

New market looms as war-torn Jaffna rebuilds



LEFT: Mr Douglas Devananda, Hon'ble Minister of Traditional Industries & Small Enterprises Development, Government of Sri Lanka inaugurating the event. Also seen in the picture Mr V.Mahalingam, Consul General, High Commission of India, Colombo (2nd from left). **RIGHT:** Sitting from left, Mr Douglas Devananda, Hon'ble Minister of Traditional Industries & Small Enterprises Development, Government of Sri Lanka; Mr V Mahalingam, Consul General, High Commission of India, Colombo. At extreme right is Mr A K Vijaykumar, Co-ordinator, FIEO (SR) presenting a memento to Consul General along with other participants.

FIEO participated in the third edition of the Jaffna International Trade Fair (JITF) held at Jaffna, Sri Lanka, from January 20-22, 2012. Ten member exporters handling different product groups comprising cosmetics, healthcare, pharmaceuticals, engineering, food products, construction and building materials, spices, fertilizers, auto components, laboratory equipments etc participated in the expo.

The exhibition was inaugurated by Mr Douglas Devananda, Minister of Traditional Industries & Small Enterprises

Development, Government of Sri Lanka, in the presence of Mr V. Mahalingam, Consul General, High Commission of India, Colombo.

A large number of visitors comprising local trading and businessmen visited the various stalls. India was the partner country in this exhibition.

The fair was organized by the Lanka Exhibition and Conference Services (Private) Limited in association with the Federation of Chamber of Commerce and Industry of Sri

Lanka, the Chamber of Commerce and Industry of Yarlpnam and the Sri Lankan Convention Bureau. According to the feedback received from the participants, the participation provided them excellent opportunity to understand the virgin market, as there was no accessibility to Jaffna.

The bilateral relations between Sri Lanka and India have been friendly and both nations occupy a strategic position in South Asia. Mutual trade increased more than 70% in 2011 over the year, touching an all time



LEFT: Mr V Mahalingam, Consul General, High Commission of India, Colombo (Centre) discussing with the participants in the FIEO Pavilion about the trade opportunities in Sri Lanka. **RIGHT:** Mr A K Vijaykumar, Coordinator (left) explaining about FIEO's Services to the visiting participants.

high of \$5 billion. Several Indian companies invested in Sri Lanka and assisted in the development of this war-torn country.

Recently India has signed an MoU for construction and repair of 49,000 homes with an assistance of \$216 million which is the largest project of this kind undertaken by India in a

foreign country.

Because of the resistance movement, Jaffna was not accessible for more than three decades but it has now undergone a period of renaissance wherein India has been involved in rehabilitation and reconstruction in the Northern Province in different fields including

infrastructure. FIEO foresees great opportunity for Indian products and services with the scope of high volumes in this unexplored land, which will also help this region develop.

Mr A.K. Vijaykumar, Coordinator, FIEO (SR), managed the FIEO pavilion and rented services to the Indian participants. ■

New US export regulation: Use of Legal IT mandatory for manufacturers

Two US states, Washington and Louisiana have passed laws which prohibit any manufacturer from exporting products to their state for sale, directly or indirectly, if they cannot prove that they only use “Legal IT” (e.g. genuine and licensed software and hardware) for their business operations. And that is not unique, since usage of illegal software is already a civil wrong and a criminal offence in many countries, including India (Copyright Act, 1957). The manufacturers and exporters can be located anywhere in the world.

Washington State passed a pioneering unfair competition law, effective 22 July 2011, (Titled “Sale of Products - Stolen or Misappropriated Information Technology, Chapter 19.330 RCW), that gives a right to the injured and competing manufacturers or the State Attorney General to initiate civil proceedings against such non-compliant manufacturers that compete unfairly by using stolen or misappropriated information technology in the manufacture, distribution, marketing or sale of their products in Washington State.

IT owners do not have a right to “sue” under the new law, other than evidence collection and serving a legal notice to the non-compliant manufacturers. This truly reflects the intent of the state legislature – prevent unfair competition, and even obligates third parties like retailers and brand owners to maintain a compliant supply chain.

A movement towards Federal Law

On November 4, 2011, Attorney Generals of 36 US States and 3 US territories passed a strong resolution through a jointly signed letter urging the Federal Trade Commission (FTC) and Bureau of Competition to con-

sider enforcement of Federal Trade Commission Act to bear on the menace of IT theft at Federal level and have uniform enforceability across all the US States. They also pledged to use their existing state unfair competition laws to prevent such usage of stolen IT by manufacturers.

Therefore, in the near future there is a distinct possibility that several other US States may similarly enact new unfair competition laws or include “Legal IT” usage as a requirement for manufacturers in their existing state legislations, including a US federal legislation.

Proactive action needed by Indian manufacturers

Indian manufacturers, who export their products to the US must urgently examine the deployment and usage of IT (specially software licenses) in their entire business operations, as the law is applicable to all the manufacturers regardless of their physical location. Once inventory has been completed, licensing position should be assessed and analysed and steps should be taken place to legalize all usage gaps and a clear proof of compliance be prepared. Today there are professional services available on this aspect of compliance. The best practices are ISO Standard, Software Asset Management (SAM - 19770), BSA's CSS(O) SAM Certification, freely available software audit tools, software review by third parties or by software publishers, Internal IT Procurement & Usage Policy, Third Party IP Code of Conduct etc. IT being a critical enabler as well as tool of productivity and innovation, proactive management of IT assets will go a long way in enhancing the manufacturer's global reputation, while safeguarding their businesses by having a competitive advantage against manufacturers who do not play by the rules.