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India – As Potential Partner in the Future

The year 2023 has been a turbulent year for western economies which has severely impacted their GDP growth rates. The economy of Germany has contracted by – 0.3 percent. The UK economy is expected to record a growth of only 0.6 % in 2023. The USA and China growth rates are more favorable at about 5 %.

The Indian economy closed 2023 with a GDP of US\$ 3.73 trillion and a GDP per capita of US \$ 2,612. India's GDP is projected to grow at a rate of 6.5 percent in the current financial year ending on 31st March 2024. This is quite robust in comparison to the projected global average of 2.9 %.

As a new year begins, growing uncertainties are impacting international trade due to the ongoing Russia-Ukraine war and the recent military conflagration that has erupted between Israel and Palestine. Unpredictability has become the new norm in global trade which can impact India as well. A focus on improving logistics and streamlining export-specific regulations can help India maintain its export growth. regulations can help India maintain its export growth.

India aims to achieve a target of US \$ 1 Trillion in merchandise exports by 2030. While necessary attention has been given to improving India's position in the 'Ease of Doing Business' and 'Logistics Performance India', there is considerable scope for improving India's rank in the Sustainable Development Goals (SDG) score as well. Another area where India should do better is female labour participation in the workforce which is low even by South Asian standards.

International procurement rules and regulations, especially about the environment and sustainable practices are getting more and more stringent. It is therefore important for Indian exports to adopt these standards in their production processes so that they can remain competitive in international markets.

A lot of improvement is possible. But India is on the right track in 2024.

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Visit of Christian Decker of WTSH to India

Mr. Christian Decker, Head (Foreign Trade), WTSH GmbH (Kiel) visited India in January 2024. The IGEP team (Dr. Dietrich Kebschull, Sharda Subramaniam, and Sridhar Subramonyan) introduced Mr. Decker, to Mr. Georg Enzweiler and Dr. Stephan Hesselmann, Deputy Head of Mission and Deputy Head of Dept for Economic & Global Affairs respectively of the German Embassy New Delhi. Discussions with Mr. Enzweiler and Dr. Hesselmann focused on broadening bilateral business relations between India and Germany. Also highlighted was the growing business opportunities in India for German SMEs from the Federal State of Schleswig-Holstein.



From L to R: Sridhar Subramonyan (Director, IGEP), Christian Decker (Head Foreign Trade, WTSH), Georg Enzweiler (Deputy Head of Mission, German Embassy), Sharda Subramaniam (Director, IGEP), Dr. Dietrich Kebschull (Chairman IGEP) and Dr Stephan Hesselmann (Deputy Head of Dept for Economic & Global Affairs, German Embassy)

Hensel & Blank GmbH Showcases toolOpener® in IMTEX Trade Fair, Bengaluru

The IMTEX Trade Fair organized by the Indian Machine Tools Manufacturers' Association (IMTMA), is one of India's most important industrial trade fairs. IGEP facilitated the participation of Hensel & Blank in IMTEX 2023 at the Bengaluru International Exhibition Centre (BIEC) from 19-25 Jan 2023. The company's 'Made in India' toolOpener® made its debut at the Fair. The toolOpener® is the result of a joint Indo-German collaborative venture in the true spirit of 'Atmanirbhar Bharat'.

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The future of manufacturing is changing all over the world. The toolOpener® is a new concept to help Indian factories get future-ready and enable them to adopt Industry 4.0 standards. Hensel & Blank was represented in the fair by Mr. Volker Hensel, Managing Director and Founder of the company.

The toolOpener® enhances workers' safety and helps to solve typical problems encountered on a factory shopfloor by:

- The avoidance of unsafe handling of tools via crane or forklift
- Reducing the error rate of maintenance and replacements due to increased accessibility.
- Reducing downtimes of tools.



Volker Hensel, MD of Hensel & Blank explaining the functioning of the toolOpener® to visitors in the stall of Hensel & Blank in the IMTEX trade fair, Bengaluru



Mrugank Karandikar (PPPL, Pune), Volker Hensel & Sukrit Sharma (Marketing Manager, IGEP) in the stall of Hensel & Blank



The toolOpener® on Display



Visitors throng to see the toolOpener® on the Hensel & Blank stall



Make in India Initiatives

IGEP Consult has over the years, facilitated many German SMEs to manufacture and export from India under the Indian Government's 'Make-In-India' program.

The 'Make in India' initiative has been one of the flagship programs of the Government of India to facilitate investment, encourage innovation, generate employment, and promote economic growth. By focusing on attracting investments and promoting domestic manufacturing, the initiative aims to transform India into a global manufacturing hub.

One of the significant aspects of this initiative is to improve the ease of doing business in India. The Indian Government has implemented various reforms to simplify regulatory processes, reduce bureaucracy, and create a more favorable environment for businesses. This has not only encouraged domestic entrepreneurs but also attracted foreign direct investment (FDI) into the country, ensuring the establishment of new industries and the expansion of existing ones.

VisiConsult X-ray Systems & Solutions GmbH, a company specializing in industrial X-ray systems based in Stockelsdorf (Near Lübeck), Germany saw the benefits of the Make in India program. It therefore decided to set up an Indian subsidiary in 2020. IGEP Consult helped the company with the legal and regulatory processes to set up their subsidiary – VisiConsult India Ltd – in Pune, Maharashtra.

Hajo Schulenburg, the founder of VisiConsult, is confident that the Indian subsidiary will help drive strong growth for the company in the coming years not only in India but also worldwide.

Mr. Schulenburg further added that the company will use its extensive experience and technology to supply the Indian market with innovative X-ray systems. The company has adopted the motto "Make in India combined with German Quality".



