



Ms. Chitra Narayanan to be the new Ambassador of India to Switzerland

Ms. Chitra Narayanan currently Ambassador of India in Turkey, has been appointed as the next Ambassador of India to Switzerland. She replaces H.E. Mr. Amitava Tripathi, who superannuated on February 29, 2008 as India's Ambassador to Switzerland after a long distinguished career in the Indian Foreign Service.

India to become eighth wealthiest place by 2017: Barclays Wealth

Barclays Wealth's report titled "Evolving Fortunes", signals a global shift in the distribution of wealth which will result in the terms "G7" or "developed" as an outmoded categorisation for wealthy economies. The Household Wealth Index, developed by both Barclays Wealth and the Economic Intelligence Unit (EIU), forecasts that India from its current position of 14 would become the eight largest wealth market by the year 2017. The index also predicts that the number of dollar-millionaires would increase from the current negligible number to more than 0.4 million in the coming ten years. The research report forecasts that India would experience one of the largest absolute increases in the number of dollar-millionaires over the next decade, ahead of nations such as Canada, Spain, Hong King and Italy. It also states that the wealth held by high networth Indian households would total to about \$1.7 trillion in 2017.

Centre ups GDP estimate to 9%

The Centre has revised upwards its estimate of growth in the gross domestic product (GDP) for 2007-08 to 9 per cent, from the earlier 8.7 per cent. The higher number is being ascribed to a better-than-expected performance of the farm sector. According to 'revised estimates' of national income for 2007-08, released by the Central Statistical Organisation (CSO), agricultural growth at 4.5 per cent turned out to be more than the 2.6 per cent rate in the 'advance estimate' of February 7. This follows a bumper crop year

that saw production of rice, wheat, maize; soyabean, cotton and pulses touch all-time highs. The period from 2003-04 to 2007-08 marks a five-year dream run unprecedented in India's recorded economic history, with an annual average GDP growth rate of 8.8 per cent.

India's per capita income moves up to Rs 32,299

The revised estimates, which were released by the Government, indicate that per capita income at current prices rose for the first time by 12.3 per cent from Rs 29,642 (US \$ 741.-) to Rs 32,299 (US \$ 807.47) during the year showing growing purchasing power

India is becoming the eastern hub of the food industry

India is becoming the eastern hub of the food industry. According to Mr. JS Pai, Executive Director, Protein Foods and Nutrition Development Association of India (PFDAI), not only does it have leading productions of various materials like milk, fruits and vegetables, grains and animal products but the food processing was also growing at a rapid rate (over 9%) to cater to domestic needs and the export market. The size of the food industry is as large as Rs 4 lakh crore (US \$ 100 billion). He highlighted that India was currently one-fifth of the US food industry, which was \$550 billion.

India set to be clinical research hub

According to FICCI, the size of the global clinical trials market was nearly \$10 billion and predicted to have touched by \$26 billion by 2007. Diagnostics and lab testing outsourcing was certainly the most potential business domain. Mr.G S K Velu, Managing Director, Metropolis Health Services India Ltd stated that they were trying to tap available opportunities. He stated that there was an excellent outsourcing opportunity to test around one million samples a year.

Airports to emerge as business hubs: Study

According to a report by Cushman & Wakefield, all new airports in India will emerge as business hubs with world class office, hospitality and retail space. The modernization and development of airports will not only provide the facelift to respective cities but also boost the real estate sector. To exploit the trend of developing city centres around airports, the Airport Authority of India has provided huge land for development of commercial realty and retail space. For airports in Mumbai and Delhi, the report said, 50% of the total real estate space has been allocated for commercial development. India has emerged as one of the most favoured destination in Asia-Pacific region for strong performance of businesses, which led to an influx of MNCs. This has sustained the demand for commercial office space in large cities. The high economic growth across the country also made the smaller cities like Lucknow, Kochi, Coimbatore, Mysore, Jaipur and Indore among others attractive destinations to do businesses.

