

Invitation for conducting Study on “Impact of competition and cheaper import of products on MSE’s with special focus on import from South Asia and other neighboring countries.”

{On behalf of Ministry of Micro, Small and Medium Enterprises and under their scheme of Survey, Study and Policy Research, NSIC intends to conduct a study on **“Impact of competition and cheaper import of products on MSE’s with special focus on import from South Asia and other neighboring countries.”** In this regard, NSIC invites limited quotations under the two bid systems to conduct the aforesaid study. The sealed quotations in two separate envelopes (Technical bid in envelope ‘I’ and Financial bid in envelope ‘II’) should be addressed to the Manager (BD), super scribing as ‘Quotation to conduct the study on “Impact of competition and cheaper import of products on MSE’s with special focus on import from South Asia and other neighboring countries.”’ The copy of the Terms of Reference along with the standard form of certificates (i.e. Annexure A, B, B1, C) and standard form of agreement be downloaded from www.nsic.co.in and the hard copy can also be collected from Head Office during weekdays in working hrs 10.00 a.m to 6.00 pm for your reference. The technical bid in a separate envelope, marked as ‘Envelope I-Technical Bid’ should contain the following:

- 1) Annexure A
- 2) Annexure B
- 3) Annexure B1

The financial bid in a separate envelope marked as ‘Envelope II- Financial Bid’ should contain the ‘Annexure C’.

The sealed quotations must reach to the NSIC Central Receipt Section by 4th December, 2009. NSIC reserves the right to accept or reject any or all of the quotations received in response to the above referred invitation, without assigning any reason thereof. On receipt of Technical and Financial bid, the bidder shall also be required to make a brief presentation before the committee.

Note – The bidder must have prior experience of doing similar type of studies/survey on behalf of Government or Government Departments and must also produce necessary documents in support of its experience I conducting such studies/survey.}

STUDY

ON

**IMPACT OF COMPETITION AND CHEAPER
IMPORT OF PRODUCTS ON MSEs WITH
SPECIAL FOCUS ON IMPORT FROM SOUTH-
EAST ASIAN AND OTHER NEIGHBOURING
COUNTRIES**

Terms of Reference

1.0 Background:

Globalization is an ongoing process that presents opportunities; as well as risks and challenges. It has expanded the prospect for technological advances and for effective integration into the international economy. It has increased prosperity and the potential for countries to benefit. However, globalization also raises the risk of marginalization of countries, in particular the poorest countries and the most vulnerable groups everywhere. Income gaps within and among countries remain wide and the number of people living in poverty has increased. Asymmetries and imbalances in the international economy have intensified. Instability in the international financial system continues to be serious problems and requires urgent attention. In order to assess the impact of competition especially from South East Asian countries, a study needs to be conducted so as to encounter the threat of competition being faced by Indian MSEs from South East Asian countries and other neighbouring countries.

2.0 Assignment: Impact of competition and cheaper import of products on MSEs with special focus on import from South East Asian and other neighbouring countries.

3.0 Objectives of Study: To formulate strategies so as to make Indian MSEs more competitive to face/counter competition from South East Asian and other neighbouring countries.

4.0 Scope of Assignment:

1. To identify list and benchmark all strategic options required for consistency and continuity in business growth in India. This will involve comparison with the enabling policy environment in South East Asian and other neighbouring countries (Specific Government schemes and subsidies).
2. To study the character of MSEs in South East Asian and other neighbouring countries with regard to ownership pattern, investment support and general business climate including the Government policies and impact of these factors in the growth of MSEs in South East Asian and other neighbouring countries.
3. To identify the reasons which aid South East Asian market in offering competitive costs and products in the given scenario of neo-liberalism. To provide sharp analysis of how the same can be done in India.
4. To explore opportunities in specific product segments, wherein India can compete favorably in the region. An analysis of possible synergies between specific product groups may also be done to enable the MSEs in these selected

segments to even out business cycle related demand fluctuations on both national and regional basis.

5. To study the various fiscal benefits available to SMEs in South East Asian and other neighbouring countries like concessional rate of tax, tax holiday, liberal Government policies extending concessions in excise / custom tariff etc.
6. To explore innovations in technologies in selected sectors, where Indian MSEs may be able to upgrade with limited investments in order to compete with South East Asian and other neighbouring countries.
7. To explore innovations in technologies including acquisition of new technologies in order to upbeat competition from South East Asian and other neighbouring countries.
8. Finally to provide set of strategies and specific recommendations of how to upgrade Indian MSE sector (financially, technically and technologically) to compete with South East Asian and other neighbouring countries detailing products, timeline and technologies etc.

