The Partnership Summit is a platform for dialogue and engagement among top leaders from across the globe, towards a greater understanding of the forces that are shaping our world, the challenges that need global policy attention, and the responses required to effectively manage change.

The annual flagship Partnership Summit, organized by Confederation of Indian Industry (CII) in association with the Ministry of Commerce and Industry, is a unique platform to enable a close examination of the partnerships and synergies that will spark the next phase of global growth and develop strong multi-country linkages and networks to assist the transformation of the global economy.

(L - R): Mr Ajay S Shriram, President Designate, Confederation of Indian Industry; Mr Kaushik Mukherjee, Chief Secretary, Government of Karnataka; Mr Siddaramaiah, Chief Minister of Karnataka; Mr Anand Sharma, Minister of Commerce and Industry, Government of India; Mr S Gopalkrishnan, President, Confederation of Indian Industry; Mr Chandrajit Banerjee, Director General, Confederation of Indian Industry and Mr B Santhanam, Chairman, CII Southern Region
The Partnership Summit 2014 brought over 1000 multiple stakeholders and policy thought-leaders from 45 countries to Bangalore from 27-29 January to exchange ideas and find solutions to the most urgent challenges confronting the world today. The Summit, with the theme, ‘Emerging Global Value Chains: Building Partnerships,’ highlighted the investment opportunities emerging from rapid poverty alleviation in India and offered ideas on how a new class of consumers can become a dynamic for growth.

Mr Anand Sharma, Minister of Commerce and Industry, India, in his inaugural address, said that building global partnerships and value chains is a continuous and irreversible process that will be unhindered even if some countries adopt inward-looking policies in the face of economic challenges. He emphasized that global value chains, by their very nature, do not cause loss of jobs in countries that outsource manufacturing and service functions.

In his keynote address, Mr Siddaramaiah, Chief Minister of Karnataka, the Partner State for the Summit, pointed out that Karnataka is one of the fastest-growing States in the country, and that Bangalore is integrally linked with global value chains. The city, already a global hub for design and R&D, has been identified by the World Economic Forum (WEF) as one of the Top 4 innovation hubs in the world, he said. The Chief Minister said that while the State is determinedly driving the growth of IT/ITeS, biotech and other Service industries, there is also a strong focus on the growth of the Manufacturing sector.

Mr Siddaramaiah said that the world’s first digital media city is coming up in Bangalore. A report on a ‘Roadmap for the Industrial Development of Mysore,’ which is emerging as a major business and investment destination, was released by Mr Anand Sharma.

The Inaugural Session was also addressed by Mr Kaushik Mukherjee, Chief Secretary, Karnataka, Mr S Gopalakrishnan, President, CII, and Executive Vice Chairman, Infosys Ltd, Mr Ajay S Shriram, President Designate, CII, and Senior Managing Director, DCM Shriram Consolidated Ltd, and Mr Chandrajit Banerjee, Director General, CII.

Trade ministers and senior officials from around 25 countries addressed the Summit. Among them were Mr Milan Hovorka, Deputy Minister, Trade & Industry, Czech Republic; Mr Rizal Affandi Lukman, Deputy Minister for International Economic Cooperation, Indonesia; Mr Norihiko Ishiguro, Vice Minister for International Affairs, Ministry of Economy, Trade & Industry, Japan; Y.B. Dato’ Sri Mustapa Bin Mohamed, Minister of International Trade & Industry, Malaysia; Mr Sayyad Abd - Al –Cader Hossen, Minister of Industry, Commerce & Consumer Protection, Mauritius; Mr. Hermann Call Schlettwein, Minister of Trade & Industry, Namibia; Mr. S. Iswara, Minister in Prime Minister’s office, Second Minister for Home Affairs and Second Minister for Trade & Industry, Singapore; Ms Janet Zebedayo Mbene, Deputy Minister for Industry & Trade, Tanzania; Mr Sultan bin Saeed Al Mansoori, Minister of Economy, UAE; Mr. Emmanuel T. Chenda, MP, Minister of Commerce, Trade & Industry, Zambia; Ms Arancha Gonzales, Executive Director, International Trade Centre, and Mr William Danvers, Deputy Secretary –General, Organization for Economic Cooperation and Development (OECD), and a galaxy of others.