Safe haven: FDI leaps 56 per cent in 2008

As India becomes more and more attractive as a market, offering decent return, foreign direct investment (FDI) is also growing sharply. In 2007-08, the India received FDI of \$24.5 billion as against \$15.7 billion in 2006-07, showing a growth of 56%. In 2005-06, the growth was even sharper at 184%, up from \$5.5 billion in 2004-05. Encouraged by the performances in the last four years, Commerce and Industry Minister Mr. Kamal Nath expressed confidence that India would receive \$35 billion FDI in financial 2008-09. Mr. Nath stated that rise in FDI showed the growing confidence of the foreign investors over the Indian economy. He further stated even when entire world was facing a financial turmoil; India continued to be a safe and stable investment destination.

Government plans to raise FDI cap for CCEA nod

Foreign Direct Investments (FDI) into India are set for a more liberal regime whereby companies will require only an FIPB approval for investments up to Rs 1,000 crore (US 250 million). Clearance from Cabinet Committee of Economic Affairs (CCEA) will be mandatory

only for investments above Rs 1,000 crore (US \$ 250 million). At present, any investment proposal above Rs 600 crore (US \$ 150 million) requires an approval from the CCEA over and above the FIPB nod. The FIPB clears FDI proposals below Rs 600 crore (US \$ 150 million) and the Finance Minister approves it. The relaxation in rules would also help existing foreign companies who could now pump in additional investments in their Indian operations or outfits without seeking a government approval as long as it was within the Rs 1,000 crore (US \$ 250 million) limit. Once the new rules kick in, companies such as beverages giant Coca Cola need not go to CCEA for every investment they want to make. Mauritius, the US, UK and Singapore were the biggest investors in the country. In terms of sectors that attracted the highest amount of foreign investment in the last financial year, financial and non-financial services topped the list. This was followed by computer hardware and software, housing and real estate, telecom and construction.

Seven Indians among top 100 intellectuals

In its second such exercise, the latest issue of the influential *Foreign Policy* magazine has identified the world's Top 100 "public intellectuals", awarding America - and the United States - with more cerebral heft than any other continent or country. India comes out shining too. Besides familiar names such as Al Gore, Noam Chomsky, Francis Fukuyama, Umberto Eco, Lee Kuan Yew, the list has some half-dozen Indians: historian Ramachandra Guha, political psychologist Ashis Nandy, and environmentalist Sunita Narain, all of whom live in India, among them. Four other Indians based outside India also make the list viz. Economist-Nobel Laureate Amartya Sen, Journalist author Fareed Zakaria, Novelist Salman Rushdie, and San Diego-based Neuroscientist V S Ramachandran. The list includes 17 political scientists, 15 economists, 12 each of philosophers, scientists, and journalists, eight artists and novelists, six each of historians, activists, and leaders, four religious heads, and two environmentalists. In defining the criteria for its selection, *Foreign Policy* said the candidates, among the world's most sophisticated thinkers have shown distinction in their particular field as well as an ability to influence wider debate, often far beyond the borders of their own country.

Five Indian companies in top 10 global service providers list

Infosys made it to the top three behind Accenture and IBM in the list. The Bangalore-based software major was on the Leaders List representing firms with annual sales of \$60 million or more in the annual expert ranking of the world's best outsourcing service providers compiled by the International Association of Outsourcing Professionals (IAOP). Other Indian companies are Tata Consultancy Services (TCS), Wipro, Genpact and Tech Mahindra. TCS moved up 20 places to finish sixth this year. There are 20 Indian companies in the list. Accenture was ranked the number one outsourcing service provider for the first time, ahead of IBM, which was the leader since the list's inception three years ago.

New mineral policy sees US\$ 2.5 billion FDI

Mines Minister Mr. Sis Ram Ola stated that FDI of about \$2.5 billion per annum was expected in the mining sector from the fifth year of implementation of the new National Mineral Policy (NMP) which sought to ensure assured right in mineral concessions. The Minister emphasised that the policy sought to develop a sustainable framework for optimum utilisation of the country's natural mineral resources for the industrial growth in the country and at the same time improving the life of people living in the mining areas.

