COMPETITIVENESS of India Inc.

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17 November 2005

Dear Member,

RURAL BUSINESS HUBS

Mahatma Gandhi once said that India's future lies in its 600,000 villages. Yet nearly sixty years after Independence, most of us in the industry are yet to unlock the true potential of this massive production and consumption hinterland. Rural India has stayed off our radar screens partly because of inadequate knowledge, but mostly because our products and processes have become urban-centric.

It's time to come out of our comfort zones and widen our sphere of influence. It's time to facilitate business projects in regions that - over the next couple of decades - are likely to emerge as India's biggest growth markets. With this in mind, we at CII have forged a unique partnership with the Ministry of Panchayati Raj, Government of India, to promote Rural Business Hubs (RBHs) across the country.

Each hub –- which is being modelled on Thailand's highly successful One Tambon One Product (OTOP) program -- will provide members of Indian industry a unique opportunity to participate, learn and profit from sustainable rural ventures. Each RBH ventures will seek to improve the quality of local produce and products in handpicked rural business hubs (approximately the size of a village block) by using modern training and production processes. The objective is to improve market access and ensure profitability across the value chain.

Under the proposed RBH business plan, industry – both large and small—will come together with farmers or local artisans to enhance the market value of a selected product. The local panchayat of the village/block will act as a facilitator, knowledge repository and a troubleshooter. The idea is to combine the inherent skills of people living in local communities and combine them with production capabilities of CII member companies. Once the products are found to be commercially viable, CII members, and various government departments will assist in providing market access.

The produce range would include food and drinks, herbal products, clothing, handicrafts, handloom, furniture and other items native to the selected rural areas.

Contd…

I must point out here that the venture is not a social exercise; members would not be expected to take up projects unless they are commercially viable or can be modified to become viable. At the same time, our effort would be to develop a business model where every stakeholder in the project benefits, especially the rural population.

I have also been assured that member companies' venturing into this initiative will get whole-hearted support in terms of policies and procedures from the Ministry of Panchayati Raj and State Governments.

The RBH project in fact, is already off to a start. A number of states have shown interest and two sets of MOUs have already been signed with industry.

I am writing to seek your support and co-operation in making this initiative a major success. To start with, do fill the attached reply form by December 1. Please indicate your area of interest, so that we can kick off a meaningful matchmaking exercise as early as possible.

Once again, I cannot overemphasise the importance of the RBH project. For India to grow and prosper, larger parts of India have to grow, and I am personally convinced that the rural business hubs can catalyse this growth. As we in industry would benefit directly from this dispersed growth, we have a vested interest in making this initiative work.

Look forward to your early response.

Kind regards,

Yours sincerely,

Sunil Kant Munjal

Encl: a/a

To: Secretary
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MINISTRY OF PANCHAYATI RAJ – CII RURAL BUSINESS HUBS

EXPRESSION OF INTEREST

1. Company Name:_____

2. Please indicate your areas of interest (Please ✓ on appropriate basis).

☐	Sourcing agriculture produce for further processing
☐	Working with local artisans to improve quality of handicrafts and locally made products
☐	Working with artisans to properly package local products for sale in urban markets
☐	Working with farmers to improve quality, consistency and packaging of dairy products
☐	Setting up IT kiosks for knowledge dissemination
☐	Working with local entrepreneurs to develop effective cold storage and supply chains
☐	Setting up of local power generation centres
☐	Working with local entrepreneurs to develop effective marketing and distribution networks
☐	Utilisation of Wasteland / Barren land for commercial / economic activities such as jatropha cultivation etc.
☐	Other (Please specify)_____

3. Please indicate your preferred state for participation in such a venture

4. Are you already involved in any rural development project?

☐	Yes	☐	No

5. If yes, please provide some details

6. In case you are not able to participate in an RBH venture, are you aware of any other companies who might be interested?

7. Who would you like to designate for setting up of such commercial / economic ventures) in rural areas? Please keep in mind that the Ministry of Panchayati Raj and CII will be co-ordinating / communicating with this resource person throughout.

Name	:	
Designation	:	
Company	:	
Address	:	
City	:	
Pin	:	
State	:	
Phone (Office)	:	STD: Tel No:
Phone (Residence)	:	STD: Tel No:
Mobile / Cell	:	
Fax:	:	STD: Tel No:
Email 1	:	
Email 2	:	
(Please attach a business card)		

8. Please share with us your thoughts on these additional issues:

   a. What are the problems faced by you in establishing commercial / economic activities in rural areas?

   b. What support do you expect from CII for setting up commercial activities in rural areas?

   c. What support you expect from Panchayats for setting up commercial activities in rural areas?

   d. Which are the NGOs / Development organisations supported by your company?

Name:_____ Date:_____