 22 percent of the total trade between the countries. The majority of this trade takes place in textiles, especially cotton, owing to large cotton production in both India and Pakistan. The paper examines the current trends of trade in cotton and other textiles, transit routes for this trade as well as the regional distribution of production in India and Pakistan. The study finds that there are several products in which India and Pakistan each have comparative advantage, but these are not being traded. The total potential for trade in textiles between the two countries remains untapped, and stands at approximately five times the current value of exports.

x. India-Pakistan Trade: An Analysis of the Health Sector

Hadia Majid and Nadia Mukhtar

This study examines the synergies between the health sectors in India and Pakistan, focusing chiefly on pharmaceutical products, medical equipment, surgical instruments and health services. The authors find that Pakistan imports those commodities in the health sector from other countries that also constitute India's exports to the world, indicating opportunities for trade between the economies. Trends in the trade and production of goods and services in the health sector have been examined; and the study finds that Pakistan could benefit from India's high-quality medical treatment and personnel, while India could gain from imports of surgical and pharmaceutical goods from Pakistan.

xi. Enhancing India-Pakistan Trade and Connectivity within the South Asian Context

Shravani Prakash

The South Asian Free Trade Agreement (SAFTA) members can draw lessons from the physical connectivity, trade and transit facilitation measures as well facilitative government structures in regional arrangements, such as the Association of Southeast Asian Nations (ASEAN) and Greater Mekong Subregion (GMS). The study recommends that South Asian countries should open trade and transport routes across each other's territories – particularly by using Myanmar, Pakistan and Afghanistan as land bridges. It also suggests the revival of a regional overland road link between Kabul and Yangon via Dhaka for the facilitation of trade in the region.

Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration

Project Leader: *Professor Anwarul Hoda*

Research Team: *Dr. Rajat Kathuria, Dr. Arpita Mukherjee, Professor Meenu Tewari, Durgesh Kumar Rai, Manjeeta Singh, Mansi Kedia and Tanu M. Goyal*

Commencement Date: August 2012

Expected date of completion: October 2013

Funded by: Asian Development Bank (Rs. 97.30 lakh)

Over the past two decades, there has been a growing momentum for closer regional cooperation and integration (RCI) among South and East Asian economies. Recent developments in the global economy have accelerated the push for and pace of RCI between the two sub-regions. Market-led as well as bilateral and regional initiatives are expected to strengthen cooperation among the two sub-regions. This research project seeks to provide comprehensive and high-quality research on the scope for and implications of RCI between South and East Asia.

The project consists of four studies: (a) Production networks and barriers to trade and investment in India; (b) Potential for involving India in regional production networks; (c) Mapping the future of high value manufacturing (HVM) in India; and (d) Integrating South and East Asia – the case of liberalising services under the India-Thailand CECA. All the studies involve both desk work and field surveys and interviews.

The first draft of the report has been submitted and the findings of the studies are proposed to be discussed at an ADB workshop in Manila after which the report will be finalised.

Completed Projects (3)

Strengthening the Textile and Clothing Sector in South Asia

Project Leaders: *Dr. Nisha Taneja and Dr. Saon Ray*

Research Team: *Dr. Saman Kalegama, Dr. Safdar Sohail, Dr. Khondaker Moazzem and Paras Kharel*
(External Consultants), *Prithvijit Mukherjee and Mishita Mehra*

Commencement: October 2011

Completion: March 2013

Funded by: Asian Development Bank (Rs.55.00 lakh)

With the abolition of the Multifibre Agreement (MFA) in 2005, exporting countries were forced to become more competitive as they no longer had assured markets. Each South Asian country adopted strategies to cope with the changed scenario.

The central question that the study addresses relates to the firm-level strategies adopted in upgrading the value chain by the textile and clothing sector in South Asian countries. It also examines whether firm-level capabilities built through global value chains are now being transferred to regional networks. This study has been undertaken in five South Asian countries: Bangladesh, India, Nepal, Pakistan and Sri Lanka. ICRIER was the nodal agency coordinating the study in the five countries.

The study on the Bangladesh readymade garments (RMG) sector shows that the competitiveness of the sector has increased since the phasing out of the Multifibre Agreements (MFA) in 2005. The changes in process upgradation have been due to adoption of better machinery, while product upgradation has been due to product varieties in design and the use of better fabrics. The regional value chain emerging between Bangladesh and India is at an early stage. The study on India points to the evidence of product, process and even functional upgrading in the Indian RMG firms. Process upgrading has occurred mainly due to the introduction of new production machinery, and product upgrading has taken place through reduction in reworking rates. Indian firms are selling products in the Middle East under their own brands. Upgrading is limited in smaller firms that cater largely to the domestic market. There is evidence of the emergence of a regional chain through production linkages with Bangladesh. The Nepal study reported a decline in exports from Nepal. Most of the firms surveyed revealed that they were involved in the design of their exports and they could select the raw materials required. This was mostly true of the products exported to the EU but not the US. The Pakistan study examined the textile and clothing sector and noted that 70 percent of the fabric used was cotton. The study observed some process upgrading as the average order size has increased, while the order cycle has reduced. Improved process management and new processes and technology contributed significantly to this reduction in manufacturing time. The Sri Lankan study notes that post-MFA, the garment industry moved up the value chain as firms engaged in independent marketing, the use of brands, product design and development, and promoting organic and fair trade garments. The forward linkages in value chain development with regard to South Asia have been minimal, though Sri Lanka is sourcing inputs from India and Pakistan in the region.

Enhancing Bilateral Trade, Investment and Collaboration in Services: India and the European Union

Project Leader: *Dr. Arpita Mukherjee*

Research Team: *Tanu M. Goyal, Divya Satija, Ramneet Goswami and Smita Miglani*

Commencement: January 2012

Completion: December 2012

Funded by: Konrad-Adenauer-Stiftung (Rs. 20.00 lakh)

India and the EU are negotiating a comprehensive bilateral Free Trade Agreement (FTA), known as the India-EU Broad-based Trade and Investment Agreement (BTIA). This study examined the scope for enhancing trade, investment and collaboration in services between India and the EU. The study was based on primary survey and secondary information analysis and focused on selected sectors of interest to India and EU member states, namely logistics, energy, IT and IT-enabled services (ITeS), retail, and professional services. Within each sector it analysed the trade potential, investment and collaboration, studied the pattern of bilateral trade flows and identified the areas of future cooperation in addressing the barriers faced in each other's markets. The findings of the study are being published in the form of a book.

Joint Feasibility Study on Enhancing Trade, Investment and Cooperation between India and Taiwan

Project Coordinator: *Dr. Arpita Mukherjee*

Research Team: *Dr. Rajat Kathuria, Divya Satija, Durgesh Kumar Rai, Mansi Kedia, Dr. Parthapratim Pal (External Consultant), Smita Miglani, and Tanu M. Goyal*

Commencement: August 2011

Completion: January 2013

Funded by: Ministry of External Affairs, Government of India (Rs. 20.00 lakh)

This joint research project by ICRIER and Chung Hua Institute of Economic Research (CIER) examined the feasibility of an India-Taiwan Comprehensive Economic Agreement. The study, based on secondary information analysis and a primary survey, found that India and Taiwan exhibit strong complementarities in investment and there is scope for enhancing cooperation in a number of sectors, such as ICT and food processing. If the two countries enter into a bilateral trade agreement, the gains are more likely to be in favour of Taiwan for trade in goods. The study highlighted that unless India implements domestic reforms, it is unlikely to benefit from trade agreements. India should evaluate the impact of its trade agreements and examine how its relationship with Taiwan fits into the overall framework of its policy related to East Asia and trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP).

5. WTO Related Issues

Ongoing Projects (2)

WTO and Trade Policy

Project Leader: *Professor Anwarul Hoda*

Research Team: *Pritha Banerjee*

Commencement: August 2009

Expected date of completion: Ongoing

The Trade Policy and World Trade Organization (WTO) research and capacity building project was developed to enhance trade policy and WTO research at ICRIER and to provide Indian policymakers a deeper understanding on how to take forward India's interests in the multilateral trading system. The principal objectives of the research programme were to: (i) engage in policy-oriented research; (ii) assist the Ministry of Commerce & Industry in policy making; (iii) constructively engage with stakeholders at regular intervals; (iv) organise stakeholder meetings to elicit suggestions on the possibilities of and opportunities for agreement in multilateral trade negotiations; and (v) help India to effectively participate in the reform of the global governance and trade agenda.

During the year, the main work undertaken was a study of India's agricultural trade policy from the perspective of the WTO obligations and sustainable development, jointly with the International Centre for Trade and Sustainable Development (ICTSD), Geneva. Professor Anwarul Hoda and Dr. Ashok Gulati, Chairman of the CACP, co-authored the paper, "India's Agricultural Trade Policy and Sustainable Development Goals."

Dissemination activities include the publication of a quarterly, *Trade Policy and WTO Newsletter*, which reviews critical developments in trade and investment policies in the national, regional and multilateral spheres, besides featuring articles on selected subjects relevant to trade policy (the publication was suspended during the last six months but is proposed to resume from the third quarter of 2013).

Issues and Challenges in Food Security for India and the Role of Trade

Project Leader: *Dr. Pooja Sharma*

Research Team: *Deepti Sethi (External Consultant) and Uttara Balakrishnan*

Commencement: July 2012

Expected date of completion: August 2013

Funded by: Department of Commerce, Ministry of Commerce & Industry, Government of India (Rs. 28.40 lakh)

The issue of food security has come to the forefront owing to rising food prices and overall food price volatility in recent years. It is also on the agenda of the G20, and is being discussed at various forums including the WTO. The term "food security" finds mention in the WTO Agreement on Agriculture (AoA) and also in the revised agriculture negotiations text (TN/AG/W/4/Rev.4 dated 6 December 2008) being discussed under the ongoing Doha Round of trade negotiations in the WTO.

This study aims to develop a comprehensive understanding of the numerous dimensions of the subject - legal, political and economic from India's perspective, so as to ensure a holistic, integrated, and effective response at the national and global levels. In this regard, the study attempts a detailed analysis of the different aspects of food security from a trade

perspective. It further addresses the issues and challenges related to food security in the context of the existing trade rules (related to the subject) as well as the modalities being discussed in the ongoing Doha Round negotiations.

Completed Project (1)

Analysis of the Use of Export Restrictions (including Export Taxes) by Selected Countries

Project Leader: *Professor Anwarul Hoda*

Research Team: *Shravani Prakash (External Consultant)*

Commencement: July 2012

Completion: January 2013

Funded by: Ministry of Commerce & Industry, Government of India (Rs. 12.50 lakh)

Rising international commodity prices and the worldwide scarcity of basic foodstuffs since 2008 prompted the widespread use of export restrictions, particularly by developing countries. In this context, it was proposed in the G20 as well as in the WTO that the ability of governments to put export restrictions on foodstuffs should be curtailed. Similar concerns arose with regard to the ability of the WTO members to put export restrictions on non-renewable natural resources to the detriment of the interests of importing countries. There are specific rules in the WTO relating to export restrictions on foodstuffs and natural resources. The idea of the proponents was to make adjustments in these rules so as to make it more difficult for governments to impose such export restricting measures.

With this background, the study analysed worldwide trends and the impact of export restrictions imposed over the last ten years. An inventory of export restrictions on foodstuffs, industrial raw materials and natural resources, applied by the top 30 WTO members, was compiled. The data was analysed to highlight the trends in export restrictions with respect to natural resources and foodstuffs. Further, a comparison was made between developing and developed countries with regard to the adoption of such methods in order to understand the underlying reasons. The impact of these export restrictions on domestic and world prices of foodstuffs was analysed, based on a quantitative and qualitative examination of selected case studies. The study included a literature review of the methodology of the studies that examined the causes of volatility in food prices, such as export restrictions. On the basis of projections of the import requirement of natural resources and an assessment of the need to use export restrictions on essential foodstuffs in future, the study made recommendations regarding India's stand on export restrictions in future discussions in international forums.

The report, which was submitted in January 2013, was accepted by the Ministry of Commerce & Industry, Government of India.

6. Strategic Aspects of India's International Economic Relations

Ongoing Projects (2)

ICRIER-Wadhvani Chair in India-US Policy Studies

Project Leader: *Ambassador Hemant Krishan Singh*

Research Team: *Sanjay Pulipaka and Aman Raj Khanna*

Commencement: September 2011

Expected date of completion: August 2014

Funded by: Wadhvani Foundation (Rs. 150.00 lakh)

This research programme is designed to promote the strategic potential of India-US relations and accelerate India's economic development with the following overarching objectives: (i) increase awareness in the US of the Indian perspective on the bilateral agenda of the two nations; (ii) provide an independent platform for public policy discussion and formulation to support the India-US Strategic Partnership; and (iii) advance India's emergence as a major economy and a strong pillar of the international community in the 21st century.

In pursuit of these objectives, the programme conducts research activities in three broad areas: (i) Economic Acceleration (trade and investment, energy); (ii) Defence and Security; and (iii) Regional and Global Cooperation (broadening Indo-Pacific convergence, building understanding on regional issues).

The programme outputs include: (i) regular policy briefs and research papers; (ii) working group meetings, seminars and international conferences; and (iii) policy reports on key identified issues. The ICRIER-Wadhvani Chair is undertaking research projects in areas that can unlock the potential of India-US trade and investment ties. In partnership with its counterpart, the CSIS Wadhvani Chair in Washington DC, it seeks to create a policy climate that benefits the long-term interests of both.

Strategic Aspects of India's International Economic Relations: US-India Private Sector Advisory Group

Project Leader: *Professor Anwarul Hoda*

Research Team: *Dr. Pawan Agarwal (External Consultant), Pritha Banerjee and Ranjana Khare*

Commencement: 2007

Expected date of completion: Ongoing

Funded by: Department of Commerce, Ministry of Commerce & Industry, Government of India (Rs. 30.00 lakh)

The US-India Private Sector Advisory Group (PSAG) was set up in 2007 as an adjunct to the ministerial level India-US Trade Policy Forum by the Government of India and the Government of the United States. The objective of the PSAG is to provide strategic recommendations and policy insights that generate new initiatives to assist the Trade Policy Forum to strengthen and expand bilateral US-India trade and investment. ICRIER functions as the secretariat. The PSAG Co-Chairs are Dr. Isher Judge Ahluwalia (ICRIER) and Dr. Fred Bergsten (Peterson Institute for International Economics). The other members of the group from India include important representatives of the Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), National Association of Software and Services Companies (NASSCOM), Apollo Hospitals, and the National Manufacturing Competitiveness Council (NMCC).

The Trade Policy Forum and the PSAG were active during 2010 and 2011. Three papers were prepared at ICRIER, namely: (i) “Logistics Services in India: Issues and Strategies”; (ii) “Private Sector Participation in Urban Infrastructure: Challenges and Opportunities”; and (iii) “Proposal of the Private Sector Advisory Group for a US-India Technology Trade Agreement.” Based on these papers, a joint report of the Indo-US PSAG was prepared and presented to the Minister of Commerce and Industry, Government of India and to the US Trade Representative in 2011.

Under this project, two meetings of PSAG (India) were held in 2012. In the first meeting, two papers prepared by ICRIER under the PSAG programme were discussed and cleared. These included: (i) “Issues in India’s Education Sector in the light of India-US Economic Relations”; and (ii) “Prospects for India-US Cooperation and Trade in the Agricultural Sector.”

A closed door meeting was held in January 2013, with invitees who were not members of the PSAG, to discuss the long-term strategy for strengthening Indo-US economic relations. For the meeting, ICRIER prepared a consolidated note based on papers prepared by ICRIER, NASSCOM and CII, which later formed the basis of discussions in the closed door meeting of PSAG (India).

Completed Project (1)

ICRIER-SPF Japan Project: Phase II

Project Leader: *Ms. Sanjana Joshi*

Research Team: *Dr. Biswajit Nag, Dr. Pinaki Dasgupta and Dr. Rajeev Anantaram (External Consultants), Isha Dayal*

Commencement: April 2012

Completion: March 2013

Funded by: Sasakawa Peace Foundation, (Rs. 50.00 lakh)

The Japan Project at ICRIER, established in 2007 with the support of the Sasakawa Peace Foundation (SPF), Tokyo, completed Phase II. The objective was to promote the Japan Project at ICRIER as a pivot for research initiatives and studies on Japan and Indo-Japanese ties.

Mr. Naoki Oka, Senior Adviser, National Tax Administration (Japan) was a visiting fellow at ICRIER during March 18-29, 2013. His research theme was “Cross-border flows of investments and dispute resolution and prevention in tax matters: Comparative study of India and Japan and lessons for the future.” The comparative study focused on: (i) measures to counteract base erosion and profit shifting arrangements; and (ii) Indian and Japanese measures to resolve and prevent tax disputes, with the intention of drawing some lessons for improvements.

In 2013, two studies were undertaken. The first study titled, “India-Japan CEPA: Firm Specific Collaboration and Strategic Options” was conducted by Dr. Biswajit Nag and Dr. Pinaki Dasgupta, Associate Professors, Indian Institute of Foreign Trade (IIFT). This study tries to gauge the advantages of the India-Japan Comprehensive Economic Partnership Agreement (CEPA) and identify sectors wherein the benefits of trading with Japan lie. Considering that the CEPA encompasses trade in goods, services and FDI, the study also tries to suggest the way forward for Japanese investments in India.

The second study titled, “Prospects for Japanese Investment in the White Goods Sector in India” was undertaken by Dr. Rajeev Anantaram, Professor, International Management Institute (IMI). This study suggests measures that must be undertaken by Japanese firms in order to gain market share in the electronic goods industry in India and “make-up for their lost time” as latecomers. This is pertinent considering that they face competition from various Korean firms, which have a first mover advantage in the white goods sector in India.

7. Environment and Climate Change

Ongoing Projects (2)

Climate Change and the Economic Competitiveness of Cities: Making the Business Case for Adaptation

Project Leader: *Professor Meenu Tewari*

Research Team: *Dr. Saon Ray, Dr. Sahana Roy Chowdhury, Dr. Indro Ray, Dr. Anant Sudarshan (External Consultant), Amrita Goldar, Vidhya Unnikrishnan and Zeba Aziz*

Commencement: November 2012

Expected date of completion: October 2014

Funded by: Rockefeller Foundation (Rs.185.00 lakh)

This study deals with two pressing challenges of the 21st century: (i) urbanisation; and (ii) the urgent need for cities to adapt to the risks of climate change. The aim of the study is to understand the conditions that can foster climate resilient and inclusive urban growth. It uses mixed methods to gain policy driven insights on how cities adapt to climate risks based on a comparative case analysis of four rapidly growing secondary cities in India: Surat, Kochi, Pune and Ludhiana.

The study specifically hopes to make a “business case” for motivating greater public and private investment in securing the economic competitiveness of cities in the face of climate risks.

During the first year of the research, the study concentrated on Surat. Based on field visits, data analysis, and an interactive workshop with municipal and other city officials, a set of papers on Surat’s adaptation and resilience strategies are being prepared.

Assessment and Implications of Rationalising Fossil-Fuel Subsidies in India

Project Leader: *Ms. Amrita Goldar*

Research Team: *Swati Saluja*

Commencement: April 2013

Expected date of completion: November 2013

Funded by: International Institute for Sustainable Development (IISD) (Rs. 10.8 lakh)

The existing literature shows that fossil-fuel subsidy reforms will lead to increases in the prices of petroleum products and electricity for one or more consumer groups. The study aims to model the impacts of energy subsidy reforms in India. The impact analysis modelling for fossil-fuel based consumer and producer subsidy reforms in India will be done using the Social Accounting Matrix (SAM) framework.

As a first step, a modified SAM with detailed information on petroleum products and electricity sectors will be constructed. This SAM will then be used for analysing a change in the subsidy regime on the directly linked sectors and the entire economy, using tools such as the multiplier and structural path analysis. By maintaining a focus on the distributive impact of reforms on households throughout the analysis, the modified SAM analysis will try to look at the resulting reduction in fuel demand and switching between fuels among different household categories. The impact of increased prices of fossil fuels on electricity generators and the resultant increase in electricity tariffs will also be modelled.

Public Lectures and Discussions

Lecture on “Normalising India-Pakistan Trade Relations” by Dr. Ishrat Husain, Dean and Director, Institute of Business Administration (IBA), Karachi

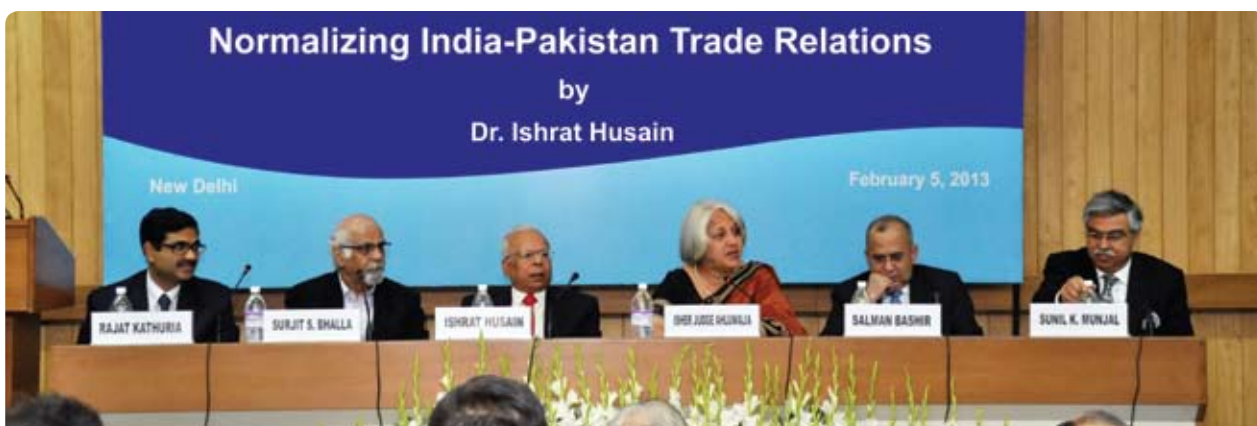
February 5, 2013

An important component of ICRIER’s recently launched project, *Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan* is the ‘Distinguished Lecture Series’. The objective is to bring internationally renowned experts to put forward their perspectives on India-Pakistan trade normalisation before a wider audience.