5.0 Methodology:

1. Specific sectors of MSEs in India to be identified and studied where Indian MSEs can compete with South East Asian and other neighbouring countries.
2. Sample size of at least five specific sectors of MSEs in South East Asian and other neighbouring countries should be taken and study distinctively with regard to ownership pattern, investment support and general business climate including the Government policies and impact of these factors in the growth of MSEs in South East Asian and other neighbouring countries.
3. Sample size of at least 1,000 micro and small enterprises covering all the regions of the country, should be taken and study distinctively keeping in account representation of niche industries. Information to be collected through desk research, personal interviews and survey. In addition, the sample size should also include study of at least 10 Industries Associations engaged in the development and promotion of MSEs, covering all the regions of the country.
4. Preparation and submission of draft report to Ministry of MSME containing strategies to be adopted by Indian MSEs and suggesting acquisition of new technologies to counter the competition from South East Asian and other neighbouring countries.
5. Submission of final report.

6. 6.0 Time Schedule and Reports

The study is to be completed within 12 weeks from the date of award of assignment. It is expected that the following assignment schedule for reporting may be adhered to:

Sl. No.	Project Activity	Weeks											
		1	2	3	4	5	6	7	8	9	10	11	12
1.	i) Desk Research ii) Finalization of questionnaire in consultation with Ministry of MSME.												
2.	i) Field Survey ii) Data Analysis & Draft Report preparation & submission.												
3.	Report Finalization												

6.1 Time Schedule: The Assignment is to be completed in 3 stages as described below:

Phase I. (0-2 weeks) : Desk research related to identification of the specific sectors of MSEs where Indian MSEs can compete with South East Asian and other neighbouring countries and preparation of questionnaire.

Phase II (3-10 weeks): During this phase, field survey by way of interacting through personal visits, interviews, meetings with the stake holders is to be made. Obtaining feedback by way of Questionnaires. The analysis of the data is also to be completed in terms of the objectives of the study and accordingly draft report is to be prepared and submitted to Ministry of MSME for its comments.

Phase-III (11-12 weeks): On the basis of comments of Ministry of MSME on the draft report, the final report is to be prepared and submitted.

6.2 Reports:

Draft report (5 copies) is to be submitted within twelve weeks from the date of award of assignment. Thereafter the final report (10 copies along with 5 CD's) is to be submitted within 15 days from the date of receipt of draft report from Ministry of MSME.

Any delay in submission of report without due approval by Ministry of MSME will attract a penalty of 5% of the contract sum per week subject to maximum of Rs.50,000/-.

7.0 Payment:

- i. 75% payment will be made to the agency on submission of draft report.
- ii. Balance 25% payment will be released to the agency on acceptance of final report.

8.0 Other Terms and Conditions:

The other terms and conditions applicable under this assignment will be:

- (i) The assignment should be completed within the time stipulated in the award letter. Delay in submission of the report beyond the stipulated time will attract penalty as stipulated above. For factors beyond the control of the agency, suitable extension in time may, however, be granted at the request of the agency.
- (ii) Ministry of MSME shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the award letter.
- (iii) The total fee for the study to be quoted by the agency will include service tax and other tax, if any, and any other expenses to be incurred during the course of conducting the survey. The liability of payment of the tax will be of the agency conducting the study.
- (iv) The draft/final reports and the contents thereof would be the intellectual property of Ministry of MSME and would not be published by the agency concerned without prior approval of Ministry of MSME.
- (v) If the performance of the agency during the currency of the study is not found to be satisfactory, the award of the assignment can be terminated and the amount already paid to the agency will be recovered.

- (vi) The raw data/processed data/ findings should not be disclosed by the agency to any third party without prior approval of Ministry of MSME.

CONSULTANT'S ORGANISATION AND EXPERIENCE

A – Consultant's Organisation

[Provide here a brief (note more than two pages) description of the background and organisation of your entity and each associate, if any, for this assignment.]

B – Consultant's Experience

[Using the format below, provide information on each assignment for which your entity, and each associate for this assignment, was contracted for carrying out consulting services similar to the ones requested under this assignment.]

