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Swiss Federal Councillor Ms. Doris Leuthard visits India

The Swiss Federal Councillor for Economic Affairs, Ms. Doris Leuthard led a 25-member Swiss business delegation to India from April 29 to May 03, 2008. During the visit, she met Hon'ble Minister of Finance, Mr. P. Chidambaram, Hon'ble Minister of Commerce & Industry, Mr. Kamal Nath and Hon'ble Minister of Science & Technology, Mr. Kapil Sibal. She also visited Bangalore, Mysore and Mumbai. During the meeting with Hon'ble Commerce & Industry Minister, various issues of bilateral interest including the setting a timeframe for holding commencement of India-EFTA negotiations for a BTIA; next meeting of working group for discussions on Memorandum of Understanding (MoU) on cooperation in the filed of Intellectual Property Rights (IPR) and the issue of facilitating long terms multiple entry visas for Indian businessmen were discussed.

India to become second largest wireless network in world

The Telecom Regulatory Authority of India (TRAI) announced that India had surpassed US to become the second largest wireless network in the world with a subscriber base of over 300 million during April, 2008. It stated that during the first half of April 2008, India's wireless subscriber base stood at 250.93 million. It further stated that the country's monthly wireless subscriber addition was highest in the world in the range of 8-9 million a month. Currently, China is the world's largest wireless network, adding around 6-

7 million subscribers every month. According to a US-based wireless operators association CTIA, this is far more than US, that has the current subscriber base of 256 million, which is adding about 2-3 million subscribers in a month.

5% share in world trade by 2020 achievable for India

According to a survey by CII, the growth-oriented annual review of the Foreign Trade Policy (FTP) will boost Indian exports and help the country achieve the ambitious target of five per cent share in world trade by 2020. As per CII CEO Opinion poll, the annual supplement to the Foreign Trade Policy (2004-09) has fulfilled the Indian industry expectations. Over 73 per cent of the respondents said that the target of India achieving 5 per cent share in world trade by 2020 was ambitious but achievable. Majority of the respondents said the FTP review was growth-oriented and would help in sustaining the 8.5 per cent growth rate of the country, besides, giving the much-needed boost to the rupee-hit exports.

India preferred emerging market for retailers

According to a recent study by CB Richard Ellis, India is the most sought-after market by retailers with 40 per cent of them expecting emerging markets to be their source of growth in the next five years. The country is considered particularly attractive because of the size of its market compared to its low presence of international retailers, the report added. Of the total number of people surveyed only 25 per cent expect to see growth concentrated in their home market. With foreign ownership rules being gradually

relaxed, foreign investment are also now possible, allowing single-brand retailers to own up to 49 per cent of their India operations, the report said. CBRE South Asia Chairman and Managing Director Anshuman Magazine said in a statement that in the event that the government opened up Foreign Direct Investment in retail, number of international retailers would immediately start trickling in. This would lead to preference converting into retailers making investments in India. As per the Global Emerging Markets Survey (GEMS), 27 per cent of international retailers surveyed have opened their first store in India in the last year or are planning to do so soon. India was followed by Ukraine and Russia in the survey at second and third positions.

India, a land of optimistic investors

As per the results of a survey by global financial institution ING, India retains the position of being the most optimistic market in the first three months of 2008, but the rise in investor sentiment was a minuscule 0.6 per cent against the previous quarter. India's investor sentiment index rose to 168 for the first quarter (Q1) of 2008 from 167 in the fourth quarter (Q4) of the calendar year 2007. The ING Investor Dashboard survey measures and tracks sentiment and behavior of mass affluent investors each quarter from 13 Asia-Pacific Markets including India, China, Hong Kong, Indonesia, Taiwan, Thailand, Japan, Australia and New Zealand.