The Kingdom of Bahrain was the Focus Country at the Summit. A high level delegation led by Mr Kamal bin Ahmed Mohammed, Minister of Transportation, and Acting Chief Executive, Economic Development Board, Bahrain, presented the vast opportunities arising for Indian business from the privatization and diversification currently being undertaken in the Bahraini economy, in a ‘Focus Country Networking Session: Advantage Bahrain’. Mr Essam Abdullah Fakhro, Chairman, Bahrain Chamber of Commerce and Industry, shared that many Indian businesses such as Tata Group, ICICI Bank, and SBI have already established their footprint in the country, and are successfully collaborating with Bahraini companies. The session also featured a presentation by Ms Vivian Jamal, Executive Director, Economic Development Board, Bahrain.

In the Plenary Session on ‘Karnataka – Surging Ahead’ Mr R V Deshpande, Minister of Higher Education, Karnataka, urged investors to take advantage of the immense growth potential that the State offers to business.

There has been a sea-change in the IT software industry that is now increasingly focused on high-end design software development, said Mr Kaushik Mukherjee, Chief Secretary, Government of Karnataka, adding that Karnataka is making massive investments in physical infrastructure development, such as the elevated road linking Bangalore’s international airport to the city. Mr Siraj A Chaudhry, Chairman, Cargill India Pvt. Ltd, giving an Industry perspective, shared why his company chose Karnataka over any other State in the country.

The session was also addressed by Mr Ajay S Shriram, President Designate, CII, Mr B Santhanam, Chairman, CII (SR), and...
President-Flat Glass, South Asia, Egypt & MD, Saint-Gobain Glass India Ltd, and Mr Soumitra Bhattacharya, Chairman, CII Karnataka, and Jt MD, Bosch Ltd.

World Trade Trends

A major highlight of the Summit was the address of Mr. Roberto Azevedo, Director General, World Trade Organization (WTO), his first in Asia after the conclusion of the historic WTO Ministerial Meeting in Bali in December 2013. Speaking on ‘Entering into a New Trade Era Post Bali’, Mr Azevedo emphasized that the ‘Bali job’ is not over. The focus now shifts to the effective implementation of the decisions taken at the Ministerial such that it leads to the conclusion of the Doha Round, he said.

The greater goal of the Bali Ministerial was to improve the well-being of millions of people around the world, he said, pointing out that the Bali Agreement came through at a time when the is world facing high volatility in capital flows, high incidence of inflation in global economies, and monetary and fiscal imbalances in many regions. The Trade Facilitation Agreement could bring about 10-15% reduction in export and import transaction costs for countries, which will likely result in a significant expansion of world trade, he said.
Mr Anand Sharma said that the Bali Ministerial protected the right of the developing countries to stockpile food. The prospect of $1 trillion addition to world trade volumes in the post-Bali period was no mean achievement, he observed.

Mr Mustapa Bin Mohammed, Minister of International Trade and Industry, Malaysia, Mr S Iswaran, Minister in the Prime Minister’s Office; Second Minister for Home Affairs and Second Minister for Trade and Industry, Singapore, Ms Arancha Gonzales, Executive Director, International Trade Centre, Geneva, Mr William Danvers, Deputy Secretary General, Organization for Economic Cooperation and Development (OECD), France, and Mr B Muthuraman, Past President, CII, and Vice Chairman, Tata Steel Ltd, also addressed the session, which was moderated by Mr Dhruv M Sawhney, Past President, CII, and CMD, Triveni Engineering and Industries Ltd.

New Mega-Trading Blocks

The plenary session on ‘Emergence of New Mega-Trading Blocks and their Impact on Global Trade’ saw the participation of several key ministers from the Asia-Pacific region. Sultan Bin Saeed Al Mansoori, Minister of Economy, United Arab Emirates, which is a signatory to various bilateral trade agreements, said that the challenge is to maintain a balance between the interests governing bilateral agreements and the broad goals of multilateralism. He felt that the WTO should have a framework to bring about an effective balance between regionalism and multilateralism.

Mr Rizal Affandi Lukman, Deputy Minister for International Economic Cooperation, Indonesia, described regional integration in Asia and the development of Asian Regional Economic Cooperation as a step towards greater multilateralism.

