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# THE **IGEP** NEWSLETTER

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## Make in India

*This is a catchy slogan. One hears it and understands that India is offering attractive conditions for goods and services which till now have been made in other places. The slogan should attract foreign companies with their capital and technologies. Red carpet treatment is promised. And India's spectacular successes in the aerospace sector or in the IT industry are strong arguments for the capabilities of its companies and employees.*

*But to really convince entrepreneurs to come in a big way to the leading country of the sub continent needs visible changes. Without going into details it can be said that there must be a conducive and stable environment for long term business. This means that India has to do a lot of activities and programmes to change the image of the country. It has to abolish the wide spread impression of over bureaucratization, time consuming procedures, poor infrastructure, low priority of intellectual property rights, lack of hygiene, etc.*

*The new government is coming up with many plans. They all are big challenges. And we all hope that they can be successfully implemented within a short time. But it is not only the government which has to act. The real challenge is that there must be a change in the mindset of all citizens. They have to ask themselves what they can do for the development of their country and then perform accordingly. Instead of waiting for the government they have to take action and to become responsible. Tasks like cleaning, sanitation, waste disposal are to be mentioned here as well as changes in work ethics beginning e.g. with punctuality and reliability.*

*It has to be understood by all that government and companies should take care for their citizens. But at the same time the average Indian, the famous "aam admi," has also commitments and duties – at home, in the job and in the society. He should be proud that "Make in India" goes hand in hand with "Made in India" and that this is like a guarantee for excellent goods and services, which are second to none.*

*The examples of Germany and Japan show that such developments are possible if government and people work together and if citizens take over responsibility. The recent economic forecasts of the World Bank expect for India a GDP growth rate of 5.6% for the current year and of 6.4% for the next year. This is really not bad if one sees it within the context of the whole world economy. But India needs higher growth rates over a long period. This is only possible with strong and dedicated efforts – from all of us.*

Let's do it!

Sincerely Yours

Dietrich Kebschull



Happy  
Diwali

## Hamburg and India - Economic Cooperation with Bright Prospects

It is part of Hamburg's tradition that important partners are invited to the City Hall or to the Guest House of the Senate of Hamburg.

Senator Frank Horch, the Hamburg Minister for Economics, Transport and Innovation organized a meeting with the new Indian Consul General Dr. Vidhu P. Nair, this typical Hamburg reception in form of the Hamburg Senate Breakfast. This is a get-together with a seated luncheon.

Invitees were representatives of companies and associations with strong Indo-Hamburgian activities.

Over the last 30 years the role of India has considerably gained importance. India is now among the ten most

important users of the Hamburg port. It also is selected by more and more companies as location for their German and European business. After trade, steel and renewable energies the latest arrivals are from the automotive sector and IT.

Indian companies which up to now were in other parts of Germany discover the advantages of Hamburg and Northern Germany. At the same time the number of companies from the northern part of Germany manufacturing and sales interest in India is increasing.

IGEP supports trade and investment in both directions within the framework of its Hamburg Business Centre in Gurgaon, which is run on behalf of the Hamburg State Ministry of Economics, Transport and Innovation. Dr. Kebschull had therefore much to discuss with the Senator, the Consul General and the other guests.



*Photographs by: Jana Eisberg / Senatskanzlei Hamburg*

## German Technology for Indian Clinical Trial Industry

India has a track record as the premier destination for service outsourcing in a wide range of business process and information technology sectors. India also has a strong domestic pharmaceutical industry which can help it to also become a global hub for CRO services. The global Contract Research Organization (CRO) business is worth more than US \$ 35 Billion. However, despite its inherent strengths, India is not a preferred destination as a potential ground for conducting clinical trials. There is a need to improve the quality standards of trials and regulatory compliances.

A German firm represented by IGEP Consult in India offers the Electronic Data Capture (EDC) technology to help Indian CROs to capture the data of research subjects (e.g. in medical drug testing) both specifically and individually and to analyze this data in a standardized way. The objective of EDC is to streamline the many individual steps in a study while at the same time satisfying international regulatory and statutory requirements.

Online electronic data acquisition is extremely fast - and less error-prone, thanks to integrated plausibility checks. The automated transfer of data from measuring instruments and data acquisition systems greatly reduces the effort of data acquisition, and it helps avoid data entry errors. Quantitative and qualitative statements may be made at any point of the study.

This means that the study designers can react to current findings on the spot and - for example - modify treatment and examination parameters as the study is being conducted. The results of these modifications can itself be examined on an ad-hoc basis.

An enormous time saving is made possible by concurrent processing of data acquisition, query management, and data consistency checks as well as centralized online data storage.

