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THE **IGEP** NEWSLETTER

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Issue-I, Vol. 20/2014

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Back to High Growth?

The economic outlook for the coming year gives reason for a bit of optimism. The United States are more than highly indebted; however, it seems that their politicians are not at all interested to create a new big crisis. The European Union sees a silver lining at the horizon. Germany is going on with modest, but stable development. Greece and the other Mediterranean countries have not yet fully overcome their economic difficulties. But they are on a good way. Contrary to the negative forecasts of many "experts" the Euro did not collapse. Also the BRIC countries did not break down.

Doomsday prophets had already seen an abrupt end of their growth, when even China had to report a lower speed of its economic expansion. For India they saw only problems ahead. But especially the last months showed that prudent fiscal and monetary policies bear fruits. Much will now depend on the coming elections and the wisdom and capabilities of the next government.

All parties will try to convince the voters that they have the best intentions and plans for them. The average citizen therefore is for them most important. But he needs long term and sustainable improvements. He does not take advantage of subsidies and donations. For him a stable government is most important. This can only provide good governance including safety and welfare for all.

Therefore the overwhelming majority of the people looks for good and permanent employment with satisfying remuneration. At this stage all parties primarily have to identify what they can do for those, who can provide such employment opportunities. Therefore India needs a government and policies which are entrepreneur friendly and help to make companies more competitive. In this context a nearly balanced budget is as important as stable prices. Against the background of the huge trade deficit a comprehensive program for promoting export productions should have priority. India made nearly unbelievable progress in increasing exports from a low level during the last two decades. But the example of China shows that much more is possible if a conducive environment is established for all existing and potential exporters.

India has a bright future if it is able to fully utilize its potentials. We had some good years so far. There is no reason why such years should not come again in the nearer future. With the recovery of the world economy the chances are promising.

So I hope for election results paving the way for a new and long growth period.

Sincerely Yours

Dietrich Keschull

IGEP's Activities in the Stone Sector

India is one of the largest producers and exporters of granite in the world. With a market that has grown and modernized successfully since the early 1970's, the Indian Granite Industry is a world renowned supplier and manufacturer of granite countertops, statues, monuments and memorials. Germany is the biggest European buyer of natural stones and stone monuments, especially of granite from India.

However, exports and the related employment giving income to thousands of workers and their families are in danger, because it is alleged that granite monuments etc. are made with child labour. To avoid setbacks and losses to the trade, IGEP developed an appropriate strategy against these claims.

- A memorandum of understanding was signed with the Indian Monument Manufacturers Association (IMMA) and with the Germany based Interessengemeinschaft Natursteine e.V. (IGN). This MOU was signed by individual buyers who seek certification in procuring stones that are devoid of child labour.
- IGEP regularly undertakes social auditing in the stone quarrying sector in India. This is done in strong cooperation with quarry owners, exporters and buyers.
- The IGEP inspections are carried out for the entire chain of stone manufacturing. Such audits are also made for importers who are not belonging to the IGN group. They always include checking of illegal child labour and ILO core standards in the whole value chain.

Principles of certification

The examination and certification of natural stone products for export is possible. It is offered by IGEP, an independent and non-profit private company under German management, for the whole of India. IGEP already has more than 20 years of experience in the production control and certification of industries such as the manufacturing of carpets, shoes, leather garments and other leather products, textiles and clothing, house and home textiles, arts and crafts and gift items, jewelry, automotive components, etc. IGEP is the only organization with appropriate operational infrastructure in India to offer regular and comprehensive systematic control and monitoring of the entire value chain in the natural stone sector. It covers all activities from the quarries to the processing plants, and also including cutting, polishing and trimming packaging, transportation and

containerization for shipment.

Social Projects

The implementation of projects aims at the benefit of poor sections of the society (children and people from the backward areas, mainly for the children of the workers). The focus is on education and vocational training, as well as health care facilities. IGEP maintains together with Rugmark currently 10 schools as well as an effective health center. The number of students is 3500 (approx).

The supported schools in the mica industry in Jharkhand, namely Little Keb-schools in Pachrukhi Tisri and Sapahi Koderma as well as the school in Barkitand currently offer education to 427 students. These school activities are also connected with vocational training. Furthermore the water pumps have been installed and repaired in the respective villages. Finally the concept of telemedicine has been introduced. The first participants have been medically treated. The successes encourage us to maintain our commitment also in this field.

Glimpse of Inspections in Stone Sector





Rugmark Schools Supported by German Buyers of Natural Stones

M/s Lithos Marmor AG has supported many of our various causes such as building two classrooms in one of the Rugmark Schools in Deonathpur (Uttar Pradesh). This helped the children from the villages to continue their studies.