Dr. Ishrat Husain delivering the lecture on “Normalising India-Pakistan Trade Relations.”

The inaugural lecture in this series was delivered by Dr. Ishrat Husain, Dean and Director, Institute of Business Administration, Karachi and former Governor, State Bank of Pakistan, on February 5, 2013 in New Delhi. The initial guest remarks were made by Mr. Salman Bashir, High Commissioner of Pakistan to India. The lecture was followed by a panel discussion moderated by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER. The panelists included Mr. Sunil Munjal, Joint Managing Director, Hero MotoCorp and member India-Pakistan Forum at CII, and Dr. Surjit Bhalla, Chairman, Oxus Investments.



L to R: Dr. Rajat Kathuria, Dr. Surjit S. Bhalla, Dr. Ishrat Husain, Dr. Isher Judge Ahluwalia, Mr. Salman Bashir and Mr. Sunil K. Munjal at a lecture on “Normalising India-Pakistan Trade Relations.”

Dr. Husain stated that intransigency between India and Pakistan has impeded intra-regional trade flows within South Asia and, consequently, the region remains the least integrated region of the world. While welcoming the healthy developments in the past one year in resuming better bilateral trade relations, he emphasised that both India and

Pakistan need to carefully delineate the path to normalisation with due sensitivity and care for the atmospherics and narratives in both countries. He stressed the need for developing an enduring, uninteruptible and long-term relationship through better trade facilitation, visa liberalisation, people to people contact, banking presence, telecommunication links, investment promotion, and cultural, educational and scientific exchange. He also pointed out that there was consensus among all major political parties in Pakistan on the need to continue trade normalisation with India. Dr. Husain's key message was that both countries must continue to engage in dialogue and conversation even in times of exogenous shocks, political difficulties, crisis or misunderstanding. In this context, he felt that ICRIER's project had the potential to play an important role in bringing together research communities and experts in the two countries and developing mutual understanding.

The lecture was attended by over 150 people who included senior members from the policy establishment, well-known scholars and experts as well as several industry representatives. The lecture was widely covered by the media.

Conferences and Workshops

Conferences

Strategic and Economic Capacity Building Programme: Stakeholders' Conference

July 30, 2012

The Strategic and Economic Capacity Building Programme (SECP) at ICRIER focused on South Asia's increasing need for research and capacity building in formulating the region's policy stance on strategic and economic international relations. To conclude the programme, a Stakeholders' Conference with domestic and international participation was held on July 30, 2012 in New Delhi. The keynote address was delivered by Mr. Shiv Shankar Menon, National Security Adviser, Government of India.

The conference covered four sessions: (i) Strategic and Security Issues; (ii) Sustainable Development, Infrastructure and Population; (iii) South Asian Trade and Economy; and (iv) Soft Power Ideologies. The sessions were chaired by Mr. Kanwal Sibal, Former Foreign Secretary, India, Dr. R. K. Pachauri, Director General, The Energy Research Institute, Mr. Shahid Javed Burki, former Finance Minister, Pakistan, and Dr. Robert Bradnock, Visiting Senior Research Fellow, King's College, London. Ambassador Santosh Kumar was the Project Leader.

Capacity Building and Knowledge Dissemination on Urbanisation in India: Preparing for the Urban Challenges of the 21st Century

August 31, 2012

ICRIER launched the Programme on Capacity Building and Knowledge Dissemination on Urbanisation in India with a conference on the theme, "Preparing for the Urban Challenges of the 21st Century" at New Delhi on August 31, 2012.

The inaugural address was delivered by Mr. Kamal Nath, Union Minister for Urban Development, Government of India. The session was chaired by Mr. Arun Maira, Member, Planning Commission. Dr. Isher Judge Ahluwalia, Chairperson ICRIER, introduced the themes of this programme. These included: urban planning, transit-oriented development, municipal finance, water and sanitation, governance reforms, e-governance, unlocking the value of urban land and sustainable project management.



L to R: Mr. Arun Maira, Dr. Isher Judge Ahluwalia and Mr. Kamal Nath at a conference to launch ICRIER's programme on "Capacity Building and Knowledge Dissemination on Urbanisation in India."

The next session was chaired by Dr. Sudhir Krishna, Secretary, Ministry of Urban Development, Government of India. It focused on the theme of unlocking the value of urban land. Mr. Navin Mittal, Special Commissioner, Greater

Hyderabad Municipal Corporation, presented the case of Hyderabad's Outer Ring Road as one of the pioneering examples of unlocking land value. Dr. P. K. Mohanty, Mission Director, Ministry of Housing and Urban Poverty Alleviation, Government of India and Mr. I. P. Gautam Principal Secretary, Urban Development and Housing, Gujarat shared key insights on the importance of spatial planning for sustainable urban development. The session on land use and urban transport was chaired by Mr. B. I. Singal, Director General, Institute of Urban Transport, New Delhi. In this session, the speakers, Mr. S.P.S. Parihar, Principal Secretary, Urban Development, Madhya Pradesh and Professor Shivanand Swamy, Center for Environmental Planning and Technology (CEPT), Ahmedabad discussed how urban planning should be integrated with transport and shared examples from Madhya Pradesh and Gujarat, respectively.

Global Economic Cooperation: Views from G20 Countries

October 7-9, 2012

ICRIER along with the Asian Development Bank Institute (ADBI), Department of Economic Affairs (DEA, MoF), International Monetary Fund (IMF) and Konrad-Adenauer-Stiftung hosted its fourth G20 conference from October 7-9, 2012 in New Delhi. The objective of the conference was to bring together academicians and key policymakers from G20 countries and International Financial Institutions (IFIs) to deliberate on a range of issues. The discussion was centred around six principal topics which included: (i) The Euro-zone Crisis: Short-Run Challenges and Options; (ii) Global Imbalances and their Consequences: Past, Present and Future; (iii) Financial Regulatory Reforms: Not Far Enough or Overkill? (iv) Reforming the International Monetary System (IMS): The Need for a New Framework; (v) A Macroeconomic Policy Agenda for EMEs: What does Research Tell Us? and (vi) Austerity, Growth and Public Policy.



L to R: Dr. Montek Singh Ahluwalia and Dr. Rajat Kathuria at a conference on "Global Economic Cooperation: Views from G20 Countries."

The inaugural lecture was delivered by Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission. The other speakers included: Dr. Subir Gokarn, Deputy Governor, RBI, Mr. Vadim B. Lukov, Ambassador-at-Large, Coordinator of the Ministry of Foreign Affairs of the Russian Federation on G20 and BRICS, Mr. Pierre Jacquet, President, Global Development Network, Mr. Onno Ruhl, Country Director, World Bank, India, Mr. Anand Sinha, Deputy Governor, RBI, Mr. Jae-ha Park, Deputy Dean, ADBI, Dr. Bimal Jalan, former Governor, RBI and Dr. Shankar Acharya, Honorary Professor, ICRIER.



L to R: Mr. Abheek Barua, Professor Heribert Dieter, Professor Pierre Jacquet and Mr. Holger Fabig at a conference on “Global Economic Cooperation: Views from G20 Countries.”

The participants were of the view that the G20 has played a major role in coordinating macroeconomic policies to revive the world economy, and its role as a coordination mechanism is likely to be crucial in the years to come. As the premier forum for international cooperation on the most important aspects of the international economic and financial agenda, its objective is: (i) policy coordination among its members in order to strengthen financial regulations; (ii) reduce systemic risks; (iii) prevent future financial crises; (iv) reform the prevailing international financial architecture; and (iv) achieve global economic stability and sustainable growth using, as a basis, nine clearly identified development pillars. Its focus, therefore, is on bringing clarity in these important new issues of concern while continuing the dialogue on the issues of stabilisation and rebalancing thrown up by the economic crisis. The participants felt that the G20 would be relevant only if it endorses the mission of other international organisations’ initiatives rather than setting out to accomplish everything on its own.

7th Annual IZA and World Bank Conference on Employment and Development

November 5-7, 2012



L to R: Dr. Arup Banerji, Mr. Stefano Scarpetta, Dr. Klaus F. Zimmermann, Dr. Ashwini Deshpande and Dr. Pronab Sen at the 7th Annual IZA and World Bank conference on “Employment and Development.”

In order to stimulate and promote research on employment and labour economics in low and middle income countries, the World Bank and IZA in partnership with ICRIER and Delhi University organised a conference on “Employment and Development” during November 5-7, 2012. The special theme of this year’s conference was “Youth Employment and Entrepreneurship.” The keynote address was delivered by Dr. Kaushik Basu, Chief Economist and Senior Vice President, World Bank. Other notable speakers were: Dr. Klaus F. Zimmermann, Director, IZA, Dr. Arup Banerji,

Director, World Bank, Dr. Shankar Acharya, Honorary Professor, ICRIER, Dr. Ashwini Deshpande, Professor, Delhi School of Economics, Dr. Pronab Sen, Country Director, International Growth Centre and Dr. David A. Robalino, World Bank and IZA.

The conference provided an opportunity for discussion on issues pertaining to the: (i) design of social assistance and social insurance policies and their role in promoting human capital investment and improving labour market outcomes especially among disadvantaged youth; (ii) design of vocational education and training programmes to promote higher employability and productivity for youth; (iii) design of activation and active labour market policies for youth; (iv) role of labour market policy and institutions in alleviating the constraints to the creation of productive and rewarding jobs for youth; (v) challenges young entrepreneurs are facing; and (vi) role of the regulatory framework, entrepreneurial education and business assistance.

The Changing Paradigm of India-Japan Relations

December 17-18, 2012

In order to mark 60 years of diplomatic relations between India and Japan, an international conference on “The Changing Paradigm of India-Japan Relations” was organised in New Delhi, during December 17-18, 2012. The conference was structured around four themes: (a) India-Japan Strategic Partnership; (b) Regional Dimensions of India-Japan Relations; (c) India-Japan Bilateral Economic Cooperation; and (d) The Future Outlook for India-Japan Relations.



L to R: Mr. Salman Khurshid, Mr. Yuji Takagi, Dr. Isher Judge Ahluwalia and Mr. Takeshi Yagi at a conference on “The Changing Paradigm of India-Japan Relations.”

The keynote address was delivered by Mr. Salman Khurshid, Minister for External Affairs, Government of India. The other speakers at the conference included Mr. Yuji Takagi, President, Sasakawa Peace Foundation, Mr. Takeshi Yagi, Ambassador of Japan, India, Mr. Hiroshi Watanabe, CEO and Executive MD, Japan Bank for International Cooperation (JBIC), Dr. Tomohiko Taniguchi, Visiting Professor, Meiji University, Dr. C. Raja Mohan, Distinguished Fellow, Observer Research Foundation (ORF), Mr. Toshiro Nishizawa, Director General, Country Credit Department, JBIC, Dr. Shujiro Urata, Professor, Waseda University, Dr. Sanjaya Baru, Director for Geo-economics and Strategy, International Institute for Strategic Studies (IISS), and Mr. Amitabh Kant, CEO and MD, Delhi Mumbai Industrial Corridor Development Corporation (DMICDC).

The conference deliberated on: (i) the changing paradigm of India-Japan relations; (ii) how they have evolved over the years in the bilateral as well as regional context; and (iii) prospective future engagements in sectors such as IT, healthcare, tourism and scientific innovation along with defence and national and regional security. The participants were

of the view that over the past several years, there has been an attempt to evolve a shared approach and understanding to reinforce bilateral cooperation and to build a strategic and global partnership between the two countries. With the Comprehensive Economic Partnership Agreement (CEPA) signed in August 2011, there is a strong base for carrying this partnership forward.

Emerging Asia: Track 1.5 India-US

February 19, 2013

The ICRIER-Wadhvani Chair's first international conference held on February 19, 2013 in New Delhi brought together senior officials, strategists, economists, military and regional integration experts to discuss India's "Look East Policy" and the US "pivot" or rebalance towards Asia in a Track 1.5 format. The event was a collaborative effort of the ICRIER-Wadhvani US Chair with its counterpart CSIS-Wadhvani India Chair and the CSIS Sumitro Chair for Southeast Asia Studies, with participation and support from the Ministry of External Affairs, Government of India and the US Department of State.



L to R: Amb. David L. Carden, Mr. Ernie Bower, Amb. Karl F. Inderfurth and Amb. Hemant Krishan Singh at a conference on "Emerging Asia: Track 1.5 India-US."

The keynote address was delivered by Mr. Shyam Saran, former Foreign Secretary, Government of India. The other participants included Ambassador H. K. Singh, Chair Professor, ICRIER, Ambassador Karl F. Inderfurth, Senior Adviser and Wadhvani Chair in US-India Policy Studies (CSIS), Mr. Ernie Bower, Senior Adviser and CSIS Sumitro Chair for Southeast Asia Studies, Ambassador Ronen Sen, former Ambassador to the US, Ambassador C. R. Gharekhan, former Permanent Representative of India to the United Nations, Dr. C. Raja Mohan, Distinguished Fellow, ORF, Mr. Pinak Chakravarty, Secretary (Economic Relations), Ministry of External Affairs (MEA), Government of India, Mr. Gautam Bambawale, Joint Secretary (East Asia), MEA, Government of India, Dr. Ted Osius, Senior State Department Visiting Fellow, CSIS Sumitro Chair for Southeast Asia Studies and Wadhvani Chair in US-India Policy Studies (CSIS), Ms. Persis Khambatta, Fellow, Wadhvani Chair in US-India Policy Studies (CSIS), Ambassador David L. Carden, US Ambassador to the ASEAN, Dr. Alyssa Ayres, Deputy Assistant Secretary for South and Central Asia, US Department of State, Mr. Walter Douglas, Minister-Counsellor for Public Diplomacy, Embassy of the United States of America, New Delhi, Mr. Farooq Sobhan, former High Commissioner of Bangladesh to India and Professor Fukunari Kimura, Chief Economist, Economic Research Institute for ASEAN and East Asia (ERIA).

The participants stressed the need for all stakeholders with shared interests in the region to identify areas of convergence and explore the possibility of enhanced collaboration between India, ASEAN and the US in shaping the region's evolving

security architecture and economic integration. The conference resulted in two policy reports titled, “Asia’s Arc of Advantage: India, ASEAN and the US – Shaping Asian Architecture” and “Enhancing India-ASEAN Connectivity,” published by ICRIER and CSIS, respectively in 2013.

Normalising India-Pakistan Trade

March 14 -15, 2013



As part of ICRIER’s project on Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan, the first annual conference, “Normalising India-Pakistan Trade Relations” was held on March 14-15, 2013 in New Delhi. The inaugural address was delivered by Mr. Pawan Kumar Bansal, Union Minister for Railways, Government of India. Special addresses were delivered by Dr. Salman Shah, former Finance Minister, Pakistan and Mr. S. R. Rao, Commerce Secretary, Government of India. The participants included members of the Indian Parliament Mr. N. K. Singh, and Mr. Mani Shankar Aiyar, Mr. Rajeev Kher, Additional Secretary, Ministry of Commerce & Industry, Government of India, Dr. Hafiz Ahmed Pasha, Dean, Beaconhouse National University, Lahore and former Commerce Minister, Pakistan, Dr. Manzoor Ahmad, Senior Fellow, International Centre for Trade and Sustainable Development, Geneva, Dr. Sanjay Kathuria, Lead Economist, Regional Integration, World Bank, Dr. Vaqar Ahmed, Deputy Executive Director, Sustainable Development Policy Institute (SDPI), Islamabad, and Dr. Sanjaya Baru, Director for Geo-economics and Strategy, IISS, New Delhi.



The conference deliberations were structured in five sessions: (i) Expansion of trade in goods; (ii) Barriers to trade; (iii) Trade perception survey; (iv) Sector studies focusing on energy, textiles and sports goods; and (v) Trade in services and FDI. Papers were presented on preliminary first year findings of the trade perception surveys conducted in India and Pakistan on the estimation of trade potential between the two countries and on regional integration of supply chains. It was highlighted that barriers to trade, especially non-tariff barriers between India and Pakistan must be identified and overcome. Trade in agriculture, automobiles, textiles and the energy sector needs to be encouraged to exploit the trade potential between the two countries. The conference also identified several areas of mutual interest and potential collaboration between India and Pakistan. It ended with a panel discussion on “India-Pakistan Trade: The Way Forward.”

Fiscal Policy Achievements and Challenges in Asia: Implications for India

May 6, 2013

The conference, “Fiscal Policy Achievements and Challenges in Asia: Implications for India” was jointly organised by ICRIER and IMF on May 6, 2013 in New Delhi to consider fiscal policies across the region over the past decade, with an emphasis on subsidy reform. The highlights of the *Spring 2013 Asia Pacific Regional Economic Outlook* from the IMF were also presented at the conference.



L to R: Dr. Edda Zoli, Dr. Parthasarathi Shome, Dr. Isher Judge Ahluwalia, Dr. Anoop Singh, Dr. Roman Duval and Dr. Chetan Ghate at a conference on “Fiscal Policy Achievements and Challenges in Asia: Implications for India.”

The first session titled, “Fiscal Policy in Asia: Dampening Cyclical Fluctuations and Increasing Space to Support Inclusive Growth” discussed policy achievements across Asia over the past decade as well as the challenges that remain. It was pointed out that over the past decade fiscal policy in many Asian economies has become more successful in dampening output fluctuations. Nevertheless, key fiscal policy reforms remain a priority to foster income redistribution and support economic rebalancing. In several countries, government revenues remain low due to widespread exemptions and the tax structure is not growth-friendly. There also appears to be a need to improve the composition of public expenditure where spending on education, social safety nets and infrastructure need to be raised partly by gradually replacing generalised subsidies by better targeted measures, such as direct cash transfers. In the second session titled, “Subsidy Reform: Lessons and Implications,” an overview of the magnitude of energy subsidies worldwide was presented and subsequently the reform experiences and challenges were discussed. The discussions pointed out that energy subsidies remain sizable and impose substantial fiscal costs in developing and emerging economies from most regions. They also produce adverse environmental, social and macroeconomic effects, including the crowding out of growth-enhancing public spending. Based on the experience of 28 major energy subsidy reform episodes across the globe, lessons on “how to do” successful reforms were identified. The session also discussed the fiscal and welfare implications of fuel subsidy reforms in India.

Indian Tax Administration: A Dialogue

June 24-25, 2013



L to R: Mr. Gajendra Maheshwari, Ms. Bhavna Doshi, Mr. Gautam Ray and Mr. Ravinder Saroop at a conference on “Indian Tax Administration: A Dialogue.”

ICRIER organised the conference on “Indian Tax Administration: A Dialogue” on June 24-25, 2013 in New Delhi to disseminate the findings of the study on “Advancements in Tax Administration: Lessons and Experiences of UK, Brazil and India.” This was the first research project to start a dialogue between tax officials and tax payers in India through consultation meetings and discussion forums held across five metros. Presenting successful models from the finest administrations across the globe, the conference aimed to compose a veritable picture of tax administration reforms that policymakers in India could consider. Approximately 70 participants including serving and retired tax revenue officers, lawyers and chartered accountants from eminent firms, industry representatives and academics attended the conference. The conference discussions focused on the administrative challenges facing India as it contemplates tax reforms, including a detailed analysis of the organisational structure, risk assessment and management in audit selection along with the procedure of dispute resolution and computerisation in both direct and indirect tax administrations. At the conference, the findings of an investigation into the newly established large taxpayer units (LTU) at the central level for large enterprises and a statistical study of the effectiveness of value added taxes of state-level administrations were also presented.

Workshops

Second Workshop on Productivity Study

April 26, 2012

The Second Annual India KLEMS Productivity Workshop was organised on April 26, 2012 in New Delhi. Dr. K.L. Krishna, Retired Professor, Delhi School of Economics, presented the project overview and Dr. Isher Judge Ahluwalia, Chairperson, ICRIER made the introductory remarks. The workshop was divided into two sessions: (i) Construction of Gross Output and Intermediate Input Series; and (ii) Productivity Estimates for Sectors in the Indian Economy.



L to R: Ms. S. Sengupta, Mr. G.C. Manna, Dr. T.C.A. Anant, Prof. K.L. Krishna, Dr. Isher Judge Ahluwalia, Mr. S.K. Das and Ms. Kuhelika De at the “Second Annual India KLEMS Productivity Workshop.”

The first session was chaired by Professor T.C.A. Anant, Chief Statistician of India and Secretary, National Statistical Commission and presentations were made by Ms. Sreerupa Sengupta and Ms. Kuhelika De, Research Assistants, ICRIER. This was followed by a discussion on gross output and intermediate input series estimates with Mr. S. K. Das, Director General, Central Statistics Office, Government of India and Mr. G. C. Manna, DDG, Central Statistics Office. The second session was chaired by Dr. Aditya Bhattacharjee, Professor, Delhi School of Economics and presentations were made by Dr. B. N. Goldar, Professor, Institute of Economic Growth, Delhi, Dr. Deb Kusum Das, External Consultant, ICRIER, and Dr. Suresh Aggarwal, Professor, University of Delhi. This was followed by a discussion on productivity estimates in the Indian economy with Dr. Simrit Kaur, Professor, Faculty of Management Studies, University of Delhi, Dr. Laveesh Bhandari, Director, Indicus Analytics, and Dr. Sandip Sarkar, Senior Fellow, Institute for Human Development, New Delhi.

Growth Models and Policy Processes in India and China

June 22, 2012

ICRIER organised a workshop in collaboration with the Fung Global Institute (FGI), Hong Kong and the World Bank on June 22, 2012 in New Delhi. The workshop covered four major themes: (i) Growth Models; (ii) Policy Processes; (iii) Agriculture; and (iv) Urbanisation and Sustainability. The session on growth models focused on the key characteristics of traditional growth models in China and India and the strengths and downsides of each country’s model in terms of policy and outcomes. The session on policy processes addressed the issue of policy formulation and implementation in China and India. The session on agriculture addressed the nature of agricultural reforms in India and China and the important lessons that both can learn from each other. The final session on urbanisation and

sustainability focused on the policy frameworks required for managing urbanisation in a sustainable way in China and India.



