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India to remain one of world's best performing economies

Noting that growth in the economy has been largely driven by domestic savings, Governor of Reserve Bank of India (RBI), Dr.Y.V. Reddy stated that in the new millennium, growth has been an average 7.2 per cent. In the last four years, it was an average of 8.7 per cent. He highlighted that the central bank would ensure price stability and adequate flow of credit in its forthcoming credit policy while financial stability, macro-economic growth and management of forex reserves would continue to be focus areas. He emphasized that in the past few years, about 95 per cent of our investments were from domestic savings.

India set to be 90 per cent of US economy by 2050'

According to a report titled "The World in 2050: Beyond the BRICs", by PriceWaterhouseCoopers (PwC), India's economy would grow to 90 per cent of the US by 2050, with China becoming even bigger than the world's current largest economy, in what could be a tectonic shift in the global economic centre of gravity. PwC Head of Macroeconomics John Hawksworth said that long-term prospects for China, India and other so-called E7 economies (Brazil, Mexico, Russia, Indonesia and Turkey) were still upbeat, but an additional 13 emerging economies also had the potential to grow significantly

faster than the established Organisation for Economic Co-

operation and Development (OECD) countries.

India could grow 8.5-9.5% in medium term: UN

As per the U.N. Economic and Social Commission for Asia and the Pacific (UNESCAP) report, India's economy could grow 8.5 - 9.5 percent over the medium term but price pressures may persist due to high global oil and food prices. The sustained expansion of the Indian economy would see growth at between 8.5 - 9.5 percent over the medium term following growth of 8.7 percent in 2007.

Exports may touch \$ 200 bn by 2009: CII

According to a survey of CEO's conducted by industry body Confederation of Indian Industries (CII), exports from India are expected to touch 200 billion dollars by 2009, maintaining an annual growth of over 20 per cent for the 2004-09 period. However, it highlighted that the growth would require government support through tax refund schemes.

India aims to boost trade volumes with ASEAN

India has set itself a target to boost trade volumes with the ASEAN countries to \$50 billion, up from the present \$20 billion. The proposed free-trade agreement with the ASEAN countries will facilitate this process by opening up market for many Indian products, especially auto-components. Many ASEAN countries such as Malaysia are keen on sourcing auto components from India.

India plans sovereign wealth fund for energy assets abroad

Planning Commission Member Mr. Surya Sethi said that India plans to set up a multi billion dollar sovereign wealth fund to invest in energy assets overseas on the lines of Temasek of Singapore. He stated that the plans were at a very initial stage a decision on this would be taken shortly. When asked about the corpus of the fund, he clarified that it would be in billions of dollars. To another question regarding the need to set up such a fund, he further said the proposed fund would be one of the ways to earn higher returns as compared to those investing in domestic projects.

India's forex reserves at \$306.488 bn on March 14

In its weekly statistical supplement, the central bank stated India's foreign exchange reserves rose to a record \$306.488 billion on March 14, 2008 from \$303.460 billion a week earlier. The foreign exchange reserves include India's Reserve Tranche Position in the International Monetary Fund.

I&B gives go ahead to 24% FDI in FM

The Information & Broadcasting (I&B) Ministry has given its nod to a hike in the foreign direct investment (FDI) limit to 24% from the current 20% in FM radio operations. The I&B Ministry is of the view that raising the FDI cap to 24% would not result in giving foreign stakeholders any additional rights under Company Law to the detriment of Indian operators. Some 150 FM radio channels have so far become operational, out of the 266 licences granted.

Gold mining to draw FDI of Rs 1 trln

According to Union Minister of State for Mines Subbarami Reddy, India is expected to attract foreign direct investment (FDI) of Rs 1,00,000 crore (US \$ 25000 million) per annum in mining exploration of gold and diamond. While stating that Government officials would be visiting these countries to explore the possibilities of more investment, he added that nearly 14 companies from Australia, Canada and South Africa had shown keen interest in bringing their technical expertise required for identifying the potential of a mining block. Under the new policy, entrepreneurs who invest in heavy risk capital will automatically get the mining lease.