Mr Norihiko Ishiguro, Vice Minister for International Affairs, Ministry of Economy and Industry, Japan, said that Japanese businesses would benefit from the integration of FTAs. The ambitious Regional Comprehensive Economic Partnership (RCEP) agreement is expected to boost trade in Asia, he said, noting that the WTO has paved the way for Japan to deepen trade ties with the developing world.

Mr Kamal Bin Ahmed Mohammed, Minister of Transportation and Acting Chief Executive, Economic Development Board, Bahrain, said that Bahrain is emerging as a highly integrated market.

Mr Jayant Dasgupta, Indian Ambassador to the WTO, said that transparency is the key to promoting the multilateral trading systems across geographies.

Mr Michael Yeoh, Co-Founder and CEO, ASLI, Malaysia, highlighted three important aspects of global trading: Competitiveness, Connectivity and Consumer Interest.

Partnerships for Growth

Addressing the session on ‘Effective Pathways for Partnerships for Sustainable Growth,’ Dr Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India, referred to the global issue of carbon emissions, and said there is a need for a global carbon emissions budget that is allocated so as to not unduly increase the burden on developing and emerging economies.

Mr Sayyad Abd-Al-Cader Sayed Hossen, Minister of Industry, Commerce and Consumer Protection, Mauritius, said that most global societies face the challenge of adopting climate
Mr Aiyaz Sayed-Khaiyum, Minister of Industry and Trade, Fiji, called for greater objectivity in conceptualizing and implementing global sustainability goals.

Mr Gopinath Pillai, Ambassador-at-Large, and Chairman, Institute of South Asian Studies, Mr Jerry Naumoff, Minister for Foreign Investments, Macedonia, and Mr B Santhanam also addressed the delegates.

**The Services Component**

In the session on ‘Services as Critical Component in Global Value Chain: Challenges for Developing Countries,’ Mr Rajive Kaul, Past President, CII, and Chairman, Nicco Corporation, urged companies to focus on three key points: marketing, distribution and support to consumers, in terms of service delivery.

Mr Hermann Calle Schlettwein, Minister of Trade and Industry, Namibia, spoke about the importance of interconnection between the Manufacturing and Services sectors.

Mr M N Vidyashankar, Additional Chief Secretary, Industries and Commerce, Karnataka, spoke about the huge gap between the Chinese and Indian approach toward manufacturing costs.

Mr Cesar Fragozo, Minister for Asia Pacific, Mexican Trade Commission, ProMexico, Mexico, emphasized the importance of the ‘quality-quantity’ approach.

Mr Pramod Bhasin, Vice Chairman, Genpact, also expressed his remarks in this session.

**South-South Cooperation**

Addressing the plenary session on ‘South-South Development Cooperation,’ Dr Anup K Pujari, Director General of Foreign Trade, Government of India, underlined the importance of building trust among developing countries to increase the level of South-South cooperation.

It is important to understand the difference between development cooperation and development assistance, said
Mr Nalin Surie, Former High Commissioner of India to the UK. The developed countries of the West have been trying to rope in the developing countries of the South to coordinate policies with them on aid, he observed.

Mr Sayyad Adb-Al-Cader Sayed Hossen, Minister of Industry and Commerce, Mauritius, talked about the issues linked with poverty alleviation, health, technology and infrastructure that still persist in many African countries.

Mr M C Bimha, Ministry of Industry and Commerce, Zimbabwe, discussed the social, cultural, political and technological dimensions of South-South Development Cooperation.

Ms Janet Zebedayo Mbene, Deputy Minister for Industry and Trade, Tanzania, said that developing countries who wish to progress cannot stay in isolation.

Urging the business community to look East, Mr Pan Sorasak, Secretary of State, Ministry of Commerce, Cambodia, referred to the significant expansion of India-Cambodia cooperation in diverse fields.

Mr Vikram Kirloskar, Chairman, CII Innovation Council, Chairman, Global Innovation and Technology Alliance (GITA), and Vice Chairman, Toyota Kirloskar Motor Pvt Ltd expressed concern over the lack of appropriate technologies for South countries in areas like medicine, auto manufacturing, etc.

Concluding the session, Mr Sanjay Budhia, Chairman, CII National Committee on Exports, and MD, Patton International Ltd, pointed out that the traditional views of the developing countries are changing, and they are much more involved in South-South Development Cooperation. Supportive Government policies and rapid increase in cross-border trade have strengthened the developing economies, he added.