L to R: Dr. Geng Xiao, Dr. Parthasarathi Shome, Dr. Isher Judge Ahluwalia, and Dr. Roberto Zagha at a workshop on “Growth Models and Policy Processes in India and China.”

The opening remarks at the workshop were made by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER, Dr. Parthasarathi Shome, Director & CE, ICRIER, Dr. Geng Xiao, Director of Research, FGI, and Dr. Roberto Zagha, Country Director, World Bank, India. The other speakers included Dr. Surjit Bhalla, Chairman, Oxus Investments, Dr. N.R. Bhanumurthy, Professor, National Institute of Public Finance and Policy, Dr. Louis Kuijs, Project Director, FGI, and Dr. Pronab Sen, former Principal Adviser, Planning Commission.

Regional Capacity Building and Knowledge Dissemination Workshop with focus on Urban Governance

October 11, 2012

The first Regional Capacity Building and Knowledge Dissemination Workshop under ICRIER’s Programme on Urbanisation in India was held in Bhopal on October 11, 2012. The focus of the workshop was e-Governance. The participating cities were from Madhya Pradesh, Chhattisgarh, Maharashtra and Gujarat.

Mr. Babulal Gaur, Minister of Urban Administration and Development Department, Madhya Pradesh, addressed the inaugural session. Dr. Isher Judge Ahluwalia made the opening remarks, followed by a presentation of the HPEC (Ahluwalia, 2011) Report. The presentations by the participating states focused on the use of ICT for efficient delivery of public services. The mobile governance initiative of Surat, e-procurement of public goods and services in Raipur, and the electronic redressal of citizens’ grievances in Navi Mumbai, were some of the good practices that were shared. The feasibility of public-private partnerships in improving service delivery was also discussed. The workshop concluded with a dialogue on the importance of administrative reforms including the setting up of municipal cadres in enhancing the effectiveness of e-Governance.

Regional Capacity Building and Knowledge Dissemination Workshop on the Challenges of Urbanisation with focus on Governance

November 5-6, 2012

The second Regional Capacity Building and Knowledge Dissemination Workshop was held in Hyderabad in partnership with the Administrative Staff College of India, during November 5-6, 2012. The focus of the workshop was urban

governance, and the participating cities were from Andhra Pradesh, Karnataka, Kerala, Maharashtra, Tamil Nadu, and Puducherry.

The inaugural session was addressed by Mr. Nallari Kiran Kumar Reddy, Chief Minister, Andhra Pradesh. The urban team presented the findings and recommendations of the HPEC (Ahluwalia, 2011) Report. The presentations on the first day covered the themes of water reforms in Mumbai, solid waste management in Puducherry, municipal finance in Kerala, GIS-based property tax reform in Bengaluru, and financial sector innovations for urban development in Tamil Nadu. The challenges of service delivery to the urban poor in Andhra Pradesh were also discussed. Among the speakers were Ms. Anita Ramachandran, Head, Mission for Elimination of Poverty in Municipal Areas (MEPMA), Andhra Pradesh, Mr. R. B. Bambale, Deputy Municipal Commissioner, Greater Mumbai, Thiru S. Rajamanickam, Commissioner, Puducherry, Dr. Radhakrishnan Kurup, Joint Director, Urban Affairs, Kerala, Mr. K. R. Niranjana, Special Commissioner, and Mrs. Anita Praveen, Managing Director, Tamil Nadu Urban Infrastructure Financial Services Ltd. (TNUIFSL).



L to R: Dr. Isher Judge Ahluwalia, Mr. Nallari Kiran Kumar Reddy, and Mr. B. Sam Bob at a workshop on “Challenges of Urbanisation with focus on Governance.”

Ms. Minnie Mathew, Chief Secretary, Andhra Pradesh, identified the importance of maintaining infrastructure assets in good condition and the need to decongest cities to make them liveable. Mr. Sam Bob, Principal Secretary, Urban Development, Andhra Pradesh emphasised the importance of cities as engines of growth, and the role of e-Governance in improving the standards of service delivery in India. Mr. Anoop Singh, Special Secretary, Department of IT and Communications, Andhra Pradesh, Mr. Ramesh Babu, Municipal Commissioner, Hyderabad, and Mr. C. Vijayaraj Kumar, Additional Commissioner, Corporation of Chennai, showcased some good practices in their cities that leveraged technology for efficient service delivery.

Strengthening Textiles and Clothing Sector in South Asia

November 16, 2012

As part of a study funded by ADB, ICRIER organised a workshop, “Strengthening Textiles and Clothing Sector in South Asia” on November 16, 2012 in New Delhi. The workshop commenced with remarks by Ms. Kavita Iyengar, Economist, ADB, on the textile and clothing sector in South Asia, followed by a brief introduction to the study by Dr. Nisha Taneja, Professor, ICRIER.

The second session of the workshop was devoted to presentations by foreign participants and the in-house team on the textiles and clothing sector in different South Asian countries. Mr. Khalid Mahmood, Director, Centre for Enterprise, Trade and Development (CEETAD), Lahore spoke about the growing clothing sector in Pakistan and pointed out the

changing nature of the organisation of production. Mr. Paras Kharel, Research Coordinator, South Asia Watch on Trade, Economics and Environment (SAWTEE), Kathmandu pointed out the weakening of the clothing sector in Nepal after the phasing out of the MFA and highlighted new avenues for future growth in the sector. Dr. Khondaker Golam Moazzem, Additional Director Research, Centre for Policy Dialogue (CPD), Dhaka made a presentation on the growth of the clothing sector in Bangladesh and the successful integration with the global value chain and stressed the need for greater regional integration. Ms. Ashani Abayasekara, Research Assistant, Institute of Policy Studies (IPS), Colombo highlighted the importance of the policy regime which shaped the clothing sector in Sri Lanka and specified the challenges that the industry faces today. Dr. Saon Ray, Senior Fellow, ICRIER discussed the importance of government policies that shaped the clothing sector in India and mentioned different ways in which the sector has integrated into various value chains. The workshop concluded with closing remarks by Dr. Nisha Taneja.

India's Macroeconomic Outlook and Prospects for India-Japan Cooperation

December 14, 2012

This workshop, jointly organised by ICRIER and JBIC, was held on December 14, 2012 in New Delhi. Presentations were made by Mr. Toshiro Nishizawa, Director General, JBIC and Mr. Ichiro Hayashidani, Director (Asia and Oceania), JBIC. Mr. Nishizawa presented JBIC's views on the Indian economy and key policy issues. He discussed the causes of current stagflation, steps to reduce the deficit, and JBIC's role in developing India's financial and investment environment for the next few years. Mr. Hayashidani, in his presentation, "Is the Economy Turning Around?" drew comparisons between the Indian economy's performance pre-2008 sub-prime crisis and post-crisis period. He acknowledged that the Indian economy is more resilient than other Asian countries to external shocks due to high domestic demand and expanding revenue expenditure and consumption in rural areas on account of the government's rural enactments and policies.

The presentations were followed by a discussion on the key issues of infrastructure and investment. It was suggested that JBIC should: (i) explore the public-private partnership model in infrastructure development; (ii) consider investing in lower ranked states like Chhattisgarh and Jharkhand that are rich in natural resources; and (iii) focus on the quality rather than just the quantity of infrastructure created.

Regional Capacity Building and Knowledge Dissemination Workshop on Service Delivery of Water and Sanitation: Challenges faced by Metropolitan Cities

February 6, 2013

The third Regional Capacity Building and Knowledge Dissemination Workshop was held in New Delhi on February 6, 2013. It focused on the challenges faced by metropolitan cities in delivering water and sanitation. The participating cities included Delhi, Kolkata, Chennai, Mumbai, Bengaluru, Pune, Surat, Hyderabad, Ahmedabad, and Jaipur.

The opening remarks by Dr. Isher Judge Ahluwalia were followed by a presentation by Ms. Debashree Mukherjee, CEO, Delhi Jal Board. Ms. Malini Shankar, former Principal Secretary, Water and Sanitation, Maharashtra, shared the experience of the Maharashtra Sujal Nirmal Abhiyan, a state-wide campaign for improving water and sanitation services. Engineers from a number of ULBs and several water and sanitation boards presented their successful initiatives and discussed the challenges that their cities face.



L to R: Ms. Debashree Mukherjee, Dr. Smita Misra, Dr. Isher Judge Ahluwalia and Mr. Satish Jain at a workshop on “Service Delivery of Water and Sanitation: Challenges faced by Metropolitan Cities.”

The discussions focused on the water and sanitation scenario in different states in general and the strategies to manage the rapidly increasing demand for water, given the limited supply of water, in particular. The participants also examined ongoing programmes to achieve 24x7 supply of water. The importance of water conservation and reduction of water losses emerged as the major challenges facing the ULBs.

Regional Capacity Building and Knowledge Dissemination on Urbanisation in India: Challenges of delivering Water and Sanitation Services in Urban India

February 20, 2013

The fourth Regional Capacity Building and Knowledge Dissemination Workshop was held in Chandigarh in partnership with CII on February 20, 2013. The focus of the workshop was on challenges in service delivery of water and sanitation in urban India. The participating cities were from Punjab, Haryana, Uttar Pradesh, and the National Capital Region of Delhi and Union Territory of Chandigarh.

The inaugural session was addressed by the Chief Minister of Haryana, Mr. Bhupinder Singh Hooda. Dr. Isher Judge Ahluwalia initiated the discussion with an overview of the state of service delivery in Indian cities. The urban team presented the findings and recommendations of the HPEC (Ahluwalia, 2011) Report.



L to R: Mr. Vikram Hans, Dr. Isher Judge Ahluwalia, Mr. Bhupinder Singh Hooda, Mr. Malvinder Mohan Singh and Mr. Pikender Pal Singh at a workshop on “Challenges of delivering Water and Sanitation Services.”

Thematic presentations were made by Mr. Suresh Kumar Nangia, Principal Secretary, Water and Sanitation, Punjab, Mr. Rakesh Verma, Municipal Commissioner, Ludhiana, and Ms. Nandini Palwal, Additional CEO, Delhi Jal Board, among others. The discussions that followed shed light on some initiatives to improve the standards of delivery, for example, the use of IT to improve billing and collection systems by the Delhi Jal Board, 100% treatment of waste water and partial reuse of treated water for irrigation of public parks by Chandigarh.

Capacity Building Workshop on Climate Risks and Urban Competitiveness

March 14, 2013

The first Capacity Building Workshop under the ICRIER-HUDCO Chair Project was held in Surat on March 14, 2013. Its theme was climate risks and urban competitiveness, targeted at municipal and public officials in Surat as well as other stakeholders.

The workshop had two sessions. In the first session, Prof. Meenu Tewari gave an overview of the ongoing ICRIER project on “Climate Change and the Economic Competitiveness of Cities” funded by the Rockefeller Foundation. The presentation focused on: (i) the need to safeguard cities against the risks of climate change; and (ii) a general comparative overview of three cities, namely, Surat, Kochi and Pune on aspects such as industrial structure, infrastructure, municipal capacity, and climate projections. Mr. Kamlesh, Secretary, Surat Climate Change Trust and President, Southern Gujarat Chamber of Commerce and Industry gave a brief overview of Surat’s efforts on climate change adaptation. The second session was planned as a breakout enabling small interactive group discussions with municipal officers and other stakeholders around a structured set of questions dealing with Surat’s development, climate change adaptation experiences, perceptions, achievements and future plans.

Economic Reforms and India-Japan Partnership for Mutual Benefit

March 18, 2013



L to R: Mr. Nobumitsu Hayashi, Dr. Rajat Kathuria and Dr. Parthasarathi Shome at a workshop on “Economic Reforms and India-Japan Partnership for Mutual Benefit.”

The third Annual ICRIER-PRI Workshop was organised by ICRIER in collaboration with the Policy Research Institute (PRI), Ministry of Finance, Japan on March 18, 2013 in New Delhi. The inaugural remarks were made by Dr. Parthasarathi Shome, Adviser to the Finance Minister, Government of India. The guest speakers included Mr. Nobumitsu Hayashi, President, PRI, Mr. Shin Oya, Chief Representative, JBIC, Mr. Hisao Nakajima, President/Director, Nomura Research, Dr. Chetan Ghate, RBI Chair Professor, ICRIER, Dr. Partha Chatterjee, Assistant Professor, Faculty of Management Studies, New Delhi, Ambassador H.K. Singh, Chair Professor, ICRIER, Dr. Pronab Sen,

Country Director, International Growth Centre, New Delhi, Mr. Ajay Shankar, Member Secretary, NMCC, Government of India and Mr. Anwarul Hoda, Professor, ICRIER.

The workshop stressed on the need for comprehensive economic partnership between India and Japan. India's economic reforms and the fiscal stance that India has adopted since the global financial crisis were also discussed. The Japanese participants were of the opinion that India's fiscal policy needed to change in view of recent global changes and domestic inflationary conditions. The rapidly increasing current account deficit was seen as a cause of concern for India. However, in case of Japan, deflation was the primary concern for the Japanese government. It was suggested that in order to attract greater foreign investment, the Indian economy should: (i) become more competitive and attractive; (ii) have better infrastructure (transport and logistics); and (iii) have well-defined labour laws and taxation system.

Regional Knowledge Dissemination and Capacity Building Workshop on Urbanisation with focus on Solid Waste Management

April 29-30, 2013

The fifth Regional Knowledge Dissemination and Capacity Building Workshop on Urbanisation with focus on Solid Waste Management in India was held in Guwahati during April 29-30, 2013. The special focus of the workshop was on the North Eastern states. The participating cities were from Assam, Sikkim, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Arunachal Pradesh.



L to R: Mr. Tarun Gogoi and Dr. Isher Judge Ahluwalia at a workshop on "Urbanisation with focus on Solid Waste Management."

Mr. Tarun Gogoi, Chief Minister, Assam was the Chief Guest at the inaugural session. This session presented good practices in community participation in decentralised composting and other innovations in managing municipal solid waste. The discussions focused on the applicability of the lessons learnt from Pune and Pammal to the North Eastern states. In the subsequent sessions, the participants from the eight states shared the challenges they faced in collection, transportation and disposal of municipal waste.

Regional Capacity Building and Knowledge Dissemination Workshop on preparing for the Urban Challenges of the 21st Century with focus on Sustainable Cities

June 17-18, 2013

The sixth Regional Capacity Building and Knowledge Dissemination Workshop on preparing for Urban Challenges of the 21st Century" was organised in partnership with Bharati Vidyapeeth Institute for Environmental Education and

Research (BVIEER) in Pune during June 17-18, 2013. The focus was on sustainable cities. The participating cities were from Maharashtra, Gujarat and Goa.

A distinguishing feature of this workshop was a special lecture on “Sustainable Urbanisation” by Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission. In his address Mr. Prithviraj Chavan, Chief Minister, Maharashtra and Chief Guest at the session, highlighted the challenges of urban sustainability in Maharashtra.



L to R: Dr. Erach Bharucha, Mr. Shivajirao Kadam, Mr. Prithviraj Chavan, Dr. Montek Singh Ahluwalia, and Dr. Isher Judge Ahluwalia at a workshop on “Urban Challenges of the 21st Century with focus on Sustainable Cities.”

The presentations at the workshop were based on themes such as water demand management, urban waste management, urban planning and environmental sustainability. Ms Malini Shankar, Principal Secretary, Water Resources Management, Maharashtra, presented the highlights of the state-led reform programme for improving the delivery of water and sanitation in Maharashtra. The representatives from Rajkot, Surat, Pune and Goa shared their experiences in managing solid waste and sewerage in their cities. Innovations in urban planning, such as town planning schemes, were presented by the participating cities. The discussion on the need for preserving urban biodiversity in the concluding session of the workshop was led by Dr. Erach Bharucha and his team from BVIEER.

Seminars

India-US Economic Partnership: Bilateral Investment Treaty and Beyond

May 1, 2012

As part of the *Eminent Speakers Series under the ICRIER-Wadhwani Chair in India-US Policy Studies*, a background seminar was delivered by Dr. Rahul Khullar, Commerce Secretary, Government of India on May 1, 2012.

Dr. Khullar outlined the recent pattern of India-US bilateral trade and investment and assessed the prospects for a Bilateral Investment Treaty (BIT) and Bilateral Investment Promotion and Protection Agreement (BIPA). He pointed out that India's trade with the US has declined as a proportion of India's global trade and the American share in FDI inflows into India has also come down in comparison to other countries. According to Dr. Khullar, the BIT had the potential to pave the way for greater trade and investment between the two countries. However, this would have to await an ongoing review of India's overall BIT strategy, given recent experiences. Looking ahead, he also shared the assessments of India's existing CEPAs/FTAs with ASEAN and Japan.

Urbanisation and the Competitiveness of Cities

May 17, 2012

The newly launched ICRIER-HUDCO Seminar Series on "Urbanisation and the Competitiveness of Cities" aims to enable innovative policy-oriented research for wider discussion and dissemination among researchers, policymakers, and urban practitioners with the objective of drawing insights from ongoing research for urban policy and practice.

The inaugural seminar was delivered by Dr. Ejaz Ghani, Economic Adviser, World Bank, on the theme, "Is India's Manufacturing Sector moving out of Cities?" on May 17, 2012 at ICRIER, New Delhi. Dr. Isher Judge Ahluwalia, Chairperson, ICRIER and Dr. A.N. Krishnamurthy, Executive Director, Training, HUDCO, jointly chaired the seminar. Two distinguished guests, Mr. Ajay Shankar, Member Secretary, NMCC and Dr. John Blomquist, Senior Economist, Social Protection Unit, World Bank, led the discussion.

India's IT Industry in the 21st Century: Vanguard of the Services Export Revolution

June 14, 2012

As part of the ICRIER-KAS Quarterly Seminar Series, Mr. Som Mittal, President, NASSCOM, made a presentation on the theme, "India's IT Industry in the 21st Century: Vanguard of the Services Export Revolution" on July 14, 2012 at ICRIER, New Delhi. Dr. Shankar Acharya, Honorary Professor and Member, Board of Governors, ICRIER chaired the seminar and Mr. Anwarul Hoda, Professor, ICRIER, was the lead discussant.

Mr. Som Mittal focused on the performance and contribution of the IT sector to India's economic growth. He highlighted NASSCOM's role in facilitating this growth in terms of employment generation, IT infrastructure development, technological upgradation, enhancing global outreach, and higher research and development spend, among others. He pointed out the immense potential in the IT industry and that Indian IT firms are successfully penetrating markets in Latin America and the Middle East. According to him, even though India faces competition from emerging economies, which are replicating its processes and models, India will continue to retain its position, given its low-cost advantage. It was highlighted that the key policy and institutional challenges that paralyse growth include absence of brand India, immigration and regulatory barriers, skill shortages and lack of fiscal support for new market development.

Enhancing India-EU Bilateral Trade, Investment and Collaboration in Services

July 6, 2012

The stakeholder consultation on “Enhancing India-EU Bilateral Trade, Investment and Collaboration in Services” was organised by ICRIER in collaboration with FICCI and KAS on July 6, 2012 in New Delhi. This was a part of ICRIER’s ongoing project supported by KAS that aims to provide inputs to the current India-EU Bilateral Trade and Investment Agreement negotiations.

The discussions focused on five sectors: retail, energy, logistics, IT/ITeS services and professional services. The presentation on the primary survey findings by ICRIER researchers was followed by a panel discussion between industry and sector experts. The issues discussed included: (i) potential areas of trade and investment; (ii) measures to enhance trade and collaborations; and (iii) barriers to trade and investment and how these can be addressed through domestic reforms and trade negotiations. The key inputs from the stakeholders’ consultation will be incorporated in the final project report.

India on the Move: Modernising Infrastructure to meet India’s Needs

July 16, 2012

As part of the ICRIER-CSIS-CII, Emerging Indian Economy: Signature Speaker Series, Mr. John Flannery, President & CEO, General Electric (GE), India delivered a seminar on “India on the Move: Modernising Infrastructure to meet India’s Needs” on July 16, 2012 in New Delhi.

The objective of this interactive event, bringing together leading stakeholders from Indian business and industry, was to highlight the role of infrastructure in India’s economic growth and prospects for India-US collaboration in this vital field. Ambassador H.K. Singh, ICRIER provided an overview of the infrastructure sector in India. Mr. John Flannery highlighted the important role of infrastructure in boosting employment and investment in the Indian economy. His remarks focused in particular on the energy sector where he flagged the need for removing constraints in power generation, transmission and pricing. Mr. Flannery concluded with the observation that a proactive mindset in government, incentives for companies, and better infrastructure could provide multiple short- and long-term benefits for a quick revival of the Indian economy. Lead discussants from Indian businesses provided sectoral assessments on power, roads, smart grids, solar energy, airports and infrastructure financing.

Advancing US-India Economic Relationship: Bilateral Investment Treaty and Beyond

July 18, 2012

As part of the Roundtable Series under the ICRIER-Wadhwani Chair in India-US Policy Studies, a discussion on the theme, “Advancing US-India Economic Relationship: Bilateral Investment Treaty and Beyond” was organised on July 18, 2012. The principal researchers on BIT and BIPA at the counterpart Wadhwani Chairs in ICRIER and CSIS, Washington DC - Mr. Matthew Stokes, Visiting Fellow, CSIS and Ms. Tincy Sara Solomon, Research Assistant, ICRIER, presented their initial findings.

The objective of this roundtable discussion was to analyse the background and current status of negotiations on an India-US BIT and BIPA as well as to identify avenues for making progress on this complex issue, given the need to

boost bilateral trade and investment. The discussion was widely attended by stakeholders from the Government of India, CII, USIBC, FICCI, NASSCOM and the US Embassy. The discussion concluded with the understanding that there were some grounds for cautious optimism regarding the ability of India and the US to move forward with the BIT; however, the process was unlikely to be completed soon.