Caritas

Caritas plays an important role in the implementation of numerous social projects in India in collaboration with IGEP. Among the various projects, which are currently running and had been successful in uplifting the people of poorer sections of the society, are:

- tailoring classes for the women,
- driving classes – to train men unable to work in the quarries or not getting any employment,
- computer courses – to teach them the basic skills like typing
- many more trainings for trades which are in demand. e.g. plumbers and electricians.

By sharing its experience and contacts Caritas contributed to the success of the named projects.

These are some of the examples. In our next Newsletter we will give more comprehensive overview about our social activities.



Stone + Tec Nürnberg 2013

IGEP was a part of the Stone + Tec Nürnberg 2013, the International Trade Fair Natural Stone and Stone

processing Technology, which was held from 29 May to 1 June. The world's fifth largest event in the stone industry drew around 20,000 trade visitors to the Exhibition Centre in Nuremberg, where they learned about the latest



The IGN members came to IGEP's Stall (From left to right): Mr. Adam (Just GmbH), Mr. Ulrich Metzler (Klöpfer & Partner GmbH), Mrs. Anneliese Roll (Roll Natursteine GmbH & Co. KG), Mr. Werner Roll (Roll Natursteine GmbH & Co. KG), Dr. Dietrich Kepschull (IGEP), Mr. Sebastian Wagner with his son (Sebastian Wagner & Sohn KG), Mr. Roland Gräf (Gräf Granit GmbH), Mr. Oswald Kurz (Kurz Natursteine GmbH), Mr. Arne Hansen (Hansen-Naturstein GmbH), Mr. Ramasamy (Amman Granites), Mr. Egidius Klein (ENV-ENA GmbH & Co KG), Mr. & Mrs. Böse (Natursteinwerk Max Böse GmbH), Mr. N. Kalfopoulos (Lithos AG) and Mr. Christian Gräf (Gräf Granit GmbH).



Mrs. and Mr. Pufe a stone trader from Osna Brueck (Granit Pufe GmbH) & Dr. Dietrich Kobschull.

offerings of 544 companies in the three main exhibition segments of Natural Stone, Technology and Gravestones.

Most of the trade visitors – in particular stonemasons, natural stone dealers, tile setters, garden designers and landscapers as well as architects – came to Nuremberg from the core area of Stone + tec: Germany, Austria and Switzerland and the neighbouring European regions. The list of exhibitors was led by Germany, with over 200 companies, followed by China, Italy, Portugal, Spain, Austria, Egypt, India and Turkey.

The trade fair proved to be a good interactive place which generated a positive response. Most of the companies had good number of visitors. IGEP took part in the fair to reissue new certificates to its members. Through its participation IGEP created awareness to the society on ethical practices through social compliance.

Stona 2014

The International Granites & Stone Fair - STONA is one of the most preferred platforms in the stone and granite related industry. IGEP was a part of the STONA which serves as a great single window that projects India's natural stones, products & the creative ability to make and supply anything to everything. From Slab, Tiles, Artifacts, Landscaping, Paving, Dimensional Blocks, Cylindrical Pillars, Machinery, Equipments and many more.

The trade fair was held in Bangalore (India) in which many buyers were from the European and Asian continent.

Photographs of Our Social Projects





FTA General Assembly and BSCI 10 Years Anniversary in Brussels

The Business Social Compliance Initiative (BSCI) marked 10 years of its founding by bringing together a range of participants from the public and private sector, looking at successes over the past ten years while also focusing on reinforcing compliance in the supply chain. Although it is primarily the responsibility of countries to adopt and implement national laws protective of workers, importing companies, through their sourcing activities, also have leverage to improve working conditions in their international supply chain.

BSCI, a business-driven initiative, has grown over the past 10 years to include over 1300 participants from a wide range of sectors including textiles, food and other consumer goods such as electronics, toys etc.

In June, 2013 BSCI celebrated its 10 year anniversary. This event is linked to the FTA General Assembly, which took place on 25. June, 2013. Moreover, the General Assembly featured a public debate on "Free Trade and CSR: how can the EU trade its way out of the crisis?"

The 'Achievement Study' draws on the substantial progress made; including the expansion of the common Code of Conduct, as well as the 20,000+ audits



undertaken which has helped companies to save auditing fees by sharing the audit results. St. Gallen reported that BSCI's system had led to a saving of an estimated \$65 million in auditing alone.

Dr. Keschull and Sharda Subramaniam were in Brussels

because IGEP represents BSCI in India. The cooperation has a long tradition. It began already in 1997. India always played an important role in the BSCI work. The ongoing and future activities have been discussed during a further visit in November 2013.

BSCI Stakeholder Meetings in Agra & Chennai

Two stakeholder conferences on 'Sustainable Business in the Indian Shoe & Leather Industry' were organized at Agra & Chennai. Dr. Dietrich Kobschull, BSCI representative in India along with the Council for Leather Exports (CLE), the apex Export Promotional Organization for leather sector in India joined hands for this purpose.