**Doing Business Within Karnataka**

“Together we can do a lot of great things, solve a lot of problems,” said Mr S Gopalakrishan, at the special Valedictory Session on ‘Doing Business within Karnataka, Opportunities for Growth.’

Mr Krishna Byre Gowda, Minister of Agriculture, Karnataka, emphasized that the State is also a leader in the biotechnology sector, while Mr Kaushik Mukherjee talked about the State’s commitment to create and encourage an environment for Industry to flourish and survive. Mr Maheshwar Rao, Commissioner for Industrial Development, underlined the importance of Karnataka in the value chains of several sectors. Mr Tushar Giri Nath, Secretary, Mines and Geology, MSME and Sugar, Karnataka, Ms Amita Prasad, Principal Secretary, Power, Karnataka; Mr B Santhanam and Mr Soumitra Bhattacharya also spoke.

**Business Meetings and Exhibition:**

A notable feature of the Partnership Summit is the B2B (Business to Business) Meetings. As in the previous year the Summit had an active and efficient B2B meeting platform. The Meetings were arranged online through the portal and took place in the designated Meeting Hall at the venue. Domestic as well as International delegates made use of this facility to have pre-fixed meetings with counterparts in India and overseas.

The Summit also featured an Exhibition by the State of Karnataka on its specialties.
"Today countries are connecting to global value chains or global production chains. A product comes out of a country but is served by several others. For instance the I-pad may be manufactured by China but it has 17 countries attached to its manufacturing. This trend will continue and is only set to grow."

Anand Sharma
Minister of Commerce and Industry, India

"As business people you will appreciate the change 10 to 15% can bring to your margins, in addition to increased investments in trade-related structures, particularly in the less developed nations. You will certainly support the rapid growth in trade between India and Africa, hopefully reaching the $1.7 billion mark by 2015."

Robert Azevedo
Director General, WTO

"We want to go a step further, to replicate our success in the Services sector and facilitate the next phase of development of Karnataka’s Manufacturing sector. This will not only drive substantial employment opportunities but will also encourage equitable growth across the State and extend economic development to regions beyond Bangalore. It is the intention of our Government to create and sustain an environment conducive to risk-taking and long term investments."

Siddaramaiah
Chief Minister of Karnataka

"The action of every country has externalities. Companies are also aware of this. A sensible approach to sustainability will have Government policies with the same rules across the board. Companies can pursue their macroeconomic goals subject to a regulatory framework."

Dr Montek Singh Ahluwalia
Deputy Chairman, Planning Commission of India
“Competition depends on a regulatory framework at home as well as internationally. We need to have a trade agenda that is reflective of these realities. The agenda should focus a little more on Services.”

Arancha Gonzales
Executive Director, International Trade Centre

“We export about $30 billion of software. More than 100 global Fortune 500 companies have their headquarters in Bangalore.”

Kaushik Mukherjee
Chief Secretary, Karnataka

“When the first Partnership Summit was held in 1995, the world was a very different place, Globalization was still at a nascent state, and Manufacturing business was strategized for backward and forward integration. Since then, world exports have expanded by a multiple of four: from US$ 43.7 trillion in 1993 to over US$ 417 trillion in 2012! More important is the nature of world trade, which has increasingly shifted to disaggregated specialized components produced in different parts of the world, assembled in diverse locations, and finished in a third place, to be finally sold in markets across the world.”

S Gopalakrishnan
President, CII, and Executive Vice Chairman, Infosys Ltd

“The Partnership Summit series of CII aims at dialogue and engagement among top leaders from across the spheres of Government, business, institutions, academia, and media. The objective is to build greater understanding of the forces that are shaping our world, the challenges that need global policy attention and the response that stakeholders must institute to effectively manage change.”

Ajay S Shriram
President Designate, CII, and Senior Managing Director
DCM Shriram Consolidated Ltd

“CII has envisaged this platform as a vital and vibrant place for dialogue, for connectivity and for solutions. It is indeed gratifying that over the last two decades, the Partnership Summit has amply fulfilled its role, resulting in strengthening existing partnerships between different stakeholders and germinating useful new partnerships.”

Chandrajit Banerjee
Director General, CII