For more information you may contact the IGEP Consult Pvt. Ltd. Office in Gurgaon.

## Cryogenic Technology from Germany

Today, the natural gas sector is at the threshold of rapid growth in India supported by ever increasing demand for natural gas in the country, increased exploration efforts under NELP (New Exploration Licensing Policy),



projected upcoming LNG (Liquefied Natural Gas) terminals and the Indian Government's initiatives in the direction of development of a nationwide natural gas pipeline grid. However, there is a need to provide a proactive enabling environment to support the fast paced development of natural gas infrastructure. As the demand for LNG increases in India, the demand for cryogenic equipment is also expected to increase in the same proportion. Cryogenic equipment is used to

handle LNG which is stored in extremely low temperatures. These are used in a variety of industries such as petrochemicals, power, metallurgy, chemicals and shipbuilding.

IGEP Consult is the representative of a leading cryogenic valve manufacturer from Germany. The company supplies cryogenic valves to the Indian oil, gas and chemical industries.

## Indo German Collaboration in Renewable Energy

It has been reported that an MoU for setting up a Joint Venture Company (JVC) towards setting up the First Demonstration Offshore Wind Power Project in the country along the Gujarat coast has been signed in the presence of Shri Piyush Goyal, Union Minister of State, Power, Coal and New & Renewable Energy. It is a long awaited but nevertheless welcome step. India's entire wind energy production is land based. With its approx. 7600 km coastline, offshore wind energy can also be a major contributor to India's quest for energy security and reduce its dependency on fossil fuels.

Germany can assist India in setting up offshore wind energy plants. This is because Germany is a pioneer in offshore wind energy production. Some of its wind turbines are as far as 60 miles from the coastline. No nation has done so much to develop its renewable energy capacities like Germany. Very soon 30 % of the nation's energy requirements will be met by renewable energy sources alone. No other major industrialized country can beat that.

India and Germany have a long standing cooperation in renewable energy. Many German companies have collaborated with their Indian counterparts to set up wind turbine plants in India. The German government has also extended financial assistance to India as part of its development assistance program. It includes strengthening India's power grids and to overcome the problems facing the integration of power grids and to efficiently transport electricity generated by renewable energy sources.

Within Germany, the state of Schleswig Holstein is a leader in wind energy production. More than 30 % its energy production is met by wind turbines both onshore and offshore. The state is therefore a leader in wind energy technology and many high technology firms are located there. IGEP is the representative of the Business

Development and Technology Transfer Cooperation (WTSH), based in Kiel. It helps to connect Indian and German companies who are interested to collaborate in introducing the latest technologies in India including, turbine and rotor blade design and development as well as other related components.

## BSCI in Sri Lanka



The BSCI Representative in India, Dr. Kebschull along with Sharda Subramaniam conducted a preparation for a BSCI audit in August of a company in Sri Lanka. This is part of our efforts to introduce social compliance standards in factories in the Emerald Island.

The factory owners and exports needed to be convinced about that adopting social standards is the best way to be globally competitive. The BSCI team had to show a great deal of patience to overcome the initial apprehensions of factory managers. .

Much time was spent to explain to the owner the need to maintain transparency in the audit process. Till now there has been very little knowledge on social compliance. The BSCI team dwelt on the necessity of open communications and quick solution of existing problems. The owner had to be made aware that wrongful submission of facts can lead to a curtailment of all future orders and that infringement of social compliance rules are taken very seriously in the importing country. It was impressed on him to share his thoughts openly with his BSCI supporters, who advice him and to share the outcome of their audit. Sri Lanka has made good progress on the needed framework of legal rules / prescriptions and of labour laws/ environmental laws. But nevertheless, it will need greater efforts to make the local exporters aware of the international developments of corporate social responsibility.

legal rules / prescriptions and of labour laws/ environmental laws. However, that is not correct. It has made good progress. But it will need strong efforts to make the exporters aware of the international developments of corporate social responsibility.

## Dr. Kebschull Talks in Kathmandu about Social Market Economy and Federalism

The Confederation of Nepalese Industries (CNI) and the German Foreign Affairs Ministry invited the BSCI Representative in India 'Dr. Kebschull' to participate at the CNI National Debate about the new Nepalese constitution and the experiences with federalism and social market economy. The conference started on August 6th with a get-together of 300 business people. In the morning of August 7th, representatives of trade unions attended and in the afternoon 85 politicians from the Constitutional Assembly as well as a former Prime Minister of Nepal participated. The conference was closed with a summary event on August 8th.

