

ARM Chairman's Presentation/ Speech

Ladies and Gentlemen,

Wish you all a very good morning!

It has been little less than a year since I was handed the baton to lead this dynamic association and I must say that it has been a remarkable year.

**Economy – Global & Indian: The Highpoints & Low ends of 2008 - 09**

There have been several highs in the year

- The launch of the much awaited 'Nano' – was a spectacular high which proclaimed India's greatness to the world in taking up audacious projects.
- While the private sector was growing in leaps, our government initiatives too reaped great fruit. We saw the launch of Chandrayana that saw India join select group of countries to launch a successful space mission
- The Indo – US nuclear pact, famously known as the 123 agreement, which saw the end for nuclear supplier embargo on India was certainly a high
- India recently surpassed China as the fastest-growing cell phone market in the world
- Abhinav Bindra's Olympic Gold Medal seemed like a collective achievement of entire nation – it was a realization of long cherished dream. And the icing on the cake came in the form of two more Olympic bronze medals.
- The successful launch of IPL
- And the recent Oscars just made us say "Jai Ho"

But this year has been a year that has signified change. Some changes were for good and some others have given way to several uncertainties. What started as an excellent year for business took a down turn and has given all of us sleepless nights.

The Global Financial meltdown triggered off with the US Sub-prime crisis is still having several economic and social repercussions. Most believe that the effects will be felt into 2010 as well. This apart few other lows that added to the uncertainty of 2008 included

- An uncertain US political scenario has had its implications on our growth
- 26/11 left a strong mark from which we in India are yet to fully recover.
- 2008 also saw a very sad chapter in Indian Corporate Governance

And Indian Economy also had its uncertainties

- o Inflation skyrocketed before settling down at the current rates
- o Liquidity in Indian markets was down before normalizing
- o Fiscal deficit of 6% is worrisome
- o Fluctuating crude oil prices and
- o Very high volatility in Forex rates

I see this year as a year as a tough year and also as a year that brought out the best in us. The saying “When the going gets tough, the tough get going” could not have been more appropriate for all of us in this year – We, as India, got going.

Southern India Region also equally stood as a testimony to this maxim. We went through and are going through trying times and yet we are resilient enough to bounce back and work towards growth.

### **Setting the Agenda 2008 – 09:**

#### **National:**

Reflecting on its aspiration to facilitate the acceleration in India’s transformation into an economically vital, technologically innovative, socially

and ethically vibrant global leader by the year 2022, CII National theme was decided as "India@75: The Emerging Agenda". This agenda was established from Prof C K Prahalad's Vision for India's growth.

**Southern Region:**

Based on this, we in southern region decided on the theme "South India@75: The Emerging Agenda."

As much as we are aware that South India is way ahead of other regions in India in most social and economic indices, India @ 75 is a vision for the entire nation and I believe that visions are realized only when we work in synergy. Thus, CII – Southern Region decided to work along the set framework of the India@ 75.

**South India @ 75 had a Ten Point Agenda** to fulfill in 2008 – 09 and these included

1. Vision Quarter One (VQ1) 2025
2. Skills, Employability & Affirmative Action
3. Infrastructure Development
4. Membership Engagement
5. Micro, Small & Medium Enterprises (MSMEs) / Clusters
6. Policy
7. Building Linkages – Agriculture / Manufacturing / Services
8. International Business Promotion & Networking
9. Education
10. Corporate Social Responsibility

I am proud to say that various conferences, expositions, interactive sessions and policy advocacy activities of CII Southern Region worked towards these Agendas.

**Achievements:**

The work done by CII Southern Region was enormous. Various subcommittees, forums and taskforces constituted in 2008 and led by talented leaders have done phenomenal work. I stand before you to highlight our achievements in the year gone past.

**While I'm, in the interest of the time, highlighting a few of those achievements that we believe stand-out for their long term vision, I'm equally aware of many other achievements and we are highly appreciative of efforts of all the contributors.**

- **Government & Policy Advocacy:**

*Visioning Exercise:*

In an effort to encourage seamless, inclusive and integrated growth, the southern states of Andhra Pradesh, Karnataka, Kerala, and Tamil Nadu had brought out their State Vision Documents in 2007.

This was a phenomenal work started by my predecessor – Pradipta, my congratulations to you for having developed the state visions. Just to highlight how seamless, inclusive and integrated the visioning exercise itself was - This project has taken on in 17 states under the aegis of India @ 75 this year.