Sovereign Default Fears and Banking Induced Recessions

July 18, 2012

The seminar on “Sovereign Default Fears and Banking Induced Recessions” by Dr. Alok Johri, Associate Professor, Department of Economics, McMaster University was held on July 18, 2012 at ICRIER, New Delhi. Against the background of renewed interest in linkage between sovereign defaults and recession following the euro-zone debt crisis, Dr. Johri used a dynamic general equilibrium open economy model to show how a recession in the euro-zone could be triggered before the occurrence of a sovereign default. A great deal of the existing literature focuses on how recessions happen following a sovereign default. This is the first attempt to model a banking capitalisation crisis in the European context, and has strong normative implications.

Taiwan-India Economic Cooperation: State of Play and Prospects

July 24, 2012

A seminar on “Taiwan-India Economic Cooperation: State of Play and Prospects” was jointly organised by CIER, Taiwan, ICRIER, New Delhi, Ministry of Foreign Affairs, Taiwan, and Bureau of Foreign Trade, Ministry of Economic Affairs, Taiwan on July 24, 2012 in Taipei, Taiwan.

The seminar was inaugurated by Mr. Pradeep Kumar Rawat, Director General of the India-Taipei Association and Mr. Dale Jieh, Deputy Chief Negotiator, Ministry of Economic Affairs, Taiwan. A team of four researchers from ICRIER - Dr. Rajat Kathuria, Dr. Arpita Mukherjee, Ms. Mansi Kedia and Ms. Divya Satija made presentations on collaborations in the ICT sector, recent trends and developments in India and its WTO and FTA strategy, FDI in India and the services sector in India, including bilateral trade in the services sector, respectively. The seminar was well attended by policymakers, academia, and businessmen from Taiwan. The key outcome of the seminar was the understanding that the ongoing collaborative research between the two countries would continue the findings presented at a conference in January, 2013.

India-US Strategic Partnership

August 6, 2012

As part of the ICRIER-Wadhwani Programme of Research Studies on India-US Relations and Policy Issues, Mr. Ranjan Mathai, Foreign Secretary, Government of India, delivered a talk on “India-US Strategic Partnership.” Mr. Mathai’s talk provided a detailed analysis of India’s multi-sectoral strategic engagement with the US, comprising political, defence and security, economic and people-to-people relations. He referred to the increase in the number of dialogues between the two countries as well as growing convergence between India and the US on regional and global issues. Mr. Mathai also stressed the need to invest greater effort, including political initiatives, to sustain the momentum of bilateral trade and economic relations. The talk was attended by leading experts on strategic and international affairs.

The Saudi-Iranian Cold War: Implications for Friends and Foes

September 4, 2012

The ICRIER-Wadhwani Programme of Research Studies on India-US Relations and Policy Issues organised a talk by Dr. Jon B. Alterman, Zbigniew Brezinski Chair in Global Security and Geostrategy, and Director, Middle East Programme at CSIS, Washington DC, in September 2012. Dr. Alterman provided a historical perspective on the broad “pathology of conflict” behind the growing Saudi-Iranian rivalry today, describing this as fundamentally a nationalist battle in which the sectarian issue is only part of the narrative. Looking ahead, it was his assessment that in the near term, regional volatility will persist. The interactive discussion following Dr. Alterman’s presentation covered, inter alia, the future of the Arab Spring and prospects for internal change in various countries.

Transforming Cities with Transit: Transit and Land use Integration towards Sustainable Urban Development

September 10, 2012

Mr. Hiroaki Suzuki, Lead Urban Specialist, World Bank, gave a talk on how integration of transport and land use leads to sustainable development. This seminar was held at ICRIER and was attended by researchers in the urban team and eminent urban professionals. Mr. Suzuki presented some major insights from his recent book, *Transforming Cities with Transit*, which explores the complex process of transit and land-use integration in rapidly growing cities in developing countries. He began by presenting some global best practices of transit-oriented metropolises with relevance to cities in the developing world. He then moved on to discuss the key institutional, regulatory and financial constraints which hamper integration and opportunities to utilise transit to guide sustainable urban development. He concluded by outlining key recommendations for creating more sustainable cities of the future, ranging from macro-level strategies that influence land development and governance at the metropolitan scale to micro-level initiatives like transit-oriented development, which can radically transform the patterns of urban development.

The discussion that followed, revolved around promising strategies for advancing environmental sustainability, economic competitiveness, and socially inclusive development in fast-growing cities, and how transit and land-use integration is increasingly being embraced by policymakers at all levels of the government.

Pew Perspective on the Indian Economy and the US Election

September 12, 2012

As part of the ICRIER-Wadhwani Chair Roundtable Series, Mr. Bruce Stokes, Director, Pew Global Economic Attitudes, Pew Research Centre, Washington DC, made a presentation at ICRIER on the Pew Global Economic Attitudes Survey in India. The survey results were extremely informative with regard to the views of the Indian public on the current economic climate, government performance and expectations for the future. The survey highlighted and compared perspectives across age-groups and socio-economic strata. Mr. Stokes also made a presentation on a similar, intensive survey conducted in the US which pointed to the manner in which evolving demographics and economic climate affect electoral outcomes, as significantly demonstrated in the 2012 US presidential election.

Advancing a Defining Partnership for the 21st Century

September 17, 2012



L to R: Amb. Hemant Krishan Singh, Amb. Ronen Sen, Amb. Nancy J. Powell, Amb. Nirupama Rao, Dr. C. Raja Mohan and Dr. Sanjaya Baru at a panel discussion on “Advancing a Defining Partnership for the 21st Century.”

At this ICRIER-Wadhvani Chair Eminent Speaker Series, Ms. Nirupama Rao, Indian Ambassador to the US and Ms. Nancy Powell, US Ambassador to India put forward their perspectives on the convergence and challenges in the Indo-US bilateral relationship. The session was chaired by Mr. Ronen Sen, former Indian Ambassador to the US, and included well-known strategic affairs experts, Dr. C. Raja Mohan and Dr. Sanjaya Baru, as discussants. The event was attended by leading members of the strategic and international affairs community in New Delhi, business and industry representatives, and received wide coverage in the Indian and international media.

Shocks: What do SVAR Models tell us about the Post-War Business Cycle?

October 10, 2012

The seminar, delivered by Dr. David Kim, Senior Lecturer, School of Economics, University of Sydney, focused on the shocks driving post-war business cycle fluctuations. The key question raised by Dr. Kim was: Does SVAR (Structural Vector Autoregressive Model) based evidence justify discarding the technology shock-driven real business cycle (RBC) hypothesis? He investigated the plausibility of technology shocks as a driving force of US business cycle fluctuations by revisiting some of the most commonly understood SVAR models, namely SVAR models of Cochrane, Gali, Shapiro and Watson, King, Plosser, Stock and Watson. Across all versions of these models, technology shocks are as important in explaining economic fluctuations as aggregate demand shocks combined. Technology shocks retain sizable conditional correlations with output in the post-war US data. The SVAR evidence suggests that the technology shock-driven models should not be discarded as a positive theory of the business cycle. Recent theoretical advances with investment-specific technology or varying factor shares may help in justifying the empirical importance of technology shocks.

Brazil as a Rising Economic Power

October 10, 2012

Dr. Marcos Troyjo, Co-Director, BRICLab, Columbia University, spoke about the Brazilian economic model of high growth and social inclusion. He showed how Brazil has increased its economic growth in the past ten years, and how the Brazilian economy has expanded the domestic market for higher consumption levels and income distribution mechanisms, thereby lifting the lives of millions in the country. However, low productivity, poor infrastructure and

outdated labour and fiscal laws have stalled Brazil's growth rate in recent months. The questions that Dr. Troyjo raised regarding the Brazilian economic model were: (i) Is Brazil really adopting a development model that will take it towards global economic leadership; or (ii) Is it just experiencing a cyclical growth pattern that will lose momentum? He ended the discussion by asking: Can Brazil's rise as an economic power be sustained over time or is the country destined to fall short of its vast potential?

Asia and Pacific Regional Economic Outlook: October 2012 Update

October 17, 2012

Dr. Thomas Richardson, Senior Resident Representative, International Monetary Fund (IMF), New Delhi presented the "Asia and Pacific Regional Economic Outlook" at ICRIER. He began by analysing the slowdown in growth in the Asia-Pacific region and highlighted the major role that external factors have played in it. He stated that the weaker momentum of growth in China and India weighed heavily on the regional economies in Asia. For Asia as a whole, during the first two quarters of 2012, GDP growth fell to its lowest rate since 2008. Subsequently, with the financial condition being more accommodative and capital flows resuming, the IMF predicts that growth will pick up gradually and Asia will remain the leader in global growth, expanding over two percentage points faster than the world average. Dr. Richardson concluded by stating that policymakers should focus on structural and fiscal reforms for more inclusive and sustained growth in the future.

Differential Effects of Financial Development on India's Industrial Performance

November 12, 2012

Dr. Nitin Gupta, Arndt-Corden Department of Economics, Australian National University, made a presentation at ICRIER based on his paper, "The Differential Effects of Financial Development on India's Industrial Performance." He focused on the differential impact of increased financial development on industrial output across state and industry categories. The main findings were: (i) financial depth facilitates increased use of contract labour by industries, which in turn, mitigates the effects of industrial disputes and increases output; (ii) beneficial impact is uniformly felt across the country, regardless of state-level labour regulations, but financial depth has failed to directly benefit industries with the greatest need for external financing, namely those with moderate and high dependence on external sources of finance; and (iii) increased financial depth alleviated the working capital constraints of firms, but not their investment constraints. Finally, the speaker made a case for comprehensive labour reforms and specific policies to improve the quality of intermediation in the Indian financial markets.

Covered Bonds: An Alternative Source of Financing Mortgage Lending in India

December 4, 2012

This seminar, presented at ICRIER by Ms. Mira Tamboli, a financial consultant in Housing Finance and Asset Securitisation, examined the potential of building and promoting a covered bond market in India, and put forth guidelines and considerations for the development of best practices and legislation. Ms. Tamboli gave an overview of the instrument and examined the merits of covered bonds by comparison with mortgage-backed securities. A brief discussion followed on the benefits to issuers, investors and the government. Given the absence of legislation, a suitable structure for covered bond issuance as an interim solution was also discussed. By making a case for adopting legislation with broad policy considerations on key issues, the seminar provided a starting point for discussion on the issuance of covered bonds in India.

Services Sector as an Engine of Inclusive Growth

December 19, 2012

As part of the ICRIER-KAS Seminar Series 2012, this seminar at New Delhi focussed on the services sector as an engine of inclusive growth. The key speakers were Mr. Rajeev Kher, Additional Secretary, Ministry of Commerce & Industry, Government of India, Mr. Sumanta Chaudhuri, Joint Secretary, Ministry of Commerce & Industry, Government of India, Dr. Donghyun Park, Principal Economist, ADB, Dr. Arpita Mukherjee, Professor ICRIER, Dr. Rupa Chanda, Professor, Indian Institute of Management (IIM), Bengaluru and Dr. Ejaz Ghani, Economic Adviser, World Bank.



L to R: Dr. Donghyun Park, Dr. Arpita Mukherjee, Mr. Sumanta Chaudhuri, Dr. Rupa Chanda and Dr. Ejaz Ghani at the ICRIER-KAS seminar on “Services Sector as an Engine of Inclusive Growth.”

Dr. Park stressed that development of the services sector was the top priority for the developing Asian economies and pointed out the reasons for slow growth in productivity of services. He recommended that there should be higher investment in physical infrastructure and human capital, which would help create the supply of productive factors required for a strong services sector. Dr. Mukherjee presented a paper on “Services Sector as an Engine for Inclusive Growth: The Case of India,” highlighting the importance of services in India. Dr. Rupa Chanda’s presentation on “Managing Labour Services Exports: Role of Interstate Cooperation” highlighted that migration under Mode 4 largely takes place temporarily for providing skilled and less-skilled services. In his presentation, “Outsourcing and Diaspora”, Dr. Ejaz Ghani pointed out that diaspora-based contracts mainly serve to lower costs for companies as developers in India are paid the market-wage for their work.

Trade Policy in PRC and India in the New Era of Slower World Growth: Challenges and Policy Options

January 8, 2013

Dr. Ganeshan Wignaraja, Director of Research, ADBI, highlighted that after the 2008 crisis, the GDP growth gap between China and India has been narrowing, but India still has a long way to go to reach China’s level, be it in terms of its share in world GDP, participation in production networks, poverty reduction or world trade. Though figures for these indicators are improving for the Indian economy, China remains ahead owing to its “first-mover advantage” in undertaking economic reforms that have strengthened its global standing as a major FDI and exporting destination. Though India was an original member of the WTO, and China only joined it in 2001, the latter forged ahead owing to more coordinated and credible reforms. According to Dr. Wignaraja, though both India and China undertook a gradual approach to reforms rather than a “big-bang” approach, the initial conditions and the timing of reforms are what made the difference. The challenges and opportunities for India in narrowing the gap with China are: (i) a rising working

population vis-à-vis China; (ii) improvement in education; (iii) higher expenditure and staff in R&D; (iv) improvement in infrastructure, including transport and power, to help reduce the cost of doing business in the country, which is much higher than in China; and (v) improving logistics systems, highlighted as a major problem by international businesses in conducting operations in India.

Stochastic Convergence of Real Wages in Indian Manufacturing: Time Series Evidence with Two Structural Breaks

January 14, 2013

Dr. Homagni Choudhury, Lecturer in Economics, Aberystwyth University (Wales, UK) examined time series data on real wages per worker across 51 industries from the organised manufacturing sector in India for the period 1973-2003 to determine whether there is stochastic convergence of wages across industries. In his analysis, he used a minimum Lagrange Multiplier (LM) unit root test that endogenously determines two structural breaks in intercept and slope. The LM unit test aided the identification of the effect of India's two distinct phases of reforms – 1980s (weak reforms) and 1990s (strong reforms) – on the changes in relative real wages identified for each industry. Dr. Choudhury's analysis provided evidence that real wages per worker are stochastically converging between industries in India. Dr. Choudhury also pointed out that, given the heterogeneous characteristics of industries in India, "stochastic convergence" implied that real wages between industries converge to an industry-specific "compensating differential", and it did not mean that there was an absolute convergence in wages, rather, there was conditional convergence.

Is India Hedged against Systemic Risk? An Attempt at an Answer

January 17, 2013

Dr. Gurbachan Singh, Visiting Faculty at the Indian Statistical Institute (ISI), New Delhi, presented his research at ICRIER on the risks facing the Indian economy and the corresponding mitigating factors. He proposed a few policy changes based on his extensive analysis of secondary data governing the different dimensions of systemic risk. The types of risks identified in the research were a mix of familiar and unfamiliar ones, driven by asset markets, banks, fiscal deficit, current account deficit and inflation. The discussion on mitigating factors focused on banking policies, inflation management, economic growth and government-led bailouts. Dr. Singh highlighted the manner in which these mitigating factors deflect a crisis, albeit at a huge cost. For example, he pointed towards the high opportunity cost of ex-ante bailouts and rapid inflation leading to default in real terms. He also explained how India's misplaced confidence in the public sector-driven banking industry was not a reliable 'hedge' against systemic risk.

One of the key policy recommendations made by Dr. Singh was the use of an extended fiscal policy focusing on tax-evasion and deficit-reduction. He also recommended the adoption of a credit line from the IMF or any other multilateral organisation to reduce the risk of FII outflows. In conclusion, he argued that India's progress towards macroeconomic stability should not be driven by financial repression, jumps in inflation rate or frequent explicit and implicit bailouts.

Firms' Fundamentals, Macroeconomic Variables and Quarterly Stock Prices in the US

January 21, 2013

Dr. Alok Bhargava, Professor, University of Maryland, presented his research at ICRIER on a model that examined the effects of firms' fundamentals and macroeconomic variables on the quarterly stock prices of over 3,000 US firms during the period 2000-07. While employing the technique of maximum likelihood, he accounted for firms'

fundamentals such as total assets and long-term debt, and macroeconomic variables such as unemployment and interest rates, to test the adequacy of these variables in determining the quarterly stock prices of firms in various Global Industry Classification Standard (GICS) industries. Owing to the fixed nature of supply of stocks in the short run, Dr. Bhargava considered panel data to overcome the shortcomings of previous research that considered cross-sectional data by allowing for variability in stock prices, firms' fundamentals and macroeconomic variables.

His main findings were: (i) the estimated coefficients of lagged stock prices in the simple random effects model were in the interval 0.90-0.95; and (ii) comprehensive dynamic models showed that firms' earnings per share, total assets and long-term debt, dividends per share, unemployment and interest rates were significant predictors; (iii) controlling for random effects, stock prices did not follow a random path; and (iv) there were varying effects of different macroeconomic variables on individual firms, according to his analysis of GICS industries.

Tax Administration Modernisation: Trends and Challenges, and SME Tax Regime in CIS Countries

January 28, 2013

In his presentation at ICRIER, Dr. Munawer Sultan Khwaja, Fiscal Economist, World Bank, argued that tax reform was a major concern in public finance and that effective administration was important for many reasons. The discussion revolved around five major areas of reform required in tax administration globally: (i) use of third party information; (ii) risk management; (iii) consolidation of organisational structures; (iv) integration of tax and social contribution; and (v) taxpayer segmentation and specialisation. Country examples were cited to explain details and experiences in these areas. Further, Dr. Khwaja talked of the unique case of small and medium enterprises (SME) tax regimes in Commonwealth of Independent States (CIS) countries. After introducing the idea of SME taxation in CIS countries, four SME taxation regimes in these countries were discussed, namely patents, presumptive taxation based on indicators, turnover-based tax and cash flow-based taxation. Various issues with SME tax regimes were discussed in general and Kazakhstan in particular. This was followed by a discussion on the options for reforms at the policy and administrative levels. It was mentioned that international experience from OECD countries could be helpful in the design of some of these reform programmes.

Knowledge Dissemination Seminar: Presentation of the HPEC (Ahluwalia, 2011) Report

January 29, 2013



L to R: Mr. V.P. Baligar, Professor Meenu Tewari and Others at the first Knowledge Dissemination Seminar of ICRIER's HUDCO Chair Programme.

The first Knowledge Dissemination Seminar of ICRIER's HUDCO Chair Programme was delivered by Dr. Isher Judge Ahluwalia, Chairperson ICRIER, and Chair of the High Powered Expert Committee (HPEC) on Urban Infrastructure and Services.

Dr. Isher Judge Ahluwalia, Dr. Rajat Kathuria, Director, ICRIER, Prof. Meenu Tewari, HUDCO Chair, ICRIER and Mr. V. P. Baligar, Chairman and Managing Director, HUDCO made their opening remarks on the challenges of urbanisation, and summarised the initiatives undertaken by ICRIER and HUDCO. Prof. Meenu Tewari outlined the objectives of the seminar which were to: (i) share the findings of the HPEC (Ahluwalia, 2011) Report on urban investment and infrastructure in India; and (ii) collectively understand how the findings and approach of the study could be taken forward to the states.

The highlights of the HPEC (Ahluwalia, 2011) Report revealed the current scenario of urbanisation in India - one of growth but lacking in service delivery - which in turn was undermining the economic potential of urban areas. The discussions led by Dr. Isher Judge Ahluwalia and Mr. V.P. Baligar revolved around the need for interventions at the ULB and state levels, examples of initiatives to bolster municipal finance, capacity building efforts, etc. The seminar concluded by reinforcing the importance of these ideas and the need to continue the discourse by conducting such events.

Energy Outlook 2030

February 1, 2013

A talk on "Energy Outlook 2030" was organised by ICRIER on February 1, 2013 by Professor Christof Rühl, Group Chief Economist and Vice President, British Petroleum. Professor Rühl spoke on the global energy trends of various regions of the world from 1990 to 2030. According to the Energy Outlook 2030, population and income growth were the key drivers behind the growing demand for energy. Between 2011 and 2030, both world primary energy consumption and energy production were projected to grow by 1.6 percent per year with developing countries driving this growth. According to Professor Rühl, the world's appetite for primary energy will rise significantly. Industry is expected to lead the growth of final energy consumption, accounting for 57 percent of the projected growth of final energy demand to 2030. The transport sector will experience the weakest growth as OECD's transport demand was projected to decline. According to estimates, energy intensity (the amount of energy consumed per unit of GDP) will decline in all regions by 2030. Professor Rühl concluded by emphasising the necessity to increase supply and raise competition to meet the growing energy demand across the world.

The US Pivot towards Asia

February 7, 2013

At this ICRIER-Wadhwani Chair Eminent Speaker Series, Dr. Satu P. Limaye, Director, East West Centre, Washington DC, outlined the dimensions of the US "pivot" towards Asia, stressing that while it may not have lived up to the perception of a major rebalance of military forces, the increasing US non-military engagement with Asia needed to be considered as an integral part of the strategy. He highlighted the increasing reallocation of diplomatic and economic resources to the region and intensification of people-to-people relations. He also made a brief comparison of the RCEP and TPP initiatives and possible economic implications for both India and the US.

Information or Money? Using Peer Comparisons and Financial Incentives to reduce Electricity Demand in Urban Indian Households

February 19, 2013

The third seminar of the ICRIER-HUDCO Seminar Series on Urbanisation and Competitiveness of Cities titled, “Information or Money? Using Peer Comparisons and Financial Incentives to reduce Electricity Demand in Urban Indian Households?” was delivered by Dr. Anant Sudarshan, Sustainability Science Fellow, Harvard University on February 19, 2013 in New Delhi. The seminar was chaired by Dr. Rajat Kathuria, Director, ICRIER and Dr. Akshay Sen, Assistant General Manager, Economics, HUDCO. Three sector experts – Dr. Rohini Somanathan, Professor, Delhi School of Economics, Mr. I. A. Khan, Adviser, Energy, Planning Commission, Government of India and Mr. Ashish Khanna, Lead Energy Specialist, World Bank, New Delhi – were the discussants.