Made in India Visi Consult X-Ray Machine



Hajo Schulenburg, Founder of VisiConsult (foreground) pictured with some of the staff of VisiConsult India Ltd



From L to R: Sharda Subramaniam (IGEP), Christian Decker (WTSH) and Rajesh Kulkarni (GM, VisiConsult India) at the VisiConsult office in Pune



Stone Exports from India – IGEP’s Role

India is one of the largest producers and exporters of granites in the world. With a market that has grown and modernized successfully since the early 1970s. 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.

The states of Tamil Nadu, Andhra Pradesh, Karnataka, and Rajasthan are major contributors to the country’s mining output. The stone sector is an important source of rural employment and income for the states. It generates livelihoods and provides an entry point for low-skilled labour.

However, the sector also faces several challenges in its supply chain. This acts as a constraint to optimize the full potential of the industry. As the sector faces increasing global competition, there is a need to modernize the supply chain through modern technology and innovative logistic solutions. There is also growing concern from destination countries regarding environmental and social standards in India. It is alleged that granite monuments etc. are made with child labour.

IGEP is helping the Indian Stone sector respond to current and emerging market trends to sustain its competitiveness and future growth. To avoid setbacks and losses to the trade, IGEP developed an appropriate strategy against the claims of child labour.

- A memorandum of understanding (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.
- IGEP inspections are carried out for the entire chain of stone manufacturing. Such audits are also made for importers who do not belong to the IGEP group. They always include checking for illegal child labour and ILO core standards in the whole value chain.

ISES 2020 - 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, 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, jewellery, automotive components, etc.

THE NEWSLETTER



IGEP is offering 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. The ISES 2020 certification criteria focuses on social and environmental aspects as per Indian and International Law.

Glimpse of Inspections in the Stone Sector



A Stone Quarry in India



Quarry worker with PPE (Personal Protective Equipment)



IGEP's auditor gathering data from quarry worker at site



Workers in a stone quarry using cutting tools

Participation in the International Stone+tec, Nuremburg

IGEP regularly participates in Stone+tec, the international trade fair, and congress for natural stone and stone processing held in the city of Nuremburg, Germany. The Stone+tec is a longstanding and successful trade fair forum for the natural stone industry. The participation from India is strong, with many leading stone and monument exporters participating in the fair.

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During the last edition of this fair from 19th to 22nd June 2022, many international importers of stones from India visited the IGEP stall. Information was provided to the visitors about IGEP's International Social and Environmental Standard (ISES 2020), which have been widely adopted by several Indian stone mining and processing companies.

The new German Supply Chain Law was passed by the German Parliament on 11th June 2021. For the first time, it makes importing buyers responsible for the social and environmental conditions not only in the manufacturing and exporting foreign companies but in all parts of the supply chain. The German law will be in force from 2023 for companies with more than 3000 employees. One year later all companies with more than 1000 employees must be compliant with all regulations.

Dr. Dietrich Keschull, Chairman, and Sharda Subramaniam, Director of IGEP provided European buyers who visited the stall with information about how Indian exporters are gearing up their operations to become compliant with the new law. Dr Keschull gave examples of IGEP's social and ecological audits and certification process in the Indian natural stone industry as well as in other sectors such as carpets, textiles, garments, and footwear.

Dr. Keschull explained to the European buyers at the fair that the legal requirements can be fulfilled and that the Indian companies must take the new law seriously.



At the IGEP Stall in Stone+tec Trade Fair in Nuremburg, Germany

From L to R : Alexander Zickandraht (Consultant), representatives from the Portugal Association of Stones and Dr. Dietrich Keschull (IGEP)



At the IGEP Stall in Stone+tec Trade Fair in Nuremburg, Germany

From L to R : Alexander Zickandraht (Consultant), Dr. Dietrich Keschull (IGEP), Mr. Mohan (Obli Granite) and Mrs. Mohan & Son

IGEP's CSR Activities

The Little Keb Schools

The Little Keb-School is a project of IGEP Trust for the children of the disadvantaged social segments in India. It was established in 2003 with a mission to provide children from deprived communities with basic education, healthcare and hygiene, clean clothes, food, and a happy life. A total of 696 students are currently enrolled in the four schools. The mission and vision of the school is 'Basic Education for All'. The Little Keb School has been striving hard to develop children from poor societies through its educational and vocational programs. Because of its systematic and efficient work, it has been supported by the Rotary Club of Delhi Midtown in New Delhi. Further, companies working with IGEP and friends have also given a helping hand. The Little Keb School has become the reference project for three more schools, a small health center and vocational training activities in the mica mining belt of the state of Jharkhand. The schools, supported by Merck, Germany are located in the villages of Panchrukhi (Dhanbad Dist.), Barkitand (Giridih Dist.), and Sapahi (Koderma Dist.) in the state of Jharkhand.

The Rugmark Schools

The Rugmark Foundation is running three schools including RM Balashraya (the rehab center), Barhi Newada-Varanasi and Handia-Allahabad. There are currently 334 children making use of these learning facilities. These schools are an important step in fulfilling the educational needs of children from carpet-weaving families.

The children of carpet weavers are admitted into the schools with the idea of preventing them from getting caught in the vicious circle of child labour. The parents' proximity to the industry and socio-economic factors have always posed a grave danger of their being sent to work at an early age.

They are provided formal education together with vocational training in various fields. Besides, medical attention, fun, and sports provide new perspectives for a different and better life. Some of the salient features of the Rugmark Primary Schools are:

- State Government approved syllabus for studies.
- Teaching of English Language.
- Provision of free books and stationery.
- Free school uniform for all students.
- Adequate emphasis on sports, playing facilities and other hobbies.
- Vocational training courses.
- Medical check-up for all students.



Students in Rugmark Balashraya organized a cultural event on the occasion of Republic Day on 26th Jan 2024.