India most energy efficient among emerging economies

Latest findings from the Emerging Economy Report by research and consulting firm, Center for Knowledge Societies, shows that emerging economies could play pivotal roles in reducing the growing environmental anxieties worldwide. It also pointed out that in defiance of the logic that a growing economy consumes more energy; India had emerged as the most energy efficient country among leading emerging nations including China, Brazil and South Africa. The findings are based on the fact that these economies have opportunity to voluntarily moderate their carbon emissions for global

environmental benefit and market advantage. The report shows that most emerging economies remain far below the energy consumption as well as carbon emission levels of industrialised economies. India's per capita energy consumption of 12.6 million Btu and Indonesia's (21.5) are almost negligible when compared to more economically developed nations like South Korea (170.2 mBtu per capita) and Taiwan (181.5).

Overseas earnings of cos grow by 14.5% in 2007-08

According to figures published in RBI's April 2008 bulletin, inflows from India's outward FDI increased to \$337 million during April-December 2007, from \$294 million in the corresponding previous period. Earnings from overseas joint ventures of Indian companies and their wholly owned subsidiaries by way of dividend, royalty, licence and technical fee and other inward remittances grew by 14.5 per cent during the first nine months of the fiscal 2007-08, over the same period in the previous year. As Indian companies are aggressively making overseas acquisitions, earnings from their foreign investments are also growing. Though dividend income increased to \$29.41 million from \$ 20.15 million, it accounts for only around 9 per cent of the total inflows. Indian companies have invested \$10.11 billion abroad during April-December 2007, as compared to \$8.97 billion in the year-ago period, registering a 13-per cent increase. Of this, 89.9 per cent investments were in equity and the balance was loans extended by Indian companies to their joint ventures and subsidiaries abroad.

FDI to be freed from divestment clause

The Government would soon waive the mandatory disinvestment clause on overseas companies in key sectors like food processing and chemicals, a move aimed at easing foreign direct investment (FDI) rules further. The Finance Ministry is considering the proposal after the Department of Industrial Policy and Promotion (DIPP)-which formulates FDI policy-said that it

favoured waiver of the clause for all companies that had agreed on divestment. If this proposal is indeed cleared, foreign investors can hold 100% without having to dilute their stake in favour of Indian shareholders, as prescribed by the clause. This move will be a relief for not only those companies that have agreed to dilute stake but also all new fresh investors. Though the clause requires that at least 26% be divested to domestic shareholders, in a few cases-like Pepsi and Coca-Cola-the Government had sought a 49% dilution.

FIs triple inflow into India funds

As per the latest report of the international fund tracking firm EPFR Global, Asian Foreign investors nearly tripled their inflows into India-dedicated funds to \$156 million in the second week of April, compared to the previous equity funds received a record \$2.18 billion during the week ended April 9, their biggest in 18 weeks. The inflows helped in reducing the net redemptions in the year for the region to \$9.3 billion compared to net inflows of \$16.4 billion for the entire 2007. India-dedicated funds had received an inflow of \$60.4 million in the first week of April, which has nearly tripled to \$156 million last week. The flows are the largest in the year so far and higher when compared to an average \$111 million for the week in 2007 when net inflows were reported.

New airports policies get Cabinet nod

The Union Cabinet cleared two significant policy initiatives allowing private developers to set up captive airstrips and general airports-moves aimed at decongesting air traffic in cities and developing aviation infrastructure. The government has also allowed for case-by-case approval of greenfield projects within 150 km of an existing airport, which could bode well for the proposed airport at Noida on the outskirts of Delhi. In a major relaxation, the civil aviation ministry and the Directorate General of Civil Aviation (DGCA) will henceforth decide on all such proposals after security clearance from the Ministry of Home Affairs. The policy for captive airstrips is expected to

significantly help ease congestion at major airports. The number of aircraft for private use has increased from 96 in December 1997 to 229 in September 2007, a growth of about 139%. Similarly, aircraft for non-scheduled use increased from 46 to 196 (326% growth), while other aircraft for government and miscellaneous use increased from 247 to 373 (51% growth) over the same period.