Dr. Anant discussed the importance of demand-side interventions in residential electricity consumption to energy and climate policy across the world. He presented his evaluation of the relative effectiveness of different policy tools and instruments aimed at changing behaviour and reducing electricity demand. His research indicated that pure behavioural intervention using peer comparisons were the most effective in sustained electricity reduction, while financial incentives coupled with the above had a deteriorating effect.

Macroeconomic Context and Budget Priorities 2013-14

February 21, 2013

The first ICRIER-KAS Seminar on “Macroeconomic Context and Budget Priorities 2013-14” was held on February 21, 2013 in New Delhi. Mr. Tomislav Delinic, Resident Representative in India, KAS, India Office made the opening remarks. The keynote address was delivered by Dr. Saumitra Chaudhuri, Member, Planning Commission and Member, Economic Advisory Council to the Prime Minister, Government of India. Dr. Chaudhuri made a presentation on “Growth with Stability, Inclusion and 8 percent+ Growth” emphasising the key issues of concern, such as growth recovery being far more rapid than expected followed by an unexpected deep and persistent slowdown, decline in investment and persistent inflation. He was optimistic that India could return to an 8 percent growth rate and macroeconomic stability, if there were no external shocks or slippages in infrastructure investments.



L to R: Dr. Shubhashis Gangopadhyay, Dr. Rajiv Kumar, Dr. Shankar Acharya and Dr. Chetan Ghate at a seminar on “Macroeconomic Context and Budget Priorities 2013-2014.”

Dr. Shankar Acharya, Honorary Professor, ICRIER made a presentation on “Macroeconomic Context and Budget Priorities 2013-14.” This session was chaired by Dr. Chetan Ghate, RBI Chair Professor, ICRIER. Three experts,

namely Dr. Rajiv Kumar, Senior Fellow, Centre for Policy Research, Dr. Shubhashis Gangopadhyay, Managing Trustee and Research Director, India Development Foundation and Dr. Surjit Bhalla, Chairman, Oxus Investments were the discussants. Dr. Acharya presented a macroeconomic overview of the Indian economy and emphasised some near-term policy priorities of the government. The presentations were followed by a stimulating discussion. A number of policymakers, academicians, representatives from embassies and the financial sector attended the event.

Development at the WTO: Looking beyond the Doha Round

February 25, 2013

Dr. Sonia Rolland, Associate Professor, Northeastern University, School of Law, US, presented a seminar on “Development at the WTO: Looking beyond the Doha Round” at ICRIER on February 25, 2013.

In her presentation Dr. Rolland stated that, while there have been major transformations in the role of developing countries in world trade since the Uruguay Round, the debate on development at the WTO has remained largely unchanged. According to her, there appeared to be a disconnect between development requirements and the WTO discipline, and between the participation of developing countries and WTO institutions. Though there was a substantial increase in the number of developing countries in the WTO, the rules have not changed. The Doha Round was initiated to bring development issues within the mainstream but the developing countries had struggled so far in taking this forward. Dr. Rolland proposed two paradigms for reframing the relationship between trade and development. First, she advocated an ad hoc paradigm in which pragmatic case-by-case consideration of trade and development could be made. Second, there was need for a normative co-constituent paradigm in which trade liberalisation and development are adopted as complementary core principles to inform WTO law and institutions. However, to move forward, she stressed there was need to: (i) increase human and financial resources; (ii) ensure a shift in practices of members and organisations; (iii) make use of interpretative decisions by the General Council; (iv) bring the interpretation of WTO agreements in line with contemporary developments in public international law; and (v) re-examine the negotiation process.

An Overview of India’s Approach to Key Intellectual Property Issues at Home and Abroad

February 28, 2013

A seminar on “An Overview of India’s Approach to Key Intellectual Property (IP) Issues at Home and Abroad” was delivered by Dr. Bona Muzaka, Senior Lecturer, International Political Economy, Department of European and International Studies, King’s College, London on February 28, 2013 at ICRIER.

Dr. Bona’s presentation focussed on the importance of the generic industry to the Indian economy and the issues it currently faces. According to Dr. Bona, the industry contributed 1.55 percent to India’s GDP and employed 4.2 million people. She mentioned that during the past few years, the Indian government had taken various measures to reform the sector. These included amendments in the Indian Patent Law, Biological Diversity Act (2002), etc. However, there still remained many IP issues related to pharmaceuticals in the country. The pharmaceutical policy in India was part of the industrial policy. Until 2010, 1,053 patents had been issued, after which no new patents were issued to the manufacturers of medicines. At the international level, India was not a member of various international forums, such as UNITAID, UPOV, despite considerable pressure from many countries including the US and the EU. Dr. Bona said there was high potential for the Indian biotech sector in the coming years but there was need for coordination between various ministries dealing with IP issues together with a proper IP coordination policy in place. She suggested that the country should introduce some TRIPS + provisions in the area of plant varieties and copyright in Indian patent law.

How China impacts Contemporary India-Japan Relations

March 9, 2013

ICRIER, in association with the Centre for Asia Studies and Chennai Centre for China Studies, organised an international seminar on “How China Impacts Contemporary India-Japan Relations” on March 9, 2013 in Chennai. The seminar focused on the issues relating to India-Japan economic and strategic relations in the light of China’s rise.



L to R. Dr. Madhu Bhalla, Mr. R. S. Vasan, Dr. Yoichiro Sato and Dr. D. S. Rajan at the seminar on “How China impacts Contemporary India-Japan Relations.”

The opening remarks were made by Mr. R. S. Vasan, Head, Strategy and Security Studies, Centre for Asia Studies, Chennai and the inaugural remarks were delivered by Ambassador H. K. Singh, Professor, ICRIER-Wadhwani Chair in India-US Policy Studies. The speakers in the first session were Dr. Yoichiro Sato, Director, International Strategic Studies, Ritsumeikan Asia Pacific University, Japan, Dr. Madhu Bhalla, Professor, Department of East Asian Studies, University of Delhi, and Dr. D. S. Rajan, Director, Chennai Centre for China Studies. The session discussed the Indo-Japanese perspectives on China as a security challenge. The second session highlighted the growing impact of the China factor in deepening India-Japan economic relations. The speakers were Mr. Toshiro Nishizawa, Head of Country Credit Department, JBIC, Japan, Mr. N. Krishnaswami, Secretary General, Indo-Japan Chamber of Commerce and Industry and Ms. Isha Dayal, Research Assistant, ICRIER. In the third session the speakers were Dr. Ram Upendra Das, Senior Fellow, Research and Information System for Developing Countries (RIS), Dr. V. Suryanarayan, Professor and Founding Director, Centre for South and Southeast Asian Studies, University of Madras, Mr. R. S. Vasan, Head, Strategy and Security Studies, Centre for Asia Studies, Chennai and Ms. Sanjana Joshi, Senior Consultant, ICRIER. The session focused on the regional dimensions on India-Japan political, security and economic relations.

Economic Reforms and Total Factor Productivity Growth of Indian Manufacturing: An Inter-State Analysis

March 13, 2013

The seminar on “Economic Reforms and Total Factor Productivity Growth of Indian Manufacturing” was delivered by Dr. Arnab Deb, School of Business, Galgotias University on March 13, 2013 at ICRIER. The session was chaired by Professor B. N. Goldar. Dr. Deb began by highlighting the evolution of Indian industrial policy since independence and went on to focus on the post-1991 reforms and their impact on productivity in manufacturing. Inter-state variations in productivity were discussed for the period 1970 to 2004 that covers both the pre-reform and post-reform period.

Dr. Deb explained that the total change in productivity had been broken down into three components: (i) efficiency change, (ii) technical change, and (iii) scale change. To measure these different components of productivity change, he used the Non-Parametric method, and the Data Envelopment Analysis, while also highlighting the caveats of the method. The empirical findings from this study showed an increase in Total Factor Productivity (TFP) in the post-reform period compared to the pre-reform period of the Indian economy. This TFP growth was more due to technological change (technological progress) than the other two components of change in TFP (i.e. the efficiency change and the scale change). Some states such as West Bengal and Andhra Pradesh experienced positive TFP growth, but negative technological change. The positive TFP growth in these states was mainly due to positive scale effect. The talk was followed by an animated discussion on data and methodological issues.

Revisiting India's Look East Policy

March 14, 2013

At this ICRIER-Wadhwani Chair Eminent Speaker Series, Dr. Frederic Grare, Senior Associate and Director, South Asia Programme, Carnegie Endowment for International Peace in Washington DC, outlined the economic and political factors that resulted in the initiation of India's Look East Policy, including the end of the Cold War and the need for diversified international trade. In the context of India-ASEAN connectivity, Dr. Grare flagged the role of India's North Eastern states in guiding policy-making. He also pointed out that India's eastern seaboard should play a major role in building convergence between India and East Asian countries, for which major infrastructure investments are needed.

Mobile Broadband and Spectrum

March 15, 2013

In a seminar organised by ICRIER on March 15, 2013, Mr. Parag Kar, Vice President, Government Affairs, Qualcomm (India & South Asia), presented his findings on the economics of mobile broadband spectrum in India. He began by highlighting the complexity of the subject and reasons why it was misunderstood. As India stepped into a new paradigm of "mobile data", there was an urgent need for policy intervention to enable its faster adoption. Affordable tariffs could be a driver of mobile broadband in India, if operators were assigned additional spectrum. The current level of spectrum available to operators is miniscule compared to global averages, and the allocation mechanism is non-transparent.

According to Mr. Kar, harmonising spectrum enables scale to be achieved that eventually brings down the cost of service provision. Affordable tariffs and devices could drive the adoption of mobile broadband in India. Mr. Kar also highlighted the costs and benefits associated with each band of spectrum. The 2.1 GHz band, with best characteristics, is deployed in all three ITU regions. He recommended that additional slots in the 2.1 GHz band be made available by reallocating the current unused spectrum of 1900 MHz. This would be an ideal situation benefitting all stakeholders, including the government, defence establishments, consumers, operators, and vendors. It would be difficult to achieve similar success using other bands of spectrum. The only other option that comes close to 2.1 GHz is the 900 MHz band.

Establishing Relationship between the recent Foreclosure Crisis and Regional Economic Structure in US Counties

March 19, 2013

The fourth seminar of the ICRIER-HUDCO Seminar Series on Urbanisation and Competitiveness of Cities titled, “Establishing Relationship between the recent Foreclosure Crisis and Regional Economic Structure in US Counties” was delivered by Dr. Indro Ray, Research Associate, IIHS on March 19, 2013 in New Delhi. Prof. Meenu Tewari, Visiting Professor, ICRIER, was the chair of the seminar.

Dr. Ray’s presentation was focused around identifying various factors that contributed to high rates of residential foreclosures that, in turn, triggered a decline in the US economy in 2007, unleashing a severe global financial crisis. It was found that regions with diversified workforce were less likely to have higher rates of foreclosure; regions that depended heavily on sectors related to the housing market were hit hard. Additionally, areas that saw faster growth in small size firms were more resilient to the housing crisis. The results pointed towards an economic structure at the regional level that not only supports sound economic growth but also helps regions better absorb external shocks.

India’s Economic Outlook in the Current Global Scenario

March 22, 2013

The seminar on “India’s Economic Outlook in the Current Global Scenario” was delivered on March 22, 2013 by Dr. Thomas Richardson, IMF Senior Resident Representative, New Delhi. The session was chaired by Dr. Shankar Acharya, Honorary Professor, ICRIER. Dr. Richardson drew on the IMF’s latest *World Economic Outlook* update and pointed out that global growth was projected to increase during 2013. Projections for growth in the emerging markets and developing economies also showed an upward trend. However, downside risks remained significant including renewed setbacks in the euro area and risks of excessive near-term fiscal consolidation in the US. Further, weakness in advanced economies will spill over to the emerging markets through channels of external trade. With regard to India, he said that the IMF had adjusted India’s growth projection downward. According to Dr. Richardson, slowdown in investment, high inflation, and high fiscal deficit had raised concerns about India’s growth. He stressed the importance of financing imports, as it had an influence on the current account deficit which was currently widening. Dr. Richardson suggested boosting investment as the key to restarting growth, while simultaneously focusing on environment and land policy.

Fiscal Prudence: A Comparative Analysis of Germany and India

March 25, 2013

A brainstorming session on “Fiscal Prudence in Germany” with Dr. Heribert Dieter, Senior Research Associate, The German Institute for International and Security Affairs, Berlin was organised on March 25, 2013 at ICRIER, New Delhi.

Discussing fiscal issues in Germany, Dr. Dieter said that an unsustainable level of sovereign debt was not a new phenomenon. However, the implications were severe, including a near wash-out of savings of an entire generation. Hence, fiscal prudence was a socially and economically accepted norm by the government as well as society. Sovereign debt level had increased from 17 percent of GDP during the 1970s to 80 percent today. According to Dr. Dieter, this was because politicians were averse to reducing spending during economic boom which had increased during recession. Fiscal prudence had become even more difficult because of the unexpected unification of Germany and the euro zone crisis.

Dr. Dieter explained that in Germany, half the budget expenditure was on social welfare schemes. This was intrinsically problematic in a demographically ageing country as fiscal priorities were geared towards meeting greater social security benefits as opposed to creating new jobs to maintain employment levels, as in the case of India. The implicit government debt level factoring in the social promises made to future generations of Germany was approximately 200 percent of GDP. Germany was undertaking regulatory change in order to cope with the rising fiscal burden. A Stability Council was appointed in 2010 to monitor the implementation of new fiscal rules. Government debt witnessed a change in structure – there was greater international holding of sovereign bonds. There was general consensus that there must be concerted effort to achieve fiscal consolidation as fewer people will be able to service the debt in future.

12th Five Year Plan: Challenges and Opportunities for the Social Sector

May 27, 2013



L to R: Dr. Syeda Hameed, Dr. Rajat Kathuria and Mr. Tomislav Delinic at a seminar on “12th Five Year Plan: Challenges and Opportunities for the Social Sector.”

The seminar, “12th Five Year Plan: Challenges and Opportunities for the Social Sector” was organised on May 27, 2013 in New Delhi. This seminar was the second ICRIER-KAS seminar for the year and fifth in the series of seminars jointly organised by the two organisations. The seminar focused on India’s low human development indicators particularly with regard to access to education and health in comparison with other countries. The discussion also focused on the prospects that the country’s 12th Five Year Plan (2012-17) holds for improvements. After the opening remarks by Dr. Rajat Kathuria, Director & CE, ICRIER and Mr. Tomislav Delinic, Resident Representative to India (officiating), KAS, the keynote address was delivered by Dr. Syeda Hameed, Member, Planning Commission, Government of India. Dr. Hameed’s address focused on the policies and programmes pertaining to the social sector in the 11th and 12th Plans and highlighted the concerns and constraints that need to be addressed to achieve the targets set under each of them. She pointed out that the 12th Plan is about faster, more inclusive and sustainable growth with specific and regularly monitored targets in the fields of education, health, etc. At the seminar, the key presentation was made on “Challenges and Opportunities for the Social Sector” by Dr. Sonalde Desai, Professor, University of Maryland. This was followed by a panel discussion moderated by Dr. Santosh Mehrotra, Director-General, Institute of Applied Manpower Research. The panelists included Dr. Nisha Agrawal, CEO, OXFAM India, Dr. Amir Ullah Khan, President, Glocal University, and Ms. Caitlin Wiesen, Country Director, UNDP India.

Trade Hyperglobalisation and Its Future

June 21, 2013



L to R: Dr. Arvind Subramanian, Dr. Isher Judge Ahluwalia and Prof. Anwarul Hoda at a seminar on “Trade Hyperglobalisation and Its Future.”

Dr. Arvind Subramanian, Dennis Weatherstone Senior Fellow, Peterson Institute for International Economics, delivered a seminar at ICRIER on June 21, 2013 on “Trade Hyperglobalisation and its Future.” The seminar was chaired by Dr. Isher Judge Ahluwalia, Chairperson, ICRIER. Dr. Subramanian started his presentation with a timeline of globalisation taking into account the trade to GDP ratio and delineated the major features of today’s trading system as: (i) hyperglobalisation, that is the rapid rise in trade integration; (ii) dematerialization of globalisation, namely the importance of services; (iii) rise of a mega-trader China, the first since imperial Britain; (iv) proliferation of regional trade agreements and the imminence of mega-regional ones; and (v) decline of barriers to trade in goods but the continued existence of high barriers to trade in services. With regard to trade integration and its implications for India, Dr. Subramanian pointed out that, while there is considerable liberalisation in India such as in FDI and finance, there is need for further liberalisation in government procurement and services. Suggesting that it was time for India to become less defensive and more proactive, he stressed that India should consider introducing a model of cooperative federalism under which competition in trade should be extended to the states in India too, as this would make the states competitive and lead to higher economic growth of the country as a whole.

British Petroleum Statistical Review of World Energy 2013

June 27, 2013



L to R: Dr. Rajat Kathuria, Dr. Christof Rühl, Dr. Subir Gokarn and Amb. H.K. Singh at a seminar on “British Petroleum Statistical Review of World Energy 2013.”

The seminar focused on discussing the key results of the *BP Statistical Review of World Energy 2013* compiled by British Petroleum (BP). The *Statistical Review* is released by BP every year with details on energy reserves, production, consumption and trade trends as well as emission trajectories. At the seminar, Dr. Christof Rühl, Group Chief Economist, BP, made a presentation highlighting the results from the review, which were later discussed in an Indian context by two discussants, namely Dr. Subir Gokarn, Research Director, Brookings Research and Ambassador H.K. Singh, Professor, ICRIER.

Dr. Christof Rühl, in his presentation, highlighted the fact that the economic gravity of the world has over a period of time shifted from the developed to the developing world. An overwhelming share of the globe's current energy production as well as consumption is being reported from Asia as well as other emerging markets. Despite this, the demand dampening effects of the economic recession within many countries of the OECD block has led to total global primary energy consumption falling to 2002 levels. It is however interesting to note that the demand dynamics has not had much impact on energy prices, which continue at a record high. The reason, as suggested by Dr. Rühl, lay in price expectations and the increase in inventories maintained within countries. High international liquidity was also suggested as a cause of this price rigidity in the discussion following the presentation. The *BP Statistical Review of World Energy 2013* also highlights the change in the oil order with the traditional oil markets (OPEC) no longer being dependent just on the OECD, and the US changing from a net energy importer to a net energy exporter backed by its shale gas discoveries. Dr. Rühl pointed out that these non-conventional oil discoveries in the US are led not just by resource abundance but also by the existence of domestic open access and competition policies. According to him, the entry of cheap gas is proving to be a dampener for the renewable energy and energy-efficiency movement. While the substitution of coal to gas (in US and EU) for power is an improvement from the carbon emission angle, the lack of global agreement regarding emissions regulation – EU ETS, United Nations Framework Convention on Climate Change (UNFCCC), Clean Development Mechanism (CDM), etc. and trade of cheap 'brown' fuels would hurt the renewable cause.

How India Fits into Global Production Sharing: Experience, Prospects and Policy Options

July 19, 2013

In a seminar organised by ICRIER on July 19, 2013, Dr. Prema Chandra Athukorala presented a paper on "How India Fits into Global Production Sharing: Experience, Prospects and Policy Options." The paper examined India's role in global production networks and explains why India is lagging behind China and other East Asian countries. The share of network products in total manufacturing exports of India is much smaller compared to the East Asian countries. He argued that India still remains a small player in global production networks, particularly in electronics and electrical goods. Its relative 'success' in automobiles seems product-specific, which can be explained partly by the characteristics of auto components and partly by the failure of Indian SEZs in attracting foreign electronics companies. He argued that a country's success in joining global production networks and industrial advancement does not depend solely on the availability of labour at relatively low wages, but also on human capital development. India should also focus on creating an investment enabling environment which includes lowering the cost of service links (transportation, communication) that complement the labour cost advantage.

Evaluation of Intermittent versus 24x7 Water Supply in Hubli-Dharwad, Karnataka, India

July 26, 2013

The first seminar of the ICRIER-HUDCO Seminar Series for the year 2013-14 on urbanisation and competitiveness of cities was held on July 26, 2013 in New Delhi. The seminar titled, "Evaluation of Intermittent versus 24x7 Water

Supply in Hubli-Dharwad, India” was presented by an interdisciplinary team from the University of California, Berkeley. Headed by Dr. Kara Nelson, Professor, Civil and Environmental Engineering, the team included doctoral candidates Zach Burt, Ayse Ercumen and Emily Kumpel. The team presented the findings of their study where they evaluated the impact of a pilot-scale conversion from intermittent to 24x7 water delivery in Hubli-Dharwad, Karnataka. The study included a comparison of areas of the city that received 24x7 delivery with areas that continued to be served by intermittent water supply, to assess the effect of the conversion on drinking water quality, waterborne illness among children and household economics. The conclusion of the study is that while 24x7 water delivery system was more expensive than intermittent supply, it resulted in an improved quality of water due to reduced contamination. An important issue highlighted in the study was that the practice of water storage in households increased the contamination of both sets of water.

Labour Intensive Industrialisation in India: Examining the Constraints to Employment Intensive Growth

July 26, 2013

A seminar on “Labour Intensive Industrialisation in India: Examining the Constraints to Employment Intensive Growth” was held on July 26, 2013 in New Delhi. The seminar was chaired by Prof. Meenu Tiwari, which was followed by a presentation by Professor Kunal Sen and Dr. Deb Kusum Das. The speakers highlighted the fact that India has been an outlier among all major Asian economies. A comparison among 13 labour intensive industries showed that the manufacturing sector for food products employed the highest numbers, whereas the performance of labour intensive sectors in terms of labour productivity has been dismal. The key constraint to the growth of labour-intensive sectors was road infrastructure and labour regulations with openness and human capital. Emphasis was laid on the need for a more systematic analysis of industry-level barriers.

The participants made several suggestions to the speakers. They highlighted that profit making, unorganised manufacturing sector should be considered during the analysis. Individual product share in the production basket of the state should be considered during the computation of Revealed Comparative Advantage along with the impact of National Rural Employment Guarantee Act (NREGA). Further, incorporation of the informal sector of manufacturing and the missing middle story in the analysis was suggested.