Assignment name : Approx. value of the contract (in Rupees) :

Country :

Location within country :

Name of client :

Address :

Start date (month/year) :

Completion date (month/year) :

Name of associated Consultants, if any: Name of senior professional staff of your firm involved and functions performed (indicate most significant profiles such as Project Director/Coordinator, Team Leader):

Narrative description of Project:

Description of actual services provided by your staff within the assignment:

Firm's
Name: _____

I General Description of Team

Sr. No.	Name of Team Leader & Staff	Position	Input (Staff-months)
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- 1.**
- 2.**
- 3.**
- 4.**
- 5.**
- 6.**
- 7.**
- 8.**

Note: CV of the Team Members to be provided in the format given at **Annexure B-I**.

**CURRICULUM VITAE (CV) OF PROPOSED
PROFESSIONAL STAFF FOR THE ASSIGNMENT**

1. Proposed Position [only one candidate shall be nominated for each position]:-

2. Name of Entity [Insert name of entity proposing the staff]:_____

3. Name of Staff [Insert full name]: _____

4. Date of Birth: _____

Nationality: _____

5. Education:[Indicate college/ university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]:

6. Membership of Professional Associations:

7. Publications (Indicate books, research papers and other articles published in reputed journals).

8. Other Training(s) : [Indicate significant training since degrees under 5 – Education were obtained]:

9. Countries of Work Experience : [List countries where staff has worked in the last ten years]:

10. Employment Record:[Starting with present position, list in reverse order every employment held by staff member since graduation, giving for each employment (see format here below): dates of employment, name of employing organization, positions held]:

From [Year]: _____ To [Year]: _____

Employer: _____

Positions held: _____

11. Detailed Tasks Assigned

[List all tasks to be performed under this assignment]

12. Work Undertaken that Best Illustrates Capability to Handle the Tasks Assigned

[Among the assignments in which the staff has been involved, indicate the following information for those assignments that best illustrate staff capability to handle the tasks listed under point 10].

Name of assignment or project_____

Year_____

Location_____

Client_____

Main project features:_____

Positions held:_____

Activities performed:_____

13. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes myself, my qualifications, and my experience. I understand that any willful misstatement described herein may lead to my disqualification or dismissal, if engaged.

_____Date:_____

[Signature of staff member or authorized representative of the staff]

Day/Month/Year

Full name of authorized representative:_____

CONSULTANT'S FINANCIAL PROPOSAL

(a) Cost of the Study/Survey/Research Paper : Rs
(based on team and staff inputs and all
necessary activities as per ToR)

(b) Service Tax : Rs.

(c) Total Cost (a+b) : Rs.

Note : No separate payment towards overheads, equipment, accommodation,
procurement of primary and /or secondary date, necessary travel (if any),
etc. shall be allowed.

AGREEMENT FOR CONSULTING SERVICES
FOR SURVEYS, STUDIES AND RESEARCH PROJECTS
AGREEMENT

THIS AGREEMENT is entered into this [insert starting date of assignment] between the President of India acting through Secretary, Ministry of Small Scale Industries, Government of India, [the Government] having its principal place of business at [insert Client's address], and [insert Consultant's name] ("the Consultant") having its principal office located at [insert Consultant's address] acting through _____.

WHEREAS, the Government wishes to have the Consultant perform the Assignment hereinafter referred to, and

AND WHEREAS, the Consultant is willing to perform this Assignment,

NOW, THEREFORE, THE PARTIES hereby agree as follows:

1. **Services**
 - (i) The Consultant shall perform the assignment specified in Annex A, "Terms of Reference and Scope of Assignment," which is an integral part of this Agreement (the "Assignment").
 - (ii) The Consultant shall provide the personnel listed in Annex B, "Consultant's Personnel," to perform the Assignment.
 - (iii) The Consultant shall submit to the Government the reports in the form and

numbers and within the time periods specified in Annex C, “Consultant’s Reporting Obligations.”

2. Term

The Consultant shall perform the Assignment [within ____ months from the date of this Agreement], or any other period as may be subsequently agreed by the parties in writing, subject to liquidated damages for the delay attributable to the Consultant.

3. Payment

A. Ceiling

For the Assignment, the Government shall pay the Consultant the sum of [insert amount]. This amount includes all of the Consultant's costs and deliverables as well as any tax obligation that may be imposed on the Consultant.