India's wealth management business to grow @ 15 per cent

The results of a survey conducted by Barclays Capital pointed out that India's wealth management industry seemed to be least affected by the global economic slowdown, with about two-third wealth managers in Asia expecting over 15 per cent annual growth in revenues from the country. Overall in Asia, the industry was also projected to witness a revenue growth of more than 15 per cent per annum. The three most important product features over the next two years were considered to be growth, liquidity and diversification, in descending order, followed by capital protection, the survey noted. Head of Non Japan Asia Investor Solutions at Barclays Capital, Peter Hu, stated that these results

reflected the influence of the recent market turmoil, with clients placing greater importance on diversifying into liquid assets and protecting their underlying capital rather than pursuing an aggressive short-term investment strategy.

Five million tourists visited India in 2007

Union Tourism and Culture Minister, Ms Ambika Soni stated that around 5 million foreign tourists had visited India in 2007 which was a big jump from the 3.92 million tourists during the previous year. Around 400 million domestic tourists had also travelled across different parts of the country during 2007.

74 per cent FDI cap on satellite radio

The Telecom Regulatory Authority of India (TRAI) has prepared guidelines on satellite radio operations that will limit foreign direct investment (FDI) to 74 per cent and introduce licence requirements for transmission and content. Currently, WorldSpace is the sole satellite radio service provider in the country.

Government may consider 49% FDI in gems, apparel

The Government may consider 49% FDI in segments such as gems & jewellery and apparel after National Council of Applied Economic Research (NCAER), which has been mandated to study the effects of multi-brand retail in India, submits its report next month. It is understood that NCAER is in favour of allowing FDI step-by-step in multi-brand retail. The Government does not allow FDI in multi-brand retail now. Only 51% is permitted in single-brand retail.

Exports up 23 per cent at US\$ 155 billion

As per the latest data released by the Ministry of Commerce, the cumulative value of Indian exports registered a growth of 23.02 per cent in dollar terms at \$155.51 billion (9.39 per cent in rupee terms at Rs. 6,25,471.22 crore) in 2007-08 as against \$126.41 billion (Rs. 5,71,779 crore) in 2006-07. On the other hand, imports for the said period were valued at \$235.91 billion as against \$185.73 billion, registering a growth of 27.01 per cent in dollar terms and 12.92 per cent in rupee terms. For March, exports

were valued at \$16.28 billion, registering an impressive growth of 26.59 per cent compared to \$12.86 billion in March 2007, while imports were valued at \$23.17 billion, an increase of 35.24 per cent over the level of imports valued at \$171.36 billion in March, 2007.

IT, BPO revenue to touch US\$ 132 billion by 2012

Global infotech analyst International Data Corporation stated that the Indian software and BPO segment would grow at a rate of more than 16 per cent to become a 132 billion-dollar industry by 2012. Exports continue to be the biggest segment. In 2008, IDC expects the IT and ITeS industry to grow at 20 per cent, with the domestic market growing at 22.4 per cent. The overall industry is projected to be of the size of Rs 5,29,976 crore (US \$ 132 billion), by 2012-end, with the share of domestic IT and ITeS revenues being 40 per cent of the total compared to the current 37 per cent. The IT and ITeS exports market is likely to more than double to Rs 3,20,278 crore (US \$ 80.06) in 2012, IDC claimed. In 2008, IT and ITeS exports segment is expected to clock a growth of 20.4 per cent to touch Rs 1,86,142 crore (US 46.53 billion). The Indian IT and ITeS industry grew to Rs 2,46,609 crore (US \$ 61.65 billion) in 2007 from Rs 2,01,413 crore (US \$ 50.35 billion) in 2006, representing a growth of 22.4 per cent.

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The information given in the Newsletter is prepared on the basis of various inputs available to the Embassy and is for general reference. It should not be construed as an endorsement of the views contained therein

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