South Asia Network of Economic Research Institutes (SANEI)

The 12th Annual SANEI Conference was held during December 11-12, 2012 in Colombo. The Conference was organised by the South Asia Network of Economic Research Institutes (SANEI) in partnership with Marga Institute, Sri Lanka. The theme of the conference was “South Asia: Sustaining Growth in the Face of the Global Economic Turmoil.” The conference was attended by well-known academics, researchers, senior policymakers and others from South Asia and other countries including the US. The conference provided an opportunity to the grantees of SANEI’s 13th Regional Research Competition (RRC) to present their research results.

The SANEI Secretariat has received the reviews from the Research Advisory Panel (RAP) members for the proposals submitted under the SANEI 14th Round RRC. The theme of the SANEI 14th Round RRC is “Sustaining Rapid Growth in South Asia in the Face of the Current Global Financial and Economic Turmoil.” Nineteen proposals were received of which seven were selected by the SANEI RAP members for funding.

Sixteen South Asian representatives of SANEI attended the 14th Annual Global Development Network conference in Manila, Philippines in June 2012. The SANEI Secretariat organised a parallel session on “Sustaining Rapid Growth in South Asia in the Face of the Current Global Financial and Economic Turmoil” where five country papers were presented by the SANEI representatives of the South Asia Region.

MOU with Policy Research Institute, Japan

With the objective of promoting and strengthening mutual cooperation, ICRIER and the Policy Research Institute (PRI), Ministry of Finance, Japan have extended their Memorandum of Understanding (MOU) by three years in March 2013. The two institutions will: (i) facilitate exchange of researchers between both sides; (ii) cooperate to organise an annual workshop on issues of common interest; (iii) exchange research materials in accordance with the needs of both sides and (iv) promote joint research activities regarding the economies of both countries.

MOU with Korea Institute for International Economic Policy, South Korea

The Korea Institute for International Economic Policy (KIEP), South Korea and ICRIER have signed an MOU in October 2012. Recognising the need for cooperation on research and academic activities, the two institutions have agreed to: (i) exchange research information; (ii) conduct joint research activities; (iii) collaborate in organising joint conferences and workshops on relevant issues and (iv) provide facilities and administrative support to visiting scholars from the other side. The MOU is effective for a period of two years.

MOU with Sustainable Development Policy Institute and Lahore University of Management Sciences, Pakistan

The Sustainable Development Policy Institute (SDPI), Pakistan and ICRIER have signed an MOU in 2012. The two institutions have agreed to: (i) co-organise workshops/conferences/seminars; (ii) conduct collaborative research studies in mutually agreed areas and (iii) exchange research information. A similar MOU has been signed between Lahore University of Management Sciences (LUMS), Pakistan and ICRIER. The MOUs are effective for one year and have been signed under ICRIER’s project on “Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan.”

Book/Report Releases

Book Release – Devaluing to Prosperity: Misaligned Currencies and their Growth Consequences

December 17, 2012



L to R: Dr. Rajat Kathuria, Mr. P. Chidambaram and Dr. Surjit Bhalla at the book release, “Devaluing to Prosperity: Misaligned Currencies and their Growth.”

In collaboration with Oxford University Press, ICRIER hosted the release of Dr. Surjit Bhalla’s book, “*Devaluing to Prosperity: Misaligned Currencies and their Growth Consequences*,” on December 17, 2012 in New Delhi. The book examines the veracity of various propositions relating to currency misalignments and their effect on policy. It highlights methodological limitations caused by measurement problems in estimates of currency undervaluation in previous analyses of exchange rate management and growth. The main conclusions are: (i) the real exchange rate can be affected by nominal devaluations; and (ii) currency undervaluation does help growth but the global economic system becomes unstable if too many countries, and especially large countries, pursue this approach. The book reflects on the Japanese and Chinese examples in particular and puts forward policy suggestions for India.

The book was released by the Union Minister of Finance, Mr. P. Chidambaram. The Hon’ble Minister termed the book as ‘extraordinary’ and praised the amount of research that the author had undertaken. The book release was followed by a vibrant panel discussion moderated by Mr. T.N. Ninan, Chairman, Business Standard Ltd. The panelists included Dr. Raghuram G. Rajan, former Chief Economic Adviser, Government of India, Dr. Shinji Takagi, Professor, Osaka University, and Dr. Surjit Bhalla.

Report Launch – BIT and Beyond: Advancing India-US Economic Relations

January 23, 2013

The ICRIER-Wadhvani Chair’s Policy Report, “*BIT and Beyond: Advancing India-US Economic Relations*,” by Ambassador Hemant Krishan Singh and Ms. Tincy Sara Solomon was formally launched by Mr. Salman Khurshid, Minister of External Affairs, on January 23, 2013. Following an introduction of the report by Ambassador Hemant Krishan Singh and remarks by Ms. Nancy Powell, US Ambassador to India, and Dr. Rajat Kathuria, Director and CE, ICRIER, Mr. Khurshid delivered the keynote address. The report launch was chaired by Ambassador Ronen Sen, former Indian Ambassador to the US.

The “BIT and Beyond” report provides an in-depth analysis of India’s investment climate and India-US trade and economic relations and makes recommendations for reconciling the respective approaches of the Indian and the US governments towards a Bilateral Investment Treaty (BIT/BIPA). It also assesses trends towards regional trade agreements, such as RCEP and Trans-Pacific Partnership (TPP) and the challenges and opportunities they present for India.



L to R: Amb. Hemant Krishan Singh, Ms. Nancy Powell, Mr. Salman Khurshid, Amb. Ronen Sen and Dr. Rajat Kathuria at the release of the report on “BIT and Beyond: Advancing India-US Economic Relations.”

Book Release – Indian Tax Administration: A Dialogue

June 24-25, 2013

The book, “*Indian Tax Administration: A Dialogue*,” edited by Dr. Parthasarathi Shome, published by Orient Blackswan was released on June 24, 2013 by Dr. Bimal Jalan at a conference organised on June 24-25, 2013 to disseminate the findings of the study on “Advancements in Tax Administration: Lessons and Experiences of UK, Brazil and India.” The publication is born out of first-of-its-kind discussion series between tax officials and tax practitioners. It does the following: (i) provides a detailed analysis of organisational structure, risk assessment and management in audit selection; (ii) discusses computerisation in both direct and indirect tax administration and the newly established Large Taxpayer Units (LTU) at the central level for large enterprises; (iii) undertakes a statistical study of the effectiveness of value added taxes of state-level administrations; and (iv) examines the procedure of dispute resolution. Comprising compilations by both serving and retired bureaucrats and stakeholder voices from outside the government, the contributors occupy both ends of the tax spectrum.



L to R: Dr. Bimal Jalan and Dr. Parthasarathi Shome at the book release, “Indian Tax Administration: A Dialogue.”

Publications

Books

- **India's Economic Reforms and Development Essays for Manmohan Singh**

By Dr. Isher Judge Ahluwalia & Dr. I. M. D. Little
Second Edition updated as part of the
Oxford India Perennial Series
Oxford University Press, New Delhi, 459 pages



- **Overcoming the Burden of History in the South Asian Garment Industry**

By Professor Meenu Tewari

LAMBERT Academic Publishing, Saarbrücken,
Germany, 136 pages



Report

- **Indian Tax Administration: A Dialogue**

Edited by Dr. Parthasarathi Shome

Orient Blackswan, New Delhi, 420 pages



- **BIT and Beyond: Advancing India-US Economic Relations**

By Ambassador Hemant Krishan Singh &
Ms. Tincy Sara Solomon

ICRIER, New Delhi, January 2013



Working Papers

259. B. Karan Singh, “An Assessment of Inflation Modelling in India,” April 2012.
260. Chetan Ghate, Radhika Pande and Ila Patnaik, “Has India Emerged? Business Cycle Stylized Facts from a Transitioning Economy,” June 2012.
261. Chetan Ghate and Stephen Wright, “Why was the Participation of Indian States in the Growth Turnaround so Patchy? Some Evidence Based on Robustness Analysis,” October 2012.
262. Chetan Ghate, Gerhard Glomm and Jialu Liu, “Sectoral Infrastructure Investment in an Unbalanced Growing Economy: The Case of India,” November 2012.
263. Nisha Taneja, Shravani Prakash and Pallavi Kalita, “India’s Role in Facilitating Trade under SAFTA,” January 2013.
264. Monisankar Bishnu, Chetan Ghate and Pawan Gopalakrishnan, “Factor Income Taxation, Growth, and Investment Specific Technological Change,” March 2013.
265. Saptarshi Purkayastha, “Impact of Macro-Economic Environment on Diversification-Performance Relationship: A Cross-Country Study of India and Japan,” March 2013.
266. Sahana Roy Chowdhury, “Recession and Child Labour: A Theoretical Analysis,” April 2013.

Wadhvani Chair: Issue Briefs and India-US Insight Series

1. Issue Brief, Vol. 2, Issue 5, “India-Pakistan Trade Diplomacy: Sustaining Hope,” April 18, 2012.
2. Issue Brief, Vol. 2, Issue 6, “India’s Agenda for an Asian Century,” April 19, 2012.
3. Issue Brief, Vol. 2, Issue 7, “India and Japan: Delivering Regional Public Goods,” April 20, 2012.
4. Issue Brief, Vol. 2, Issue 8, “G20: Beyond Economic Coordination?” June 12, 2012.
5. India-US Insight, Vol. 2, Issue 5, “India’s Deepening Ties with Northeast Asia,” June 14, 2012.
6. India-US Insight, Vol. 2, Issue 6, “Assessing the Third US-India Strategic Dialogue,” June 18, 2012.
7. India-US Insight, Vol. 2, Issue 7, “Prospects for India-Japan Civil Nuclear Cooperation,” July 24, 2012.
8. Issue Brief, Vol. 2, Issue 9, “Investing in Peace,” August 08, 2012.
9. India-US Insight, Vol. 3, Issue 1, “Advancing India-US-ASEAN Cooperation: A Report on the Emerging Asia Conference,” New Delhi, February 19, 2013, March 31, 2013.
10. Issue Brief, Vol. 3, Issue 1, “India – Myanmar Connectivity: A Strategic Imperative,” March 31, 2013.
11. India-US Insight, Vol. 3, Issue 2, “Challenges of the US Rebalance,” May 8, 2013.
12. Issue Brief, Vol. 3, Issue 2, “Regional Dimensions of South China Sea Issues,” June 28, 2013.
13. India-US Insight, Vol. 3, Issue 3, “India-US Strategic Dialogue: Continuity and Change,” July 1, 2013.

Acknowledgements

ICRIER acknowledges the financial support received in 2012-13 from the following organisations for conducting research studies and organising seminars/workshops/conferences:

- American Chamber of Commerce in India
- Asian Development Bank
- Asian Development Bank Institute
- British High Commission
- Chemicals and Petrochemicals Manufacturers' Association
- Department of Commerce, Ministry of Commerce & Industry, Government of India
- Department of Economic Affairs, Ministry of Finance, Government of India
- Deutsche Gesellschaft für Internationale Zusammenarbeit
- Directorate of Income Tax, Ministry of Finance
- Housing and Urban Development Corporation
- Indian Beverage Association
- International Monetary Fund
- Konrad-Adenauer-Stiftung
- Ministry of External Affairs, Government of India
- Ministry of Urban Development, Government of India
- Multi-Commodity Exchange of India Ltd.
- Reserve Bank of India
- Rockefeller Foundation
- Sasakawa Peace Foundation, Japan
- Taipei Economic and Cultural Centre in India
- Wadhvani Foundation
- World Bank



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Mumbai, India

Faculty Activities

DIRECTOR & CHIEF EXECUTIVE

RAJAT KATHURIA

Appointed

- Member, Advisory Committee, ICRIER's Rockefeller project on Climate Change and the Competitiveness of Cities, September, 2012.
- Member, Steering Committee, South Asia Network of Economic Research Institutes (SANEI), September, 2012.

International Conferences/Presentations

- Presentation on "Sustainable Growth and Financial Stability," KAS Seminar, Tokyo, Japan, October, 2, 2012.
- Presentation on "Indian Economy in Transition," and chair session on "Foreign Direct Investment," 11th India-Korea Dialogue, Seoul, October 17-18, 2012.
- Presentation on "Mapping out the Future of High Value Manufacturing in India," 2nd Workshop of the Study Integrating South and East Asia, ADB-KIEP Conference, Seoul, October 22, 2012.
- Lead speaker, session on "Strategies for Reinvigorating Global Economic Growth," in Reinvigorating Economic Growth: Macroeconomic Issues and Fiscal Sustainability, Think-20 Meeting on Fostering Economic Growth and Sustainability, Moscow, Russia, December 11-12, 2012.
- Speaker, seminar on "Global Value Chains and Development," OECD/India, Paris, March 19, 2013.
- Opening address, Regional Chamber of Commerce Roundtable, Lahore, Pakistan, January 10, 2013.

National Conferences/Seminars/Workshops

- Presentation on "State of India's Telecommunications Sector," Economics Society of St. Stephen's College, New Delhi, September 9, 2012.
- Distinguished speaker in the session, "International Business Session: Challenges in IMS Reforms: A Global and Emerging Market's Perspective," Annual Business Convention - Erudition 2012, Delhi School of Economics, New Delhi, September 22, 2012.
- Guest of Honour and Special Address on "India's Elixir: Transforming Potential into Performance," 39th Annual Convention 2012-13, MBE, University of Delhi, New Delhi, September 24, 2012.
- Chaired, opening session in the conference on "Global Economic Cooperation: Views from G20 Countries," organised by ICRIER-ADB, KAS and IMF, New Delhi, October 7, 2012.
- Lead speaker, session on "Financial & Economic Uncertainties & their Implications for Businesses," seminar on Managing under Uncertainty: Paradigm for Developed & Emerging Economies, Jaipuria Institute of Management, NOIDA, October 12, 2012.
- Special address and panelist in the session, "FDI in Retail Sector Thematic Session: FDI in Retailing: Economic Implications," seminar on FDI in the Retail Sector: Perspectives on Growth and Development, Jindal Global Business School of O.P. Jindal Global University, New Delhi, November 6, 2012.
- Panelist in the session, "Innovation in Financial Services Industry and Its Role in Global Economic Recovery," seminar on Strategising Financial Planning in Present Economic Scenario, ITS Institute of Management, Greater Noida, November 24, 2012.
- Chaired, opening session "Health and Education Policy: All Well, Limping or Broken?" in 14th Neemrana NBER-ICRIER-NCAER Annual Conference, Neemrana Fort Palace, Rajasthan, December 15, 2012.
- Chaired, concluding session, "Future Outlook for India-Japan Relations," conference on The Changing Paradigm of India-Japan Relations, New Delhi, December 17-18, 2012.

- Opening address, ICRIER-KAS seminar, “Services Sector as an Engine of Inclusive Growth,” New Delhi, December 19, 2012.
- Panelist, “National Economics Festival 2013,” Economics Society of St. Stephen’s College, New Delhi, January 19, 2013.
- Opening address, “First Knowledge Dissemination Workshop,” ICRIER’s HUDCO Chair Programme, New Delhi, January 29, 2013.
- Opening address, “Macroeconomic Context and Budget Priorities 2013-14,” ICRIER-KAS Seminar Series 2013, New Delhi, February 21, 2013.
- Presentation on “Analysis of Competition and Regulatory Issues in Transport Sector in India,” 18th Meeting of National Transport Development Policy Committee under the chairmanship of Dr. Rakesh Mohan, Planning Commission, New Delhi, February 23, 2013.
- Chaired inaugural session, ICRIER’s Annual Conference, “Normalising India-Pak Trade,” New Delhi, March 14, 2013.
- Panelist, “Global Economy: Fault Lines or Free Fall?” India Today’s Annual Conclave of Thought Leads, New Delhi, March 15, 2013.
- Discussant, Roundtable Session on “Challenges in Infusing Competition Reforms in Policy-making in India,” CUTS International, New Delhi, March 21, 2013.

HONORARY PROFESSOR

SHANKAR ACHARYA

International Conferences/Presentations

- Participated (as member of the Indian Delegation), India-UK Roundtable, Ditchley, UK and speaker on “Indian Economy: Recent Trends,” April 27-29, 2012.
- Discussant, “India-Myanmar: Developmental Corridor,” organised by Aspen India, India International Centre, New Delhi, May 4, 2012.
- Speaker and presenter on “The Unravelling: India’s Loss of Momentum and Scenarios for Revival,” 3rd Annual Deutsche dbAccess Asia Conference organised by Deutsche Bank Singapore, Singapore, May 28-30, 2012.
- Chaired session on “Growth, Austerity and Public Policy,” Conference on Global Economic Cooperation: Views from G20 Countries, organised by ICRIER, KAS, IMF and ADB, New Delhi, October 9, 2012.
- Presentation, session on “Exploring Opportunities: Trade, Investment and Technology,” Indo-Turkish Forum organised by Aspen India, Istanbul, October 18, 2012.
- Speaker (video), “Global ARC Investor Roundtable,” organised by Global ARC, Singapore, February 25, 2013.

National Conferences/Seminars/Workshops

- Chaired, ICRIER- KAS quarterly seminar on “India’s IT Industry in the 21st Century: Vanguard of the Services Export Revolution,” organised by ICRIER & KAS, New Delhi, June 14, 2012.
- Panelist, Ninth Annual IPF Conference on “The Future of Economic Growth in India,” organised by India Policy Forum, National Council of Applied Economic Research and Brookings Institute, New Delhi, July 18, 2012.
- Speaker/presenter on “Macroeconomic and Monetary Developments,” Conference of Directors on the Boards of Commercial Banks, organised by CAFRAL, Mumbai, October 4, 2012.
- Delivered lecture on “India after the Global Crisis,” ICFAI Foundation for Higher Education, Hyderabad, October 5, 2012.

- Chaired, ICRIER- KAS quarterly seminar on “India’s IT Industry in the 21st Century: Vanguard of the Services Export Revolution,” organised by ICRIER and KAS, New Delhi, June 14, 2012.
- Keynote speaker on “India’s Growing Employment Problems,” seventh IZA/World Bank Conference, New Delhi, November 5-7, 2012.
- Chaired, session on “Managing Capital Flows,” workshop organised by RBI and ADB, Mumbai, November 19-20, 2012.
- Delivered lecture at the ICRIER-KAS quarterly seminar series 2013 on “Macroeconomic Context and Budget Priorities 2013-14,” New Delhi, February 21, 2013.
- Delivered lecture on “Current Economic Prospects and Challenges for India,” organised by IHC-Subbu Forum and the Society for Policy Studies, India Habitat Centre, New Delhi, March 5, 2013.
- Chaired session at Growth Net Public Programme on “Addressing Multi-faceted National Security Challenges,” organised by Aspen India, New Delhi, March 11, 2013.

Publications

Books/Chapters in Books

- “India and the Global Crisis,” in *Global Economics in Extraordinary Times Essays in Honour of John Williamson*, edited by C. Fred Bergsten & C. Randall Henning, Peterson Institute for International Economics, Washington DC, November 2012.

PROFESSORS

ANWARUL HODA

International Conferences/Presentations

- Presentation on “India’s Agricultural Trade Policy and Sustainable Development,” Joint ICTSD-ICRIER seminar, New Delhi, April 16, 2013.

National Conferences/Seminars/Workshops

- Chaired fourth meeting of the “Expert Group on Strengthening of the Institutional Mechanism for Regular Collection and Compilation of Data on International Trade in Services,” Ministry of Statistics and Programme Implementation, GOI, May 22, 2012.
- Chaired Expert Group for “Evolving Methodology for Collection of Statistics in ICT Sector,” Ministry of Statistics and Programme Implementation, GOI and chaired First Meeting, August 1, 2012.
- Chaired and delivered special remarks at CACP seminar, “US Agricultural Policy and Technology: Implication for International Trade Negotiations,” at which a presentation was made by Dr. Robert L. Thompson, Visiting Scholar, Johns Hopkins University, November 7, 2012.
- Chaired CACP seminar on “Recent Developments in EUs Agricultural Policy,” at which a presentation was made by Dr. Michel Petit, formerly World Bank, February 14, 2013.
- Chaired the session, “Outlook for Logistics Sector - Preparing for the Next Wave of Growth,” in the Logistics Summit organised by the Confederation of Indian Industries, February 15, 2013.
- Chaired the Jury in the “Supply Chain and Logistics Excellence Award 2013,” India Chamber of Commerce, February 26, 2013.

- Chaired fifth meeting of the “Expert Group on Strengthening of the Institutional Mechanism for Regular Collection and Compilation of Data on International Trade in Services,” Ministry of Statistics and Programme Implementation, GOI, March 25, 2013.

Publications

Working Papers/Policy Series

- “Farm Trade: Tapping the Hidden Potential,” (with Ashok Gulati and Surbhi Jain) in CACP Discussion Paper No.3, March 2013.

Papers in Refereed Journals

- “Has India’s Trade Benefited from the US Generalised System of Preferences?” (with Shravani Prakash), *Economic and Political Weekly*, Vol. XLVII, No. 41, October 13, 2012.

Other Publications

- “Global Developments: A Plurilateral Services Agreement?” *Trade Policy and WTO Newsletter*, April, 2012.
- “India’s Special Economic Zones (SEZ) Policy Weaknesses need Attention,” *Trade Policy and WTO Newsletter*, April 2012.
- “EU’s Regional and Interregional Economic Integration Agreements and India,” *Trade Policy and WTO Newsletter*, April 2012.
- “Has the global food crisis dampened prospects of resuscitating WTO trade talks?” *Trade Policy and WTO Newsletter*, April 2012.
- “Multilateral Trade Talks: Recent Developments,” *Trade Policy and WTO Newsletter*, July 2012.
- “Towards a Transatlantic Free Trade Area,” *Trade Policy and WTO Newsletter*, July 2012.
- “Annual Supplement of the 2009-14 Foreign Trade Policy,” *Trade Policy and WTO Newsletter*, July 2012.