As part of the visioning exercise in CII – Southern Region, Puducherry launched its vision document this last week. I was in Puducherry on Tuesday and the response to the Puducherry Vision Summit was tremendous. I saw great interaction between Government and the Industry members to create a new direction for Puducherry's development at the Summit.

*District Development Plans:*

There was a logical need to take the visioning exercise to the next level and so similar exercises were conducted to evolve District Development Plans (DDPs) in 17 districts in the four southern states which included:

- **Andhra Pradesh:** Hyderabad, Visakhapatnam, Krishna ( Vijayawada) and Chittoor

- **Kerala:** Kannur, Thiruvananthapuram, Thrissur, and Palakkad
- **Tamil Nadu:** Chennai, Coimbatore, Erode, Karur, Madurai and Tiruchy
- **Karnataka:** Bangalore, Mysore and Hubli (Dharwad)

***Few other initiatives which evolved from our Policy Advocacy work include***

- *Revamping the Public Distribution System: A Pilot Project*  
CII proposed the revamping of the public distribution system (PDS) shops in the Tamil Nadu. This is a novel scheme and the proposal is to rope in private parties to reorganize the PDS shops and the distribution system, and change the current locations of the shops and their working hours. The government was very appreciative of the event.
- Implementation of the **ICT Academy** in Tamil Nadu. This academy stands as the mile stone to mark Public Private Partnership to encourage Industry and Academia to greater competence. I am proud to say that this academy took form from the CII - Connect series.
- CII - SR proposed the setting up of the **Chennai Aero Park**. This proposed park would be the largest integrated ecosystem which will enable global players to design, manufacture and maintain all types of aircrafts for both civilian and Defence needs. This will be a first of its kind in India.
- Special brainstorming session with Chairman, Chennai Port Trust was conducted to deliberate on areas of improvement and actions for the development of port infrastructure.

– Power Advocacy:

CII – Southern Region took the issue of Power and its shortfall in its policy advocacy work. Here I would like to commend the tremendous work done in Tamil Nadu to address the power crisis.

• **Education, Skill Development & Employability:**

Success of any vision depends on bringing all the stakeholders together on the same side of the issue. Education, Skill Development & Employability, we believe, is vital to integrated and inclusive growth. We have worked with the governments, Society and the industry to bring about greater Public Private Partnership towards attaining the objective of inclusive growth.

**Just to highlight**

- We have adopted 35 ITIs in 2008 – 09 for up gradation
- We have released Blue Book - an operating manual for ITI Institute Management Committee.
- Been successful in implementing Choice Based Credit System in Tamil Nadu Universities and hope to expand the same in the coming years.
- As many as 5000 youth were certified by us under the Modular employable skills program.

The skills and employability agenda was discussed in great detail at various forums and with various stakeholders. We have also given a proposal for the feasibility of setting up a skills academy in the PPP model.

This apart several conferences like the Skills Summit, The World Skills Competition, MOU signing and several other interactions with government officials were carried out to enhance skill training.

CII has over the years been working with Industry and academia to bridge the gap in our move from cost arbitrage to value arbitrage. We recognise that making our vast talent pool ready for IP driven value game can provide the

much needed multiplier effect to our growth even in trying times like the one we are facing today.

We have done extensive work in initiating ***Education Excellence clusters and College excellence clusters***. These are just pilot projects and I am keen that this be continued to encourage better Industry and institute interactions.

- **Business Networking & Major Events:**

Tamil Nadu played the host for the first time in South India - Pravasi Bharatiya Divas. Bringing together NRIs, Indian business organisations, the government of India and Tamil Nadu & CII – the event saw participation from 49 countries and as many as 1700 delegates.

Bangalore hosted to the annual event Aero India 2009. The 7th Aero India organised by the Ministry of Defence, Government of India was managed by Confederation of Indian Industry (CII). Let us listen to Mr A K Antony, Hon'ble Minister Defence, Government of India at the Aero India 2009.

Bangalore also hosted the 18<sup>th</sup> edition of IETF – International Engineering & Technology Fair for the first time in South India. South Africa was the partner country at the event. Several concurrent exhibitions like the Roboexpo 2009; Energy & Environment 2009; Manufacturing 2009 and Safe 2009 were held at the event.

Infrastructure is the key driver for the sustenance of South India's growth momentum. With PPP being the password, CII held the sixth edition of Suminfra 2008 in Hyderabad. The event was a phenomenal success and Government of Andhra Pradesh was the partner state at the event which saw great interest from across the country.