The main point of discussion of the meeting was "Child Labour in the Shoe and Leather industry"

In the larger sourcing countries for BSCI participants, BSCI organized local stakeholder meetings on social compliance. The aim of the Round Table was to bring together the stakeholders (like government, NGOs, trade unions, exporters, buyers, manufacturers of footwear, the government of Uttar Pradesh & Tamil Nadu, some leading EU brands and retailers and experts from the leather sector) and to discuss the main challenges when it comes to improving the working conditions and to come up with potential solutions to the problems.

Glimpses of the stakeholders meeting held at Agra & Chennai



Seminars

Challenges of Internationalization - Seminar at FIEO

IGEP along with the FIEO organized a seminar on "Internationalization of Business". The meeting was chaired by Shri Sunil Agnihotri, Deputy Director General, FIEO, Shri T.S. Ahluwalia, Managing Committee Member, FIEO; Dr. Dietrich Kebschull, Chairman, IGEP Foundation and the special guest from Germany, Mr. Udo Kronshage, Managing Director from the Hamburg based international consulting firm OSB Hamburg GmbH. Mr. Kronshage was heading a group of experts from his company who were also present in the seminar.

Foreign trade, an important component of the national economy, is increasingly becoming an important factor for economic growth. This is caused by increasing internationalization of businesses. The breakdown of barriers of international trade and the institutionalization of international economic relations along with advances in rapid transportation and communication technologies gives entrepreneurs new opportunities to develop business on an international scale which was unthinkable a few decades ago.

What is the relevance of this for Indian companies? And how should Indian companies and entrepreneurs respond to these challenges and opportunities? These were the essential key points discussed in the seminar.

Dr. Kebschull described his experience in India where he has now lived for more than 25 years. He mentioned that when India started its economic reforms in 1990-91, there were many pessimists who warned that Indian companies cannot compete at a global scale. "India would be swamped with cheaper foreign products especially from China" was a regular refrain in many circles. However many Indian sectors especially the export oriented sectors such as textiles; handicrafts, automotive components, leather, carpets, etc re-

Dr. Kebschull as head of IGEP (BSCI representative in India) has also been a part of Dias of several conferences providing his valuable inputs about CSR (Corporate Social Responsibility) from his experience and knowledge of the Indian industry. His objective is to create understanding of the need of requirements in foreign markets and the advantages of social compliance for manufacturers and workers. Apart from entrepreneurs and managers / employees the main target groups of the speeches were management students, association members and government decision makers.

invented and adopted itself to a new competitive and challenging trade environment. Today the doomsayers are gone. Indian industry and entrepreneurs have transformed themselves and have the will to succeed in any challenging international market environment.

The seminar gave an opportunity to many Indian companies attending the seminar to raise their concerns on how to successfully enter the international market. It was a very useful interactive session in which the team from OSB Hamburg provided valuable insights about the approach to internationalization.

Schleswig-Holstein and Hamburg Business Centres

Visit of Dr. Kebschull to Kiel (12-14. June, 2013)

IGEP Foundation in cooperation with the Business Development and Technology Transfer cooperation of Schleswig-Holstein (WTSH) is working for assisting the organizations, SMEs and large corporations which are looking for expansion, joint ventures, partnerships, technology transfer in Europe and in India.

Dr. Kebschull as head of the Schleswig-Holstein Business Centre (India) was in Kiel from 12-14. June, 2013. He had one to one meetings with a number of companies being our pool members. The purpose of the meetings was to enhance business ties with Indian companies and develop better understanding.

Business Possibilities in Europe

IGEP is the representative of the Business Development and Technology Transfer Cooperation of Schleswig Holstein (WTSH) in India. The cooperation between IGEP and WTSH helps organizations, especially SMEs with their business expansion plans, technology transfer, joint ventures, etc. in Europe or India.

With a view to assist German SMEs from Schleswig Holstein in India, the Hamburg and Schleswig Holstein Business Centre was set up in Gurgaon in 2007. The centre has assisted several companies to establish themselves in the Indian market. It is a business incubation centre which provides, for example, legal and commercial assistance to set up subsidiary or joint venture in India, focused market research on various emerging economic sectors in India as well as human resources assistance. The centre also provides detailed information and assistance to Indian companies interested in setting up an office in Schleswig Holstein.

Many German companies have utilized the services of

this business centre to forge and expand their business links with India.