ARPITA MUKHERJEE

Appointed

- Member, High Level Programme Monitoring Group for “Enhancement of Economic Engagements with the Latin American and Caribbean Region,” Department of Commerce, Government of India.
- Adviser, Services Exports Promotion Council, Ministry of Commerce & Industry, Government of India.
- Adviser, Trade in Services Division, World Trade Organisation, Geneva.
- Services Export Adviser, Asian Development Bank, Manila, Philippines.

International Seminars/Conferences

- Presentation on “Services Sector as an Engine for Inclusive Growth,” workshop on Developing the Services Sector as an Engine for Inclusive Growth in Asia, organised by ADB-PIIE in Washington, DC, USA, May 28-31, 2012.
- Presentation on “Recent Trends and Developments in Taiwan & India,” seminar on Taiwan – India Economic Cooperation: State of Play and Prospects, organised by Chung-Hua Institution for Economic Research, Taiwan, July 22-29, 2012.
- Presentation on “Services and Inclusive Growth-Logistics, Energy, Retail and Audiovisual,” workshop on Australia-India Services Dialogue Roundtable organised by Australia-India Institute, University of Melbourne, Melbourne, Australia, October 31 to November 3, 2012.

National Conferences/Seminars/Workshops

- Presentation on “India’s WTO and FTA Strategy,” seminar organised by Institute of Economic Growth, New Delhi, April 18, 2012.
- Presentation on “Enhancing India-EU Bilateral Trade Investment and Collaboration in Services,” in Stakeholders’ Consultation jointly organised by FICCI, KAS and ICRIER, New Delhi, July 6, 2012.
- Presentation on “Nuances of Service Trade Negotiations,” and “Assessing Opportunities and Threats in Services: Some Techniques,” to the probationary officers of the Indian Foreign Service, Indian Institute of Foreign Trade, New Delhi, July 10, 2012.
- Presentation on “FDI in Cold Storage Sector in India against the backdrop of expected Retail Growth in the Country,” National Conference on Cold Chain Management 2012, New Delhi, November 27, 2012.
- Presentation on “Services Sector in India: Trends, Issues and Way Forward,” in the conference on Politics of the Changing World Economy, Goa, January 4-6, 2013.
- Presentation on “Integrating South and East Asia: The Case of Liberalising Services between India and Thailand,” at Industry Consultation organised by Confederation of Indian Industry (CII), February 6, 2013.

Publications

Books/Chapters in books

- “FDI in Sensitive Sectors: The Case of Retail Sector in India,” (with Tanu Goyal) in *Trade, Foreign Direct Investment and Economic Growth: Exploring Challenges and Opportunities Post-Global Financial Crisis*, edited by Shahid Ahmed, Routledge, New Delhi, June 2012.
- “Impact of the Retail FDI Policy on Indian Consumers and the Way Forward,” (with Divya Satija, Tanu M. Goyal, Murali K. Mantrala and Shaoming Zou), in *Globalisation and Standards: How Have Firms and Consumers Responded in India?*, edited by Keshab Das, Routledge, New Delhi, June 2012.
- “Fuelling the Retail Boom: What should be the Right Employment Policy for Gujarat,” (with Tanu M. Goyal), in *Changing Scenario of Employment in Gujarat: 1960-2010*, edited by Lancy Lobo and Jayesh Shah, Centre for Culture and Development, Vadodara, 2012.

Working Papers/Policy Series

- “Indian Investment in Eastern Europe: Prospects, Issues and the Way Forward, (with Tanu Goyal), *CARIM India Research Report: Developing a knowledge base for policy making on India-EU Migration*, December 18, 2012.
- “Movement of IT Professionals between India and the EU: Issues and the Way Forward,” (with Divya Satija), Indian Institute of Management, Bengaluru, Working Paper No. 391, January 2013.
- “Examining Mode 4 Commitments in India and the EU’s Agreements: Implication for the India-EU BTIA,” (with Tanu Goyal), Indian Institute of Management, Bengaluru, Working Paper No. 396, February 2013.

Papers in Refereed Journals

- “Employment Conditions in Organised and Unorganised Retail: Implications for FDI Policy in India,” (with Tanu M. Goyal) in *Journal of Business and Retail Management Research*, Vol. 6, No. 2, April 2012.
- “Are Indian Consumers Brand Conscious? Insights for Global Retailers,” *Asia Pacific Journal for Marketing and Logistics*, Emerald Group, Vol. 24, No. 3, April 2012.
- “India and the Services Negotiations in the Doha Round,” *Transnational Corporations Review*, Vol. 4, No. 2, June 2012.
- “The Consumption Pattern of the Rising Middle Class in India,” (with Divya Satija), *Boao Review*, No. 2, pp. 119-123, October 2012.
- “Liberalising FDI in Retail: Implications for India’s Trade Agreement,” (with Tanu Goyal), *Foreign Trade Review*, Vol. 48, No. 1, January-March, 2013.

Other Publications

- “Indian Investment in Eastern Europe: Prospects, Issues and the Way Forward,” (with Tanu Goyal), *CARIM-India Research Report*, Robert Schuman Centre for Advanced Studies, European University Institute, 2012.
- “India’s Trade in Services: Doha Round and Domestic Reforms,” in *Focus WTO*, IIFT, Vol. 14, No. 1, May-June, 2012.
- “Trade in Services: India and the WTO,” *Focus WTO*, Vol. 14, No. 1, IIFT, May-June, 2012.

NISHA TANEJA

Appointed

- Member, Governing Body, Vivekananda College, New Delhi.

International Conferences/Presentation

- Speaker, session on “Business support for FTAs,” workshop on Production Networks and Trade Policy in Turbulent Times, organised by ADB, Manila, Philippines, May 16-18, 2012.
- Presentation, a case study on “India-Japan and India-Korea,” workshop on Production Networks and Trade Policy in Turbulent Times, organised by ADB Bank, Manila, Philippines, May 16-18, 2012.
- Presentation, “Deepening Trade Linkages: Indian Perspectives,” 11th India-Korea Dialogue on Deepening Korea-India Partnership, organised by ICRIER and Seoul Forum of International Affairs, Seoul, Korea, October 17-18, 2012.
- Discussant, “South Asia: Sustaining Growth in Face of the Global Economic Turmoil,” 12th Annual SANEI Conference, organised by SANEI, Colombo, December 11-12, 2012.
- Discussant, roundtable discussion on “Strengthening Research and Promoting Multilevel Dialogue for Trade Normalisation between India and Pakistan,” organised by ICRIER, Lahore Chamber of Commerce and Industry, and Lahore University of Management Sciences, Lahore, January 10, 2013.
- Speaker, session on “Enhancing India-Pakistan Trade,” conference on South Asia 2020 Agenda, organised by New America Foundation, Dubai, January 19, 2013.

National Conferences/Seminars/Workshops

- Panelist, “Pakistan 2020: Scenarios and Policy Options for India,” organised by the Net Assessment Department, Integrated Defence Headquarters, New Delhi, August 8, 2012.
- Presentation on “Enhancing India-Pakistan Trade,” Stakeholders’ Consultation jointly organised with Jammu & Kashmir Joint Chamber of Commerce and Industry (JKJCCI), Srinagar, September 24, 2012.
- Addressed session on “India-Pakistan Relations: The Way Forward,” roundtable discussion organised by the Centre for International Relations and Community Well-Being (CIRC), Gurgaon, October 13, 2012.
- Presentation on “Prospects and Challenges for increasing India-Pakistan Trade,” Stakeholders’ Consultation jointly organised with Bombay Chambers of Commerce & Industry (BCCI), Mumbai, November 20, 2012.
- Speaker, session on “Connectivity, Trade Facilitation, and Transit,” conference on Driving South Asian Economic Integration, organised by World Bank and CII, New Delhi, December 17, 2012.
- Presentation on “Bilateral Investment Issues,” conference on India-Canada Bilateral Economic Cooperation, organised by RIS, New Delhi, February 13, 2013.
- Presentation on “Prospects of India-Pakistan Trade,” Stakeholders’ Consultation, Ahmedabad, February 23, 2013.
- Presentation on “Normalising India-Pakistan Trade,” Stakeholders’ Consultation jointly organised with The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI), Hyderabad, March 7, 2013.

- Presentation on “Enhancing India Pakistan Trade,” Annual Conference on Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan, organised by ICRIER, New Delhi, March 14, 2013.
- Presentation on “Trade Perception Survey,” Annual Conference on Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan, organised by ICRIER, New Delhi, March 14, 2013.
- Panelist, session on “India-Pakistan Trade: The Way Forward,” Annual Conference on Strengthening Research and Promoting Multi-level Dialogue for Trade Normalisation between India and Pakistan, organised by ICRIER, New Delhi, March 15, 2013.
- Presentation on “Trade and Economy,” international seminar on Pakistan’s Governance Challenges, organised by Pakistan Studies Programme Academy of International Studies, Jamia Millia Islamia, New Delhi, March 22, 2013.
- Discussant, paper on “India Nepal Economic Cooperation,” by Dr. Nihar Nayak, organised by Institute of Defence Studies and Analysis, New Delhi, March 22, 2013.

Publications

Books/Chapters in Books

- “Pruning India’s Sensitive List under SAFTA,” in *Regional Economic Integration: Challenges for South Asia during Turbulent Times*, edited by Saman Kalegama (et.al), RCEP and SAWTEE, 2012.
- “Indo-Korea Trade Prospects and Non-Tariff Measures,” in *Korea India: Deepening Partnership for the 21st Century*, edited by Parthasarathi Shome and Choong Yong Ahn, Seoul Forum, Seoul, 2012.
- “Additional Trade Challenges: Transport, Transit, and Non-Tariff Barriers,” in *Pakistan-India Trade: What Needs To Be Done? What Does It Matter*, edited by Michael Kugelman and Robert M. Hathaway, Woodrow Wilson Centre, Washington, 2013.

Working Papers/Policy Series

- “Enhancing India-Pakistan Trade,” *New America Foundation*, January 2013.
- “India’s Role in Facilitating Trade under SAFTA,” (with Shravani Prakash and Pallavi Kalita), January 2013.

HEMANT KRISHAN SINGH

International Seminars/Conferences

- Presentation on “India-US Relations and India’s Indo-Pacific Policies,” CSIS Wadhvani Chair, Washington DC, May 7-9, 2012.
- Presentation on “India-US Economic Relations,” 17th session of US-India Strategic Dialogue, Washington DC, May 11-13, 2012.
- Chair, panel session on “Beyond Economic Coordination and Crisis Management: The Future of the G20 and G20 Think Tanks,” Global Challenges, Increasing Responsibilities: G20 Foreign Policy Think Tanks Conference, U Penn, Philadelphia, June 3-5, 2012.
- Chair, session on “India-Japan-South Korea Trilateral: Prospects and Challenges,” India-Japan-South Korea Trilateral Conference, IDSA, New Delhi, June 29, 2012.
- Presentation on “Burma and Beyond: Political Thaw and Prospects for Regional Integration,” India-EU-US Trilateral Conference, German Marshall Fund of the US, New Delhi, September 14-15, 2012.
- Presentation on “India’s Security and Diplomacy,” 11th Korea-India Dialogue on Deepening Korea-India Partnership, co-organised by SFIA and ICRIER, Seoul, Korea, October 17-18, 2012.

- Presentation on “The Emerging Security Architecture in Asia: Trends and Challenges,” 6th Indo-Russia Dialogue, ORF, New Delhi, November 23, 2012.
- Presentation on “Regional Security in Asia,” JIIA India-Japan Symposium on the Roles of two Great Asian Powers in Regional Security and the Global Economy, Tokyo, December 13, 2012.
- Chair, session on “Regional Security in Asia,” ICRIER- Japan Programme Conference on the Changing Paradigm of India-Japan Relations, New Delhi, December 17, 2012.
- Chair, breakout session on “India-US Defence Cooperation,” 18th Session of India-US Strategic Dialogue: presentation on India-US Economic Relations, January 12-13, 2013.
- Speaker, Lowy Institute - ORF - MEA India-Australia Roundtable, February 4, 2013.
- Presentation on “US Pivot towards the Indo-Pacific,” Annual Maritime Power Seminar on The Geopolitics of the Indo-Pacific Region in the Next Two Decades, National Maritime Foundation, New Delhi, February 21, 2013.
- Chair, session on “The China Factor in Deepening India-Japan Economic Relations,” ICRIER- Japan Programme Conference on How China Impacts Contemporary India-Japan Relations, Chennai, March 9, 2013.
- Speaker, session on “India and the Indo-Pacific Region,” ICWA-AAS Annual Asian Relations Conference IV on Geopolitics of the Indo-Pacific Region: Asian Perspectives, March 22, 2013.

National Conferences/Seminars/Workshops

- Address on “Building a Community of Stakeholders,” seminar on Maritime Developments to India’s East,” organised by National Maritime Foundation and the Eastern Naval Command, Visakhapatnam, October 8, 2012.
- Participant and speaker on “India-US Relations,” Aspen Institute India, Second Annual National Security and Foreign Policy Workshop, New Delhi, March 1, 2013.

Publications

Books/Chapters in Books

- Report on “BIT and Beyond: Advancing India-US Economic Relations,” January 2013 (with Tincy S. Solomon).

Working Papers/Policy Series

- “Feasibility of an SBIR-Derived Programme to Fund Technology-based R&D in India,” (with Aman R. Khanna), July 2012.
- “India’s Energy Options: The Road Ahead: An Analysis of the Prospects of Shale Gas in India’s Energy Future,” (with Aman R. Khanna), October 2012.
- “India-Pakistan Trade Diplomacy: Sustaining Hope,” Issue Brief, Vol. 2, Issue 5, April 18, 2012.
- “India’s Agenda for an Asian Century,” Issue Brief, Vol. 2, Issue 6, April 19, 2012.
- “India and Japan: Delivering Regional Public Goods,” Issue Brief, Vol. 2, Issue 7, April 20, 2012.
- “G20: Beyond Economic Coordination?” Issue Brief, Vol. 2, Issue 8, June 12, 2012.
- “Assessing the Third US-India Strategic Dialogue,” India-US Insight, Vol. 2, Issue 6, June 18, 2012.
- “Advancing India-US-ASEAN Cooperation: A Report on Emerging Asia Conference,” (with Sanjay Pulipaka), India-US Insight, Vol. 3, Issue 1, March 31, 2013.

Other Publications

- Lead article “Japan’s Existential Challenge,” in “*GAIKO*” (Diplomacy) magazine, Japan, March 2013.

SENIOR FELLOWS/CONSULTANTS

SIMANTI BANDYOPADHYAY

International Conferences/Presentations

- Panelist “Connecting Cities to Finance,” international conference organised jointly by Bharti Institute of Public Policy and Punj Lloyd Institute of Physical Infrastructure Management, Indian School of Business, Indian School of Business, Mohali, March 16, 2013. <http://events.isb.edu/marketmeetsthecity/programme.html>

National Conferences/Seminars/Workshops

- Lecture on “Urban Economics and Finance: The Indian Experience,” Academic Staff College, Jawaharlal Nehru University, 46th Refresher Course in Economics for University Teachers, March 21, 2013.

Publications

Books/Chapters in Books

- (Co-author), “Performance Evaluation Techniques: An Application to Indian Garments Industry,” in *Globalisation and Sustainability: India in a Global Perspective* edited by S. Banerjee and A. Chakrabarty, Chapter 10 to be published by Springer International, 2013. <http://www.springer.com/economics/development/book/978-81-322-1123-5>

Working Papers/Policy Series

- “Performance Evaluation of Urban Local Governments: A Case for Indian Cities,” International Centre for Public Policy, Working Paper No. 12-32, Andrew Young School of Policy Studies, Georgia State University, Atlanta, USA, October 2012. <http://ideas.repec.org/p/ays/ispwps/paper1232.html>

Papers in Refereed Journals

- “Productivity Performance of Indian Chemical Sector: Post-Reform Perspective,” *Journal of Industrial Statistics*, Vol. I, No. 2, pp. 182-207, October 2012 (with Subrata Majumdar and Sarmila Banerjee). http://mospi.nic.in/Mospi_New/upload/JIS_2012/Prod_Chemical_Sector_Post_R.pdf

SAON RAY

International Conferences/Presentations

- Presentation on “Efficiency vs. Productivity: Two Sides of the Same Coin?” 3rd Asia Pacific Innovation Conference, Seoul, organised by the Intellectual Property Research Institute of Australia, University of Melbourne, October 13-14, 2012.
- Presentation on “Indo-Korea Cooperation in Petrochemicals,” 11th Indo-Korea Dialogue, Seoul, organised jointly by the SFIA and ICRIER, October 17-18, 2012 (with Swati Saluja).
- Presentation on “Strengthening the Textile and Clothing Sector in South Asia: India Report,” final workshop for the project on Strengthening the Textile and Clothing Sector in South Asia, organised by ICRIER, New Delhi, November 16, 2012 (with Prithvijit Mukherjee and Mishita Mehra).
- Presentation on “India and Pakistan Textile Sectors,” Annual Conference of Normalising India Pakistan Trade, organised by ICRIER, New Delhi, March 14-15, 2013 (with Prithvijit Mukherjee and Mishita Mehra).

National Conferences/Seminars/Workshops

- Presentation on “Efficiency vs. Productivity: Two Sides of the Same Coin?” in the Brown Bag Seminar Series, ICRIER, September 26, 2012.
- Presentation on “Firm Heterogeneity and Productivity: Evidence from Indian Manufacturing,” national seminar on Emerging issues in International Trade: Theory and Empirics, organised by Centre for Advanced Studies, Department of Economics, Jadavpur University, Kolkata, March 21-22, 2013.

Publications

Books/Chapters in Books

- “Investment in the Indo-Korea CEPA,” (with Neetika Kaushal) in *Korea-India: Deepening Partnership for the 21st Century*, edited by Parthasarathi Shome and Choong Yong Ahn, Seoul Forum, Seoul, October 2012.
- “Pruning India’s Sensitive Lists under SAFTA,” (with Nisha Taneja, Neetika Kaushal and Devjit Roy Chowdhury) in *Regional Economic Integration: Challenges for South Asia During Turbulent Times*, edited by Saman Kalegama (et.al), SAWTEE and SACEPS, 2012.

Papers in Refereed Journals

- “Technology Transfer and Technology Policy in a Developing Country,” *Journal of Developing Areas*. Vol. 46, No. 2, pp.37-96, 2012.

SANJANA JOSHI

International Conferences/Presentations

- Presentation on “Impact of India-Japan Partnership for Regional Security and Prosperity,” international seminar on How China Impacts Contemporary India-Japan Relations, organised under the ICRIER-SPF Japan Project, Chennai, March 9, 2013.
- Presentation on “India’s Look East Policy,” 11th Indo-Korea Dialogue, Seoul, organised jointly by the SFIA and ICRIER, October 17-18, 2012

Publications

Books/Chapters in Books

- “India’s Changing Relations with the United States and China,” in *Korea-India: Deepening Partnership for the 21st Century*, edited by Parthasarathi Shome and Choong Yong Ahn, Seoul Forum, Seoul, October 2012.

Refereed Journals

- “Trends in Japanese Overseas Development Assistance (ODA) to India,” *Foreign Policy Research Centre Journal*, Issue 12, pp. 205-217, 2012 (with Isha Dayal).

Other Publications

- “Japan Watch”, column in *International Affairs Watch*, Global India Foundation, Vol.1, May-August, 2012 (with Isha Dayal).

FELLOWS

SAHANA ROY CHOWDHURY

International Conferences/Presentations

- Presentation on “Recession and Child Labour: A Theoretical Analysis,” 6th Economic Theory and Policy Conference, organised by National Institute of Public Finance and Policy (NIPFP), Jawaharlal Nehru University (JNU) and Faculty of Economics, Kagawa University, March, 2013.

National Conference/Seminar/Workshops

- Presentation on “Unskilled Labour Migration and Skill Formation: A Negative Link?” 1st Delhi Workshop in Macroeconomics, organised by Indian Statistical Institute, Delhi, May, 2012.
- Presentation on “Unskilled Labour Migration and Skill Formation: A Negative Link?” in the Brown Bag Seminar Series, organised by ICRIER, Delhi, June, 2012.

Publications

Papers in Refereed Journals

- “Wealth Inequality, Entrepreneurship and Industrialization,” in *Journal of Economics*, 108(1): 81-102, Springer, January 2013.

KANAK TIWARI

Appointed

- Expert in a Peer Review Group to select good practices in Cultural Heritage by National Institute of Urban Affairs till 2014. This is part of the peer experience and reflective learning project, which is jointly supported by Ministry of Urban Development and Cities Alliance.
- Examiner and Jury member for the Post Graduate course in Urban Regeneration offered during 2013-14, Faculty of Architecture and Ekistics, Jamia Milia Islamia, New Delhi.

IN-HOUSE CONSULTANTS

NEHA MALIK

National Conferences/Seminars/Workshops

- Presented the preliminary findings of the project titled, “Impact of Taxes on Commodity Derivative Transactions,” roundtable on Economic Reforms and the Union Budget organised by Observer Research Foundation, January 10, 2013.

SANJAY PULIPAKA

International Conferences/Presentations

- Presentation on “History, Economy and Polity of Myanmar,” international training programme of the International Centre for Information Systems and Audit (iCISA), Comptroller & Auditor General of India, New Delhi, January 19, 2013.

- Presentation on “India-Myanmar Relations: Economic and Technical Cooperation,” international conference on Change in Myanmar: Impact on India-Myanmar Relations, Yangon (Myanmar), March 6, 2013.
- Presentation on “BIMSTEC and Energy Sector Cooperation,” international conference on BIMSTEC: What has been Achieved and Where to Go, Kolkata, March 12-13, 2013.