As an expert Dr. Kebschull presented at the conference the German Economic Model and its relevance to Nepal. He stated at the beginning of his presentation that his objective would not be to propagate the ideal model for Nepal but rather to describe what happened in Germany after the implementation of its special economic model. Dr. Kebschull outlined that Germany made good experiences with a Social Market Economy that is embedded in a democratic system. The implementation of this economic system allowed the country to grow remarkably within the last decades and to become the leading European economy considering not only GDP but also exports and knowledge in technology & research. Germany's economical success story is especially to be recognized when taking into account the country's fragile position at the end of World War II – which was probably worse in comparison with the current state of many of the world's developing countries. Dr. Kebschull pointed out that the German's Social Market Economy would facilitate welfare and growth at a maximum of individual freedom. Therefore he would recommend it as a model that could be repeated (always adapted to every country's specific context) in many countries around the world – also in Nepal.

As this conference was attended by leading members of Nepal's industry, government and trade unions, it gave Dr. Kebschull an opportunity to speak about social compliance in business and the role of the Business Social Compliance Initiative (BSCI). He said that CSR and social environment compliance are the logical consequence of the social market economy of company level and mentioned the importance of doing business in a way that respects (at least minimal) social standards



as it can be an effective trigger in order to stimulate exports. The idea of encouraging Nepalese business owners to comply with social standards that are internationally accepted received positive response from many of the country's most important business people and politicians.

## **Social Compliance Awareness Generation to Indian Business Students (IMT, Ghaziabad, June and July)**

More than 600 students received a comprehensive introduction by the BSCI representative in India, Dr. Dietrich Kebschull into business strategies with a "human face" in IMT Ghaziabad. Dr. Kebschull gave a series of 4 lectures in June and July in IMT which is rated as one of the top ten business schools in India.

Dr. Dietrich Kebschull explained that ethical business is possible. He said the much propagated rude capitalism of unscrupulous money makers and the uncritical maximum shareholder value ideology will only create new economic and social problems. Companies can do a lot by fulfilling their social commitments in the society.



He took the example of BSCI social compliance for all other fast moving consumer goods to show what is already possible in India and what has been done for the benefit of the society. Making students familiar with CSR and BSCI is one of the important activities of IGEP. Other institutes where IGEP has had similar interactions with students is Amity University, Indian Institute of Foreign Trade, Bhartiya Vidhya Bhawan and the Delhi School of Economics to highlight the role of CSR and BSCI.

The idea behind this training is to raise awareness among students about the importance of social and environmental compliance – already at an early stage of their careers. As future leaders in the business world or politics it will be their responsibility to put the theoretical inputs into practice.



*Additionally, IMT Business School in Ghaziabad, has been visited by students from Nebraska, USA for one week. Their special training and information programme began with a lecture of IGEP Chairman Prof. Dietrich Kebschull about Corporate Social Responsibility (CSR) and social compliance in India. He underlined the leading role of Indian companies in this field and emphasized that sticking to social and environmental codes of conduct has become today an integral part of the Indian export culture. Against the background, of the experience gained he said that ethical business is possible and companies must be fully involved in social development.*



## Certification for the Stone Industry

Did you know it? Every third gravestone on German cemeteries is granite from India! These monuments are today fully manufactured by Indian specialists, mainly in Tamil Nadu, Karnataka, Andhra Pradesh and Rajasthan. It is a hard and labour intensive job to bring the raw block into a shape which fulfills the quality and design requirements in this field. There is strong competition from China, Brazil, South Africa, Turkey and Norway. But India has been able to play a leading role as exporters for many years now.



The manufacturing of natural stone products secures thousands of jobs guaranteeing the livelihood of families who have no other income and employment opportunities. It allows them to get access to medical care and offers children from poorer sections of society chances of education and vocational training. The natural stone industry opens up better prospects for the further development of entire regions.

In the recent past, however, these options are increasingly in danger. Activists and nongovernmental organizations raise in large-scale campaigns the accusation that Indian natural stones are mined and processed in large scale by children. Some German federal states, cities and communities therefore have been recently preparing regulations that are intended to prevent the purchase and use of "stones with child labor". The cemetery statutes of various German municipalities already demand that grave stones can only be fixed if the non-use of child labor has been proven safely through certification in all stages of their production, processing and transportation. Other communities are obviously willing to join these examples. Furthermore it is likely that the demand for relevant certificates appears in public procurement of natural stones, especially for the design of public spaces and facilities, in building and civil engineering projects of public support.

This is why in 2008 IGEP has been contacted by Indian exporters of granite to take care for proper certification measures. As Rugmark which was founded by IGEP has more than 20 years of experience in the reduction of child labour in the carpet sector and the same knowledge and experience could be utilized in the stone industry.