This can be achieved by several means, as we have made flexible options for the companies from all sectors. These are as follows:

- **Potential Pool Members:** Helping the client to know the current market conditions for their product / services in the foreign markets. This is achieved by giving a comprehensive market study to the client before they enter foreign market, knowing their possibilities in the present scenarios. Till date many market studies have been utilized by several companies of Europe and other continents. Additionally, we provide services to them by informing them about the best era to enter the market and knowing their competitors in the foreign market.
- **Pool Members:** For pool members we offer several services. These services includes updates of the market which are beneficial for the client, finding suitable partners for joint ventures in which we act as a bridge between both the parties and help them understanding each other, etc. At present there are several pool member companies to whom we are providing our services.
- **Office in Office:** This is a special service for the clients helping them in starting an office in a foreign land so that they can reach their customers closely (by providing our office space and staff for expanding their business). It is a new concept which is appreciated by many of our pool members. Thus we are having two companies who have started working and likely increased their interaction with their customers; thus increasing business.

Hamburg: Gateway to India with HWWI

Like Schleswig-Holstein IGEP has a long lasting cooperation with Hamburg. It was initiated by the then Senator of Economic and Labour Affairs, Mr. Gunar Uldall. The objective was to increase the trade and investment of SMEs from Hamburg to India and vice versa. This activity ran for more than five years and led to the establishment of the Hamburg business centre by IGEP. It was continued then in cooperation with HWWI and the ESF (European Social Fund) under the name Gateway to India.

After this cooperation has come to an end in September 2013 it has been decided that IGEP continues the strengthening of business relations between Hamburg and India. This means that the Hamburg Business Centre is always approachable by Hamburg companies also in future. Contact can easily be made by phone or email to IGEP.

Social Activities

Telemedicine

IGEP started telemedicine services in cooperation with Dr. Umesh Gupta as well as three other doctors of Umkal Hospital. Together the possibility of medical advice and treatment has been delivered to the rural places in Jharkhand. By now various diseases ranging from skin problems, over tumors to hearing problems have been handled and in the most cases successfully medicated.

Pulse Polio

IGEP promotes public health through a series of measures and one such step was a Polio Camp. These awareness generation projects initiate public health programmes that build future generations. Pulse polio camps were organized at "The Little Keb School".

Balashrya an Open School now

Rugmark's Rehabilitation Center in Balashrya, once only dedicated to former child laborers, has now also opened its doors for other school children. Requests of the local people, to share the Center's progress in proper basic as well as vocational education have been accepted. Allowing local students, who stay at their families, to attend classes together with the local Balashryan kids will create a friendly study environment just as allow enjoying each other's company and therefore enhancing the project's success.

2013 an Eventful Year for Rugmark-Students

Even besides the average school life plenty joyful events took place during the last year. At January 26th the Rugmark children celebrated Republic day by hoisting the Indian national flag. In February during the Spring Festival Vasant Utsav the girls and boys hailed the spring with songs, dance and chanting of hymns. Following, besides the celebration of Shivratri and Easter, Holi the Festival of Colors marked a very important event in March. Signifying the victory of good over evil, the arrival of the spring and the end of winter the children came together the evening before Holi also known as Holika Bonfire to sing and dance. The next day a literally colorful celebration takes place, as everybody, disregarding whether friend or stranger, rich or poor, man or woman, young or elderly, starts to color and chase each other with color powder as well as colored water. Before going on vacation during the hot month of May and June the Christian holiday of Good Friday, commemorating the last hours of Jesus's life according to the bible, has found its way into the Rugmark schools.

As at the beginning of the year the students hoisted the national flag at the national holiday of 15th of August to honor the successful nonviolent resistance leading to India's independence back in 1947. Subsequently the girls and boys had special ceremonies in order to honor their teachers at Teachers Day the 5th of September. Furthermore they celebrated Dusshera in September one of the most important Hindu Festivals based on Lord Rama's victory over the ten-headed demon king Ravana. Twenty days later another popular Indian festival, namely Diwali the Festival of Lights, came to pass. The children lighted plenty beautiful lanterns signifying the victory of light over darkness, knowledge over ignorance, good over evil, and hope over despair. In addition, similar to western Christmas tradition, presents have been exchanged. In contrast to the Teacher's day the children enjoyed their personal great day at

Childrens Day at November 20th. Finishing this exciting year the pupils spent some joyful days without school during Christmas vacation.

Visit in Coimbatore

In December of 2013 IGEP's team member Sukrit Sharma found one Rugmark School student in Coimbatore in the south of India. While having lunch at a restaurant he came to know about him. Being born in another town he is one of the few who studied at Rugmark School in his hometown and works in a city which is very far. Luckily Sukrit came to know that after his studies were completed he worked at some places and afterwards he opened his own Juice Parlor, which is one of the accomplishments of our work which we are doing for several years now.





Distribution of mid day meal at the school



Children at the school performing exercise



Visit of the health check up team to the school



Student in the garden area taking care of the plants.

Glimpses of The Little Keb Schools in Jharkhand



Students playing carom board



Small children learning with the help of alphabets



Students taking part in the quiz competition



Report card distribution at the school