Publications

Working Papers/Policy Series

- “Advancing India-US-ASEAN Cooperation: A Report on the Emerging Asia Conference,” New Delhi, February 19, 2013,” *India-US Insight*, Vol. 3, Issue 1, New Delhi, March 31, 2013 (with Amb. Hemant Krishan Singh).
- “India: Myanmar Connectivity: A Strategic Imperative,” *Issue Brief*, Vol. 3, Issue 1, March 31, 2013.

Other Publications

- “Lessons from the Chin-Mizo Experience,” *Gateway House*, February 22, 2013.
Available at <http://www.gatewayhouse.in/voices/blog/gateway-notes/lessons-chin-mizo-experience>

RESEARCH ASSOCIATES

RAMNEET GOSWAMI

National Conferences/Seminars/Workshops

- Presentation on “Enhancing India-EU Bilateral Trade, Investment and Collaboration in Services,” Stakeholders’ Consultation organised by ICRIER, KAS and FICCI, New Delhi, July 6, 2012.

Publications

Papers in Refereed Journals

- “Trade in Services: India and the WTO,” *Focus WTO*, Vol. 14 No. 1, May-June 2012 (with Arpita Mukherjee).

TANU M. GOYAL

International Conferences/Presentations

- Presentation on “Integrating South and East Asia: The Case of Liberalising Services under the India-Thailand CECA,” workshop on Integrating South and East Asia: An Analysis of the Economic Effects of Intensified Regional Cooperation and Integration, Seoul, Republic of Korea, October 22-23, 2012.

Publications

Books/Chapters in Books

- “Fuelling the Retail Boom: What Should be the Right Employment Policy for Gujarat,” in *Changing Scenario of Employment in Gujarat – 1960-2010*, edited by Lancy Lobo and Jayesh Shah, Centre for Culture and Development, Vadodara, 2012 (with Arpita Mukherjee).
- “FDI in Sensitive Sectors: The Case of Retail Sector in India,” in *Trade, Foreign Direct Investment and Economic Growth: Exploring Challenges and Opportunities Post-Global Financial Crisis*, edited by Shahid Ahmed, Routledge, New Delhi, June 2012 (with Arpita Mukherjee).

Working Papers/Policy Series

- “Examining Mode 4 Commitments in India and the EU’s Agreements: Implication for the India-EU BTIA,” Indian Institute of Management, Bengaluru Working Paper No. 396, February 2013 (with Arpita Mukherjee), (see also *CARIM India Research Report* of European University Institute).
- “Movement of Architects and Engineers between India and the EU,” Indian Institute of Management, Bengaluru, Working Paper No. 403, April 2013 (with Arpita Mukherjee), (see also *CARIM India Research Report* of European University Institute).

Papers in Refereed Journals

- “Employment Conditions in Organised and Unorganised Retail: Implications for FDI Policy in India,” in *Journal of Business and Retail Management Research*, Vol. 6, No. 2, April 2012 (with Arpita Mukherjee).
- “Are Indian Consumers Brand Conscious? Insights for Global Retailers,” in *Asia Pacific Journal for Marketing and Logistics*, Emerald Group, Vol. 24, No. 3, April 2012 (with Arpita Mukherjee, Divya Satija, Murali Mantrala and Shaoming Zao).
- “Liberalising FDI in Retail: Implications for India’s Trade Agreement,” *Foreign Trade Review*, Volume 48, No. 1, January-March 2013 (with Arpita Mukherjee).

Other Publications

- “Indian Investment in Eastern Europe: Prospects, Issues and the Way Forward,” *CARIM-India Research Report*, Robert Schuman Centre for Advanced Studies, European University Institute, 2012, (with Arpita Mukherjee).

RESEARCH ASSISTANTS

SAMRIDHI BIMAL

International Conferences/Presentation

- Presentation on “India Canada FDI flows,” in the session on Bilateral Investment Issues, conference on Dialogue on India Canada Economic Cooperation, organised by RIS, New Delhi, February 13, 2013.

Publications

Working Papers/Policy Series

- “Liberalising India-Pakistan Investment Flows,” *India-Pakistan Newsletter*, October 2012 (with Nisha Taneja).

ISHA DAYAL

International Conferences/Presentations

- Presentation on “Japanese Official Development Assistance: A Comparative Analysis of China and India,” at the seminar on How China Impacts Contemporary India-Japan Relations, organised under the ICRIER-SPF Japan Project, Chennai, March 9, 2013.

Publications

Refereed Journals

- “Trends in Japanese Overseas Development Assistance (ODA) to India,” *Foreign Policy Research Centre Journal*, FPRC, Issue 12, pp. 205-217, 2012 (with Sanjana Joshi).

Other Publications

- “Japan Watch” column, *International Affairs Watch*, Global India Foundation, Vol.1, May-August, 2012 (with Sanjana Joshi).

AMAN RAJ KHANNA

National Conferences/Seminars/Workshops

- Discussant, “Young Thinkers Conference 2012: India’s Global Challenges,” British High Commissioner’s Residence, New Delhi, Thursday, October 4, 2012.

Publications

Working Papers/Policy Series

- “Feasibility of an SBIR-Derived Programme to Fund Technology-based R&D in India,” (with Hemant Krishan Singh), July 2012.
- “India’s Energy Options: The Road Ahead: An Analysis of the Prospects of Shale Gas in India’s Energy Future,” (with Hemant Krishan Singh), October 2012.

Other Publication

- “India-US Relations: Less Hype Continued Momentum,” Issue Brief, in “Assessing the Third US-India Strategic Dialogue,” *India-US Insight*, Vol.2, Issue 6, June 18, 2012.

Audited Annual Accounts

V SAHAI TRIPATHI & CO CHARTERED ACCOUNTANTS

C-593, LGF, Defence Colony
New Delhi - 110024
Tel. : +91-11-24333823, 46612531-33
Fax : +91-11-46540520
E-Mail : vst@sahaitripathi.com

AUDITORS' REPORT

The Members,
Indian Council for Research on
International Economic Relations,
Core 6A, 4th Floor,
India Habitat Centre,
Lodi Road,
New Delhi

We have audited the accounts of your Council and certify that the annexed Income and Expenditure Account for the year ended March 31, 2013 and Balance Sheet as at March 31, 2013 for the year read with the Statement of Accounting Policies and Notes thereon have been correctly drawn from the books of accounts and vouchers examined and the information and explanations given to us.

It is further certified that: -

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) Proper books of accounts have been kept by the Council so far as it appears from our examination of those books;
- (c) The Council's Balance Sheet and Income and Expenditure account dealt with by this report are in agreement with the books of accounts and in our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view:
 - (i) in the case of the Balance Sheet of the state of affairs of the Council as at March 31, 2013; and
 - (ii) in the case of the Income and Expenditure account of the excess of Income over Expenditure for the financial year ending on March 31, 2013.



New Delhi
Dated:

For V SAHAI TRIPATHI & CO
Chartered Accountants
Firm Regn No: 000262N

(Mahesh Sahai)
Partner
M. No: 06730

Indian Council for Research on International Economic Relations
Balance Sheet as at March 31, 2013

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
SOURCES OF FUND		
Endowment Fund	272,531,469	261,471,469
Opening Balance	261,471,469	248,971,469
Donations received during the year	12,500,000	12,500,000
Transferred from General Fund to RBI - Chair EF	1,060,000	-
IFCI Chair - Withdrawn	(2,500,000)	-
Unspent Grants	-	-
Building Fund	80,000,000	80,000,000
Opening Balance	80,000,000	68,336,979
Received during the year	-	15,000,000
Interest on Investment of Building Fund during the year	7,187,058	6,852,000
Transfer towards rent & maintenance paid to IHC	(7,187,058)	(10,188,979)
Fixed Assets Fund-Net Block	271,471	546,098
Fixed Assets Fund-Gross Block	4,000,000	4,000,000
(Depreciation Reserve)	(3,728,529)	(3,453,902)
General Fund	34,659,259	27,155,322
Opening Balance	27,155,322	19,246,239
Transferred From Income & Expenditure Account	7,503,937	7,909,083
Current Liabilities & Provisions(As per Schedule 3)	30,943,929	17,097,517
Current Liabilities	11,690,195	5,542,498
Provisions	12,458,603	7,189,441
Grant received in advance	6,795,131	4,365,578
TOTAL	418,406,129	386,270,406

APPLICATIONS OF FUND

Fixed Assets (As per Schedule 1)	22,232,575	21,697,692
Gross Block	59,803,605	57,912,967
Depreciation Reserve	(37,571,030)	(36,215,275)
Investments	353,209,494	329,223,800
Long-term Investment	353,108,420	329,136,100
Investment Equalisation Fund	101,074	87,700
Current Assets, Loans & Advances(As per Schedule 2)	42,964,060	35,348,914
Current Assets	3,790,029	13,893,357
Loans & Advances	13,992,444	15,869,032
Grant Receivable	22,733,034	3,940,684
Prepaid Expenses	2,448,553	1,645,842
TOTAL	418,406,129	386,270,406

Significant Accounting Policies and Notes (Schedule 6)
In terms of our separate report of even date
FOR V SAHAI TRIPATHI & CO
CHARTERED ACCOUNTANTS


Mahesh Sahai
(Partner)
MRN. 06730


Rajeev Kapil
(Secretary)




Dr. Rajat Kathuria
(Director & CE)


Isher Judge Ahluwalia
(Chairperson)

Indian Council for Research on International Economic Relations
Income & Expenditure account for the year ended March 31, 2013

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
A. INCOME		
Grants	106,299,964	68,211,020
Received during the year	89,758,761	64,352,293
Receivable during the year	22,101,034	2,780,684
Received during the year for previous year	(3,068,684)	(3,684,300)
Grant return during the year	(61,594)	(560,679)
Brought Forward from Previous Year	4,365,578	9,688,600
Carried Forward for next year	(6,795,131)	(4,365,578)
Income/Profit on Investment	25,975,813	23,565,866
Interest on Investments for the year	33,162,871	30,417,866
Transfer to Building Fund	(7,187,058)	(6,852,000)
Transfer from Bldg Fund for Extra office space (Note: ..	7,187,058	10,188,979
Interest on Savings Bank Account	312,062	353,681
Exchange Rate Fluctuation	13,422	4,138
Other Income	508,192	651,139
TOTAL (A)	140,296,512	102,974,822
B. EXPENDITURE		
Research Expenses:-	106,024,725	65,278,438
Salaries & Allowances	34,713,764	26,840,945
Consultancy Charges	22,039,628	15,076,379
Travel Expenses	15,464,986	1,957,191
Workshops Seminars & Meetings	24,414,616	14,263,306
Publication Expenses	2,370,848	1,134,756
Communication Expenses	2,119,387	1,113,238
Library Expenses	4,901,498	4,892,625
Administrative Expenses:-	15,632,500	17,254,938
Salaries & Allowances	12,112,733	12,678,524
Professional Services	737,807	221,544
Office Expenses	2,725,030	4,288,220
Fees and Subscriptions	56,930	66,650
Bad Debts Written Off (Grant Receivable)	240,000	2,172,091
Overheads:-	7,557,999	7,914,525
Rent/Utility & Electricity Charges	6,671,612	6,914,443
Repair and Maintenance	560,926	674,621
Property Tax	325,461	325,461
Exchange Rate Fluctuation	-	-
Total (B)	129,455,225	92,619,992
Surplus/(Deficit) before Depreciation (A-B)	10,841,287	10,354,830
Depreciation	2,551,977	2,937,143
Transfer of Depreciation to Fixed Assets Fund Account	(274,627)	(663,172)
Transferred to RBI Chair Endowment Fund	1,060,000	-
Prior Period Adjustment	-	171,776
Surplus/(Deficit) after depreciation	7,503,937	7,909,083
TOTAL	140,296,512	102,974,822

Significant Accounting Policies and Notes (Schedule 6)

In terms of our separate report of even date

FOR V SAHAI TRIPATHI & CO

CHARTERED ACCOUNTANTS

Q. dase

Mahesh Sahai

(Partner)

MRN: 06730



Rajeev Kapil
(Secretary)

Dr. Rajat Kathuria
(Director & CE)

Isher Judge Ahluwalia
(Chairperson)

Indian Council for Research on International Economic Relations
Details of Fixed Assets (FY 2012-13)

Own Assets

Schedule 1

Particulars	Rate of Depreciation (%)	Gross Block				Depreciation		Net Block	
		As at 01.04.2012	Additions		Sales/ Written Off	As at 31.03.2013	For the Year	Upto 31.03.2012	As at 31.03.2013
			More than 180 days	Own 180 days					
Air Conditioners	15%	35,250	-	-	-	35,250	3,242	16,880	18,370
Building	10%	22,186,295	-	-	-	22,186,295	700,122	15,885,201	6,301,094
Car	15%	736,870	-	-	-	736,870	61,603	387,786	349,084
Computers	60%	8,941,853	241,300	1,239,263	1,206,102	9,216,114	706,773	8,125,300	1,090,814
Electrical Fittings	10%	1,063,525	-	-	-	1,063,525	49,355	619,332	444,193
EPABX	15%	388,195	-	-	-	388,195	11,274	324,310	63,885
Fax	15%	160,210	-	-	-	160,210	2,096	148,333	11,877
Cell Phone	15%	131,143	32,900	47,000	-	211,043	21,122	67,855	143,188
Furniture & Fixtures	10%	12,963,965	5,600	2,700	-	12,972,265	648,092	7,138,092	5,834,173
Laser Printer	60%	588,724	-	-	-	588,724	31,821	567,510	21,214
Misc. Equipments	15%	204,935	27,800	64,969	-	297,704	23,400	132,617	165,087
Multimedia Presentation S	15%	270,400	-	-	-	270,400	2,402	256,787	13,613
Overhead Projector	15%	221,770	-	-	-	221,770	14,609	138,983	82,787
Refrigerator	15%	14,500	-	-	-	14,500	1,345	6,877	7,623
Scanner	60%	26,700	-	-	-	26,700	94	26,638	62
Total As at 31.3.2013		47,934,135	307,600	1,353,932	1,206,102	48,389,565	2,277,350	33,842,501	14,547,064
Total As at 31.3.2012		53,577,437	486,088	104,688	6,234,078	47,934,135	2,273,971	32,761,373	15,172,762

Funded Assets

Particulars	Rate of Depreciation (%)	Gross Block				Depreciation		Net Block	
		As at 01.04.2012	Additions		Sales/ Written Off	As at 31.03.2013	For the Year	Upto 31.03.2013	As at 31.03.2013
			More than 180 days	Own 180 days					
Land*		2,246,820	-	-	-	2,246,820	-	-	2,246,820
Computers**	60%	3,955,612	-	-	-	3,955,612	245,657	3,491,841	163,771
EPABX**	15%	87,620	-	-	-	87,620	8,784	37,846	49,774
Laser Printer**	60%	168,050	-	-	-	168,050	11,293	160,521	7,529
Overhead Projector**	15%	88,718	-	-	-	88,718	8,894	38,321	50,397
Total As at 31.3.2013		6,246,820	-	-	-	6,246,820	274,627	3,728,529	2,518,291
Capital Work-In-Progress*		3,732,012	1,150,880	284,328	-	-	-	-	5,167,220
Grand Total As at 31.3.2013		57,912,967	1,458,480	1,638,260	1,206,102	59,803,605	2,551,977	37,571,030	22,232,575
Grand Total As at 31.3.2012		61,717,179	2,295,739	134,127	6,234,078	57,912,967	2,937,143	36,215,275	21,697,692

* Against Building Fund
** Against Capital Grant

Indian Council for Research on International Economic Relations

Schedule 2

Current Assets, Loans & Advances

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
A) Current Assets	3,790,029	13,893,357
-Cash in Hand	155,546	3,555
-Balances with Bank in Saving Account	3,075,890	11,334,710
-Balances with Bank in US Dollar Account	558,593	2,555,091
B) Loans & Advances:-	13,992,444	15,869,032
-Advances Recoverable in Cash or in Kind	9,202,198	11,039,791
-Interest Accrued	4,790,246	4,829,240
C) Grants Receivable	22,733,034	3,940,684
D) Prepaid Expenses	2,448,553	1,645,842
Total	42,964,060	35,348,914

Schedule 3

Current Liabilities & Provisions

Particulars	Current Year (in Rs.)	Previous Year (in Rs.)
A) Current Liabilities:-	11,690,195	5,542,498
-Sundry Creditors	9,528,219	4,419,895
-Statutory Dues	2,161,976	1,122,603
B) Provisions:-		
-Provisions for Expenses	12,458,603	7,189,443
C) Grants Received in Advance:	6,795,131	4,365,578
Total	30,943,929	17,097,517



Schedule-4

Indian Council for Research on International Economic Relations For the Year Ended March 31, 2013

Significant Accounting Policies and Notes to the accounts

(A) Accounting Policies

1. a. Accounts are maintained on accrual basis.
- b. Grants are accounted for in the year in which they are received.
- c. Grants recoverable are accounted for as income if either sanction orders have been received or the amounts have been recovered in the subsequent period.
- d. In cases where projects for which the grants were received have not been completed the unspent grants are estimated and are carried forward as a liability. In subsequent years unspent grants are transferred to the Income and Expenditure Account to match them with related costs which they were intended to cover.
2. a. Mutual Fund investments, which are readily encashable, are shown under current assets. Increase in net asset value at the end of the year over its cost/opening net asset value, as the case may be, is shown as income for the year and a reduction, if any, as an expense.
- b. Investment for fixed periods is shown as long term investments at their cost. Provision for diminution in the value is made only if in the opinion of the management the fall in value is of a permanent nature.
3. The Council follows the written down value method for providing depreciation at rates provided in the Income Tax Act, 1961 except for assets below Rs. 5,000 which are fully depreciated in the year of purchase. On fixed assets added/disposed off during the year depreciation is charged on a pro-rata basis from/up to the date that the asset is put to use or disposed off.
4. a. Expenditure on books and publications is charged to the Income and Expenditure account but a separate record of items purchased is maintained.
- b. Expense on computer software is fully charged to the Income and Expenditure account when the expense is incurred.
5. Donations received towards the corpus are carried forward in the Balance Sheet under Endowment Fund.
6. An LIC Policy has been taken to cover against future liability on account of gratuity payable to the staff. The premium when demanded and paid is charged to the Income and Expenditure Account.
7. Gifted assets are valued by the management and shown as an addition to the fixed assets with a corresponding credit to a "Gifted Assets Fund" account. Annual depreciation on gifted assets is deducted from the cost as well as the 'Gifted Assets Fund' account.
8. Encashment of earned leave salary is accounted for on the basis of actual payment to the employees at the time of retirement/leaving.



9. Keeping in view the nature of activities of the Council and the method of accounting followed only the following Accounting Standards are applicable:-

- (i) AS-1 Disclosure of Accounting Policies
- (ii) AS-5 Net profit or Loss for Period, Prior period Items and changes in Accounting Policies
- (iii) AS-6 Depreciation Accounting
- (iv) AS-9 Revenue Recognition
- (v) AS-10 Accounting for Fixed Assets
- (vi) AS-11 Effect of Changes in Foreign Exchange Rates
- (vii) AS-12 Accounting for Government Grants
- (viii) AS-13 Accounting for Investments
- (ix) AS-15 Employees Benefits
- (x) AS-26 Intangible Assets
- (xi) AS-28 Impairment of Assets
- (xii) AS-29 Provision, Contingent Liabilities and Contingent Assets

The above Accounting Standards have been generally followed, except to the extent stated otherwise.

(B) Notes to the Accounts:

- 1 a. During the year Investments of Rs. 28.50 Lacs was made in Government securities the maturity value of which will be Rs. 29.30 Lacs after six years. The difference of Rs. 0.80 Lacs will be treated as interest income. During the year Rs. 0.13 Lacs was taken as interest income on proportion basis and the balance of Rs. 0.67 Lacs will be treated as income in five subsequent years on an equated basis.
- b. In the Previous year Investment of Rs. 268.86 Lacs was made in Government securities of which the maturity value was Rs. 275 Lacs, interest of Rs. 0.87 Lacs is being credited till maturity.
2. Interest on Building Fund Investments amounting to Rs. 71.87 Lacs for this year has, as per decision of the Board will transfer to the income of the year to pay for the rent & maintenance for extra space taken from IHC.
3. Contingent liability on account of a labour dispute awaiting settlement in the Hon'ble Delhi High Court is estimated at Rs. 10.00 Lacs.
4. The Director General of Income Tax (Exemptions) has with effect from the financial year 2006-07 and onwards granted us exemption from income tax under sub-clause (iv) of section 10 (23C) subject to our fulfilling certain conditions including application of 85% of our income during the year and investment of our surplus funds in specified investments.
5. During the year Rs. 10.60 Lacs upto March, 2013 has been transferred to the Endowment Fund from the Income & Expenditure account on account the transfer of income on the Investments made out of the RBI- Chair Fund as per their Endowment Grant conditions.
6. Schedules 1 to 6 form an integral part of the Balance Sheet and Income and Expenditure account.
7. Previous year's figures have been adjusted to make them comparable with the figures for the current year.



ICRIER cherishes its status as the country's premier autonomous and independent economic policy think tank. It has been able to nurture its treasured autonomy by establishing an Endowment Fund, the income from which helps to meet administration expenses and support research on important topics where project grant is not immediately available. Income from the endowment fund has also helped to enhance ICRIER's research capacity and networking.

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- HDFC Assets Management Company
- HDFC Bank
- HDFC Standard Life Insurance
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- NASSCOM
- Oriental Bank of Commerce
- Punjab & Sind Bank
- Punjab National Bank
- Ranbaxy Laboratories Ltd.
- Reliance Industries Ltd.
- Religare Enterprises Ltd.
- Reserve Bank of India
- State Bank of India
- Sterlite Industries
- Tata Chemicals
- Tata Consultancy Services
- Tata Iron & Steel Co.
- Tata Sons
- Union Bank of India
- Unit Trust of India
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ICRIER, one of India's leading think tanks, was established in August 1981 as a not-for-profit research organisation to provide a strong economic basis for policy making. Under the current Chairperson, Dr. Isher Judge Ahluwalia, ICRIER has continued and reinforced the pursuit of its original vision and in the process significantly expanded the scope of its research activities.

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