**Other Major Events & Networking opportunities included**

- Exhibition and conference on **Build Up and Build Arch 2008** in Bangalore. Up to 500 CEOs and decision makers from across the country joined us at the event in spite of the downturn in the real estate sector.

- **Kidex 2008** – a targeted exhibition for Children
- **Agri conclave** – for the food processing and Agri sector
- **AutoServe 2008** – For the Automobile after markets
- The **India Innovation Summit** conducted in Bangalore to encourage world class innovations
- Much acclaimed – **Connect 2008**

- **Innovation:**

Innovation has been key thread among many of the networking events that were organized. We believe that Innovation in every aspect of our life will be very vital for sustained growth going forward.

- **Corporate Social Responsibility:**

A truly visionary exercise worth emulating in all Southern Region was launched in Karnataka. Confederation of Indian Industry launched a social project 'Namma Halli' which aims to provide a direct link between the industries and the development work at the grass root level in Karnataka.

Namma Halli (Our Village) is a project symbolizing and inspiring industries to join hands in an organised manner with the ongoing effort of the Government and the civil society to bridge the development gap by maximizing their potential, leading to a self-sustainable model at the end of the project. The project, a joint effort of the Karnataka Government and CII is spread over a three-year period. The implementation of Namma Halli will involve an investment of Rs 30 lakh for every gram panchayat.

**“Leadership is all about Integrity with which you act”** - Governance has also been an important area of focus for us this year. Through our actions and communications, we ensured that ***'Institution was above individual'*** and that there is no *my-way* or *your-way* but only ***CII-Way*** of doing things.

- **Membership Engagement:**

As part of greater membership engagement we followed the Membership Fellowship Evenings which was initialized last year in Tamil Nadu.

This past year also saw remarkable improvements in the Total membership of CII – Southern region. We have also done very well in exhibiting greater amount of financial discipline. A case in point is substantial reduction in outstandings.

CII also started a new initiative Startrek – CEO Connect sessions and capitalized on IT as a tool to encourage greater membership engagement. Several video conferences were conducted for the benefit of members from Tier II & Tier III cities of the states.

I strongly believe that Tier II and Tier III cities will serve as the primary areas of growth in South India.

When I traveled to Kochi last year for the release of the Kerala Vision Document, I had an opportunity to interact with members from Tier II and Tier III cities there and the vitality of the membership took me by surprise. It is my firm belief that there is a great need for CII services in Tier II and Tier III cities and our activities should give greater focus on these cities.

We also inaugurated a new zonal office in Vizag this year as part of greater geographical spread in South India.

### **Moving Forward**

***“The ultimate measure of an institution is not where it stands in moments of comfort, but where it stands at times of challenge”*** and for any institution, its core - comprising of its value system and its vision are the guiding forces at times of challenge.

Amidst challenging times, as we move into a new year under the leadership of new chairman – I believe there is lot more to be done - be it membership engagement or greater business networking; Policy advocacy or government liaison – All of these are not events but are a continuous process.

I'm very certain that the under the new leadership these agendas will get further invigorated and sincerely wish they bear the fruit that all of us wanted to see.

### **Thank you**

Before I conclude, I would like to place on record the tremendous support I got from all my seniors – all Past Presidents, my Predecessors – all Regional Chairmen and members of the Regional Council who stood beside me in all our endeavors during the year.

I would be failing in my duties if I do not acknowledge the support rendered the Deputy Chairman – CRS during the year. I would also take this opportunity to thank all State / Zonal and District Chairmen as well as Sub-Committee and Task Force Chair who led our agenda brilliantly during the year.

Let me also thank the Secretariat and the office bearers. I'm a great believer in the saying that '**A leader is only as good as the team he is leading**' – I'm not exaggerating when I say if I was successful as Chairman of Southern Region of CII, it is only because of all of you.

Lastly, I must say that I'm privileged to be the Chairman of Southern Region of CII. I'm a great believer in '**giving it back**' and over the years had done my bit. But this association with CII past year has been a more rewarding experience, in that I had a chance to oversee and lead strengthening of ongoing initiatives and also introduction of new initiatives towards **creating and sustaining an environment conducive to the growth of industry in India**. I believe that I've discharged my duties effectively in furthering the role of CII in India's development and hope you too feel the same.

Although I'm moving out, I would like to reiterate that I'm a great believer in CII's vision and agenda and I will continue to be committed and will play an active part in the CII's initiatives.

All the best and Thank you again for the wonderful opportunity.