The inspections are covering quarries, transportation and the manufacturing plants. After the first introductory visit all controls are done without prior announcement as surprise checks. At present all places are controlled three times per year in the average. Like in the carpet industry IGEP gives special emphasis to friendly cooperation with the private sector. The purpose is to get and maintain a clean image by avoiding any type of illegal child labour. In addition, basic

requirements of social standards should be covered. Therefore the standard ISES 2020 of IGEP (comparable to BSCI) is introduced to the companies. This will help to improve the market position in the longer run.

The work in the quarries is very tough and nearly impossible for children. The normal drilling machines have a weight of 45 – 70 kg and cannot be operated by minors. The huge stone blocks which have normally a size of 16 cbm also can neither be cut or be moved by children and the cutting and polishing of gravestones in the manufacturing units needs skills which kids do not have. So the industry is keen to cooperate and to project a neutral and unbiased picture of the conditions. About our progress we will continuously report.



## **Carpets at a Glance**

MAKING HAND KNOTTED CARPETS is difficult, complicated and time consuming. Thousands and thousands of knots have to be done by hand before clipping, finishing and washing can follow. The work needs long experience and always full concentration. It is definitely not a job for children! Our Rugmark controllers are more and more involved now in the Indian state of Rajasthan. Here mainly women are working on the traditional looms in their village houses. Our goals "no child labour and proper wages" have been achieved in most places. For the future we will give more emphasis on the working conditions.



*The 28th INDIA CARPET EXPO a traditional place of meeting between international buyers and exporters from India will be held at Varanasi from 10th to 13th October.*

## 20th Anniversary of Rugmark

All kids are keen to thank their teachers. Now at Balashrya, children have an additional reason for being happy. Their School and the Rugmark scheme got now 20 years old on 05. September, 2014.

Balashrya has become a highly reputed school, well accepted by all the parents – in the same way as the other Rugmark schools. Therefore, happiness flows all over.

For us it is nice to see how teachers and students together worked extremely successfully. Our sincere thanks go today to all of them, the teachers, the assistants, the helpers and last but not least to the enormously diligent students.

### Scholarship for Higher Education

Another good news which underlines the quality of education in the Rugmark schools: Ms. Tejaswini Prakash received after her final examinations a government scholarship for higher studies. She belonged to the one percent of excellent students who are eligible for this support.

Tejaswini learnt how to study in Rugmark's Balashrya. There she was a student for the first five years. Then she had to continue at another school because Balashrya ended with class 5. In the meantime this could be changed. Studies go up to class 8 now. Seeing the good work of the teachers (Tejaswini's mother is a teacher at Balashrya too) and the diligence of the students, we are convinced that Tejaswini's good example will be repeated soon.

## A Day at Rugmark Balashrya







## Dr. Heinz-Horst Deichmann

### *A Good Friend Has Gone!*

*He was 88 years old. But it was a great shock when we read that Dr. Deichmann, the founder of the famous Deichmann Group passed away on 02. October. He was a unique entrepreneur who built an empire from the smallest beginning. In 1956 he gave up his career as medical doctor and concentrated on the development of the shoe business of his father which he began with two shops in his German home town, the city of Essen. Fifty years later he owned thousand shops in 23 countries of Europe and USA. He employed in his company 35 000 people. The group imported more than 120 million pairs of shoes per year from manufacturers all over the world.*



*IGEP developed first contacts with Dr. Deichmann from 1996 onwards. At that time we started the first social certification and audit system with him for his Indian suppliers to keep him in India. He was considering to give up business with this country because NGOs and activists wrongly accused him of workers exploitation and environment pollution. The certification helped to prove that the allegations were baseless. All his suppliers were socially compliant and environmentally responsible. Dr. Deichmann was so satisfied with the auditing procedures that he propagated them and our work in the Foreign Trade Association of the German Retail Trade (AVE). This organization started therefore the Business Social Compliance Initiative, which is today the leading social compliance activity with about 1300 member companies. Dr. Deichmann was always specially connected with India because of his social activities. He runs here schools and health facilities and we were always happy to support his work.*

*Now he is gone - a great entrepreneur and a strongly god believing man. We admired him and we will always miss him.*

## IGN is now VDNV

In some years IGEP certifies the suppliers and the supply chain of a group of likeminded stone buyers from Germany. They has founded an incorporated society "Interessengemeinschaft Asiatische, Afrikanische und Lateinamerikanische Natursteine (IGN) e.V". In a meeting in mid of this year IGN decided to change into a Federal Association: The Association of German Natural Stone Fabricators (VDNV). A new board has been elected. The old IGN publications are being changed accordingly.

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