B Schedule of Payments

The schedule of payments is specified below:

[insert currency and amount] upon the Government’s receipt of a copy of this Agreement signed by the Consultant;

[insert currency and amount] upon the Government’s receipt of the draft report from Consultant, acceptable to the Government; and

[insert currency and amount] upon the Government’s receipt of the final report from Consultant and acceptable to the Government.

[insert currency and amount] Total

C. Payment Conditions

- (i) Payment on signature of this Agreement shall be made against a bank guarantee of equivalent amount from a Scheduled Bank in favour of the Government _____ till receipt of the draft report from Consultant and acceptable to the Government.
- (ii) Final payment shall be made not later than 6 weeks, following submission by the Consultant of complete invoices in duplicate to the Coordinator designated in paragraph 4 or acceptance of the Report by the Government whichever is later.

4. **Project Administration**

A. Coordinator

The Government designates Shri/ Smt. [insert name and designation] as the Government's Coordinator; for this Assignment. The Coordinator will be responsible for the coordination of activities under this Agreement, for acceptance and approval of the reports and of other deliverables by the Government and for receiving and approving invoices for the payment.

B. Reports

The reports listed under Para 4 and 5 of the guidelines of the Scheme shall be submitted in the course of the Assignment, and will constitute the basis for the payments to be made under paragraph 3.

5. **Performance Standards** The Consultant undertakes to perform the Assignment with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly but not later than ___ days replace any employees assigned under this Contract that the Government considers unsatisfactory.
6. **Confidentiality** The Consultant shall not disclose any proprietary or confidential information relating to the Services, this Agreement or the Government's business or operations without the prior written consent of the Government.
7. **Ownership of Material** Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the Government under the Agreement shall belong to and remain the property of the Government. The Consultant may retain a copy of such documents and software for the purpose of this Agreement.

8. **Insurance** The Consultant will be responsible for taking out any appropriate insurance coverage at its own cost.
9. **Re-Assignment** The Consultant shall not re-assign this Agreement or sub-contract any portion of it without the Government's prior written consent.
- 10 **Dispute Resolution** Any dispute arising out of the Agreement, which cannot be amicably settled between the parties, shall be referred for arbitration [in accordance with the provisions of.....Act] to an arbitrator nominated by the Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Provisions of the Arbitration and Conciliation Act, 1996, as amended from time to time, shall be applicable. Courts in Delhi shall have jurisdiction in the matter.
- 11 **Events of Default**
- (i) Delay in furnishing of any report within the period mentioned for in Annex C. Provided that there shall not be default for the period of Force Majeure and delays solely attributable to the Government.
 - (ii) Any report being non-acceptable to the Government for lack of professional quality.
 - (iii) Breach of any of the terms of this Agreement.

12 **Consequences of Default**

- (i) On the occurrence of any of the event of default on the part of Consultant, the Government may terminate this Agreement and claim refund of any money paid or invoke the bank guarantee and refuse to make any more payment.
- (ii) In case of default being limited to delay only not exceeding 5 weeks, the Government, may in the alternative, claim the agreed liquidated damages @ 5% of the amount of contract for every week of delay, not exceeding in any case 25% of the amount of contract. The amount of liquidated damages shall be withheld and/or recovered from the payment to be made to the Consultant.

13 **Force Majure**

The Parties shall be entitled to excuse performance of their respective obligations to the extent they are unable to perform the contract by an event of Force Majure. A party claiming relief on this account shall immediately on becoming aware of Force Majure event give notice to the other party disclosing the manner in and the period during which performance of its obligation is likely to be affected.

For the purpose of the Agreement Force Majure means Acts of God, wars or similar action affecting India Civil Commotions or general strike (excluding by its own employees) lying beyond the reasonable control of the affected Party.

14 **Notice**

The address of the Parties for all communication is :

Government :

Consultant :

All notices with the aforesaid address sent by pre-paid registered-post or speed post or sent by fax with confirmation of its delivery or e-mail shall be deemed to have been served and received by the addressee within the time they should have been delivered/received at the addressee's end.

Any change of address will not be valid unless acknowledged by the other party.

IN WITNESS WHEREOF, the representatives of the Parties to this Agreement being duly authorized have hereunto set their hands and have executed those present this __ day of ____

For and on behalf of the
President

of India (THE GOVERNMENT) FOR THE CONSULTANT

Signed by _____ Signed by _____

Designation: _____ Designation: _____

In presence of _____ In presence of _____