Investment cap on DTH may rise

In a move that could open the floodgates of foreign investment in media distribution platforms, the Information & Broadcasting (I&B) Ministry has proposed raising the cap in sectors like direct-to-home (DTH), satellite radio, head-end in the sky (Hits) and teleports to 74%. However, the current foreign investment ceiling for cable operations at 49% would remain unchanged. In the case of the teleport and DTH sectors, the current ceiling on foreign investment stands at 49%. For satellite radio and Hits, a satellite broadcast platform for cable operators, there was no official policy on foreign investment caps until now.

FII's invest in shares worth Rs 1,246 cr on bourses

Provisional data available on the BSE showed that Foreign Institutional Investors were net investors in equities as the Bombay Stock Exchange benchmark index, Sensex, ended 928 points up. FIIs made gross sale of equities worth Rs 3,774.33 crore (US \$ 943.5 million) and gross purchase of Rs 5,020.45 crore (US \$ 1255 million), resulting in a net investment of Rs

1,246.12 crore (US \$ 311.5 million). Among other categories, non-resident Indian entities sold shares worth Rs 0.91 crore (US \$ 2.2 million) and proprietors invested in equities worth Rs 49.83 crore (US \$ 12.5 million). Brokers, however, sold shares worth Rs 405.72 crore (US \$ 101.2 million) for their clients or retail investors.

India Inc's M&A value touches \$6 bn in first 2 months

The global consultancy firm, India Inc has announced 92 merger and acquisition deals, valued at nearly six billion dollars, in the first two months of the current year. Banking and financial services and shipping and ports attracted the maximum deals during the period. The M&A scene have received a major boost from the latest Tata Motors acquisition of premium car brands Jaguar and Land Rover from US automobile firm for 2.30 billion dollars. The deal also led to culmination of Ford's decision last August to explore strategic options for the JLR business. Outbound deals have outnumbered domestic ones in terms of value breakup. Domestic deals accounted for USD 2.7 billion, whereas outbound deals USD 2.8 billion. Inbound deals valued USD 0.45 billion, the report showed. The most significant M&A deal in the first two months of 2008 has been HDFC Bank's acquisition of Centurion Bank of Punjab followed by a subsequent merger.

Fund assets to reach US\$ 440 billion by 2012: McKinsey

As per a survey conducted by the consultancy firm McKinsey & Co, the total assets under management (AUM) in India would grow by 33% every year to reach as much as \$440 billion by 2012 with mutual funds and portfolio management services as key drivers. However, as competition increases in mutual funds, prices would be rationalized and, in turn, reduce the

overall profit margins, McKinsey said in the report. Data from the Association of Mutual Funds in India showed that India has 33 fund houses, which managed Rs 5.7 trillion (\$141.12 billion) at the end of February.

Telecom outfit mkt to ring in \$6.5 bn revenue in 2007-08

India, the world's fastest-growing telecom market, is also making steady progress in the telecom manufacturing space. Latest figures from the Department of Telecom (DoT) indicate that revenue from the telecom-manufacturing sector is set to cross the \$6.5 billion (Rs 23,656 crore) figure in fiscal 2007-08. At the current growth rate, the Indian telecom equipment-manufacturing sector is set to become one of the largest globally by 2010. The DoT has also pointed out that the telecom manufacturing space has brought in foreign investment to the tune of \$1.5 billion (Rs 6,000 crore). Production in telecom equipment has increased from Rs 17,833 crore (US \$ 4458 million) in 2005-06 to Rs 23,656 crore (US \$ 5914 million) in 2006-07 and the projected figure for the year 2007-08 is Rs 26,253 crore (US \$ 6563 million).

India 2nd largest in mobile subscribers

According to telecom regulator Telecom Regulatory Authority of India (TRAI), a total of 8.49 million telephone connections were added during February 2008, as compared to 8.74 million connections in January 2008. India has crossed the 250 million mark with the addition of 8.53 million mobile subscribers in February.