India sees US\$ 25 billion investment in port, shipping

Addressing a business conference, the Federal Shipping Secretary, Mr. A.P.V.N. Sarma stated that India expected to double port capacity to 1,500 million tonnes by 2011-12 and accordingly would require \$25 billion investment in the port (\$ 13.75 billion) and shipping sectors (\$ 11.25 billion). India's Planning Commission estimates that the infrastructure sector will require investment of \$500 billion between 2007-08 and 2011-12, which is key for the economy to sustain an average 9% growth. He informed that cargo handling volume in the 12 major ports in India was at 520 million tonnes, while smaller ports contributed another 260 million tonnes during 2007-08 and were expecting a 12-15% growth in 2008-09. He further stated that the Government aimed to double the capacity in major ports to 1,000 million tonnes by 2011-12, and raise it to 500 million tonnes for smaller ports

Exports may touch US\$ 500 billion in 5 years

The Confederation of Indian Industry (CII) said that India could export goods worth \$500 billion by 2013 with more incentives to four labour intensive sectors - textiles, gems and jewellery, leather; and engineering goods - which constituted over 50% of India's export basket. It clarified that India needed to be among the top three exporters in the globe in these sectors. It further stated that there was a need for technology infusion, infrastructure improvement especially freight lines and ports, access to markets, innovation in product development and improvement in scale of production. Noting that India has a

share of only about 3.5% of the total African import bill of \$300 billion annually, and that India accounted for just \$ 4.3 billion of the total Latin American imports of \$ 630 billion, the CII emphasized that India needed to target large countries in these regions in order to expand its share in these markets. The industry body said that India should focus on selling to Africa agriculture and allied products, chemicals and fertilisers and pharmaceuticals, textiles and garments, plastics, metals, and engineering goods. It highlighted that India should make a strategic export push into South Africa, Egypt, Nigeria, Morocco, Algeria, Tunisia, Libya, Sudan and Tanzania, which were large markets in Africa. It further noted that in Latin American and Caribbean markets, India should leverage its export potential in machinery and transport equipment, manufactured goods, foodstuffs, chemicals, pharmaceuticals, and gems and jewellery.

Gem & jewellery exports grow by 22 per cent in FY 2007-08

The Indian gem and jewellery industry has witnessed a growth of 22.27%, amounting to total exports of \$21 billion in the financial year 2007-08, against \$17.1 billion in the previous year. Announcing the annual performance figures for the financial year 2007-08, the Gem and Jewellery Export Promotion Council (GJPEC) highlighted that the sector had accounted for 13.41% of India's total merchandise exports in spite of the fact that the Rupee had showed a steady gain over the dollar for most part of the year. It further added that the export of cut and polished diamonds, the performance driver for the period in consideration, amounting to nearly 68% of the export basket, grew from \$10.9 billion in 2006-07 to \$14.2 billion in 2007-08. Hong Kong emerged as the largest importer of cut and polished diamonds from India, with a share of 35% of the total exports, followed by the US, which accounted for 24% and the UAE at 13%. The export of gold jewellery rose by 8.07%, with total exports amounting to \$5,622.41 million in 2007-08, as compared to \$5,202.48 million in 2006-07. Export of coloured

gemstones and others grew from \$246.4 million in 2006-07 to \$276.42 million in 2007-08.

Indian technical textile market to quadruple

According to the FICCI-Technopark report, the Indian technical textiles market was growing at a rate of 11.25% and is pegged at \$8.3 billion. The report estimates that Indian technical textile market could grow by more than four times to \$37 billion by 2020 provided issues such as lack of product standards, R&D facilities and inadequate regulatory measures ensuring use of technical textiles are addressed. Technical textiles are textile materials and products manufactured primarily for their technical performance and functional properties and not used for apparel. Of the 12 technical textiles segments, report identifies-Buildtech, Geotech, Meditech and Protech which are foreseen as the areas of utmost importance.

SEZ exports to touch 125k cr in FY'09: Govt

While presenting the last annual supplement to the Foreign Trade Policy, Commerce Minister, Hon'ble Mr. Kamal Nath said that the Government saw Special Economic Zones (SEZs) as vehicles of industrialization and employment generation. Pointing out the massive increase in exports and employment, he stated that development of this nature reassured the Government of the validity of the basic policy relating to SEZs, notwithstanding the skepticism expressed by a few persons. Exports from SEZs are expected to touch Rs 1,25,000 crore (US \$ 29760 million) during 2008-09, an increase of more than 86 per cent over the 2008 fiscal. According to the pre-budget Survey, exports from the tax-free zones increased to Rs 34,615 crore (US \$ 8240 million) in 2006-07 from Rs 22,840 crore (US \$ 5438 million) an increase of 52 per cent.