Software exports may grow 33% in FY08

As per estimate by the Electronics and Computer Software Export Promotion Council (ESC), Software exports are

expected to register a growth of 33 per cent in terms of dollar in the current financial year. In absolute terms, exports during Financial Year 2008 will workout to \$45 billion (Rs 180,000 crore). ESC Executive Director, Mr. D K Sareen said that the need for hedging against currencies and invoicing exports in currencies other than the dollar has been advised to the council's member exporters.

Gem, jewellery exports up 9%

According to data released by the Gem & Jewellery Export Promotion Council (GJEPC), India's gem and jewellery exports during April 2007 to February 2008 grew 9.25 per cent to Rs 75,510 crore (US \$ 18877 million) as against the corresponding period last financial year. Exports of cut and polished diamonds during the period rose 16.62 per cent to Rs 51,114 crore, GJEPC said.

Marine exports to double by 2012

Mr. Jairam Ramesh, Minister of State for Commerce and Industry said that the Government of India was aiming at doubling marine exports including that of tuna fish to four billion dollars by 2012. He said that Marine exports during the last fiscal were 1.8 billion dollars and this year they were expected to touch two billion dollars. He further said that the Government hoped to reach 4 billion dollar export target by 2012. While stating that 53 per cent of the marine exports comprise of shrimps, he emphasized on the need to diversify the export basket. Export of tuna fish, which contributed to only 200 million dollars in 1.8 billion dollar export earnings in 2006-07, were being pushed through technology induction for catching this highly migrating species.

Food processing sector registers 13.7% growth

Mr. Subodh Kant Sahai, Minister of State for Food Processing Industries said that the growth of food processing sector had nearly doubled to 13.7 per cent from 7 per cent since 2004. Mr. Sahai said that the Ministry had set a target of growing at 20 per cent by 2015. While exhorting potential investors for making investment, he reiterated that to achieve the goal, an investment of about Rs 1 lakh crore (US \$ 25000 million) would be required.

Healthcare sector to touch \$80 bn in five years

According to Technopak, provider of knowledge-based solutions and services, the private sector presently accounts for over 80% of this spending in the health sector. It was of the view that India's healthcare industry was set for a wholesome growth of \$80 billion in the next five years from the current \$40 billion. It highlighted that India needed an immediate investment of \$82 billion to make up for the backlog. It clarified that an additional \$465 billion was also required to catch up with demographic shifts as well as improvement in healthcare indicators in the next 10 years.

Herbal market to grow to Rs 14,500 cr by 2012: Assocham

In its study, Assocham said that Indian herbal industry was likely to register a compound annual growth rate of 20 per cent to touch Rs 14,500 crore (US \$ 3625 million) by 2012. The study pointed out that the Indian herbal market size was currently worth Rs 7,000 crore (US \$ 1750 million) and the export of its medicines would grow at 25 per cent to Rs 9,000 crore (US \$ 2250 million). It stated that the regulated production on scientific lines, effective enforcement of licensing system and setting up of Export Promotion Zones (EPZ) in select states

will push up exports of herbal material and medicines.

Chennai set to become car export hub

Chennai and Ennore ports are set to become hub for car exports from South India. After Hyundai, the two ports have started attracting global manufacturers

like Renault SA, Nissan and Ford. French car-maker Renault SA and its affiliate Nissan Motor of Japan, which signed a memorandum of understanding (MoU) with the Tamil Nadu government on Friday for setting up a manufacturing facility near Chennai, are planning to export around 200,000 cars every year through Ennore port.

India to have over 2,000 green buildings by 2012

While addressing a seminar on energy efficiency in building design and construction, Mr. S Raghupathy, Head of CII Green Business Centre said that with global trend to protect the environment, the number of green building projects in India is expected to go up from the current 164 to over 2,000 by 2012. He stated that India has taken a leading role in promoting green buildings coming close behind the US, Australia and Canada. Green buildings utilised designs and materials that were environment friendly. They ensured pollution free environment and reduction in energy bills through application of smart energy management, application of solar photovoltaic system, high performance windows, heat resistant paints, among others. This was evident from the fact that more and more developers were going in for green buildings, which despite being costlier by five to ten per cent, was generating a positive response from customers. Some initiatives to promote green buildings

included preparation of rating system for green homes and exploring the possibility of getting banks to extend concessional home loans for green homes.

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