After IT Parks, India to get IT Investment regions

After IT Parks and IT SEZs, the Government has cleared a proposal for creating much larger Information Technology Investment Regions (ITIRs) to give a fillip to the country's growing IT and ITeS sector. The Cabinet Committee on Economic Affairs, which met under the chairmanship of Prime Minister Manmohan Singh, cleared the policy for setting up ITIRs, each having an area of at least 40 sq km. The minimum processing area would be 40 per cent of the total area of the ITIR. These regions would become major magnets for investment, creating employment opportunities and economic growth in the area while reducing the pressure on existing urban centres by enabling growth of new townships.

IT-BPO industry's growth pegged at 33% to \$64 bn

Revenue growth of the IT-BPO sector in the country during FY 2007-08 has been estimated to be around 33% at \$64 billion (of which exports would contribute \$40 billion and the domestic market around \$23 billion) from \$48 billion in the earlier period. According to Nasscom, this accounted for 5.5% of the GDP. As per Nasscom estimate, direct employment generation through the IT and BPO sectors has reached 2 million and indirect employment had touched 8 million in fiscal 2007-08. In the coming year, the industry body plans to focus on education by synchronizing its own initiative with education initiatives of the government's skill's mission and strives to achieve 5 lakh registrations under the National Skills Registry (NSR). NSR was announced by Nasscom in 2006 for registry of IT professionals and create a vendor employee database agencies hired by BPOs for transportation, catering, security and housekeeping activities. Nasscom plans to explore and develop new Markets like Japan in 2008-09 while continuing to grow in present market such as the US and EU. The consortium also aims to focus attention on specific segments in the year ahead like captives, engineering, BPO, RIM, among others. It estimates that banking, financial services, telecom and insurance would constitute around 60% of the India IT and BPO exports pie during last fiscal.

Hardware sales in India to touch \$360 billion by 2015'

PHD Chamber said that in consideration of increasing demand of consumer electronics, sales of hardware in the country was poised to touch \$360 billion by 2015.. These would include units brought through imports and those produced domestically. It also announced that the production of electronics hardware, which includes strategic electronics, consumer electronics, computers, communication and broadcasting equipment, was currently around \$16 billion.

Cement firms add 17 mt capacity in fiscal 2008

Cement companies have added an additional capacity of 17 million tonnes (mt) in fiscal 2008, as against six million tonnes the previous year. In April 2007, the industry had announced a capacity addition of 100 mt over the next three years. According to an analyst, capacity addition could be marginally higher if one takes into account the many capacity expansions by small and medium-sized companies. Production for the year ended March 31, 2008 had increased by 7.09 per cent to 166 mt. The Government has set an export target of USD 200 billion for the 2008-09, up from USD 160 billion last year. It has also announced an extension of the Duty Entitlement Pass Book (DEPB) scheme till May 2009 and tax exemption to 100 per cent Export Oriented Units till 2010.

RIL, ONGC in Forbes' top global firms list

After billionaire businessmen, it is the turn of companies from India to shine on *Forbes* radar with as many as 48 firms making it to a list of the world's biggest companies compiled by the US magazine. Led by India's most valued firm Reliance Industries and PSU major ONGC, all these 48 Indian firms named in the 'Global 2000 List' have a billion-dollar size -- both in terms of turnover and market value. The ranking, topped by British banking behemoth HSBC, has been compiled on the basis of a composite score of sales, profit, assets

and market capitalisation. The Indian presence is almost evenly divided among the private and state-run companies. Two Indian firms, Mukesh Ambani-promoted RIL and ONGC are among the top 200 companies at 193rd and 198th ranks. Earlier in March, *Forbes* had released its list of world's richest billionaires that included 53 Indian businessmen, with four of them -- Lakshmi Mittal, Mukesh Ambani, Anil Ambani and KP Singh -- figuring among the world's ten wealthiest. RIL and ONGC are followed by two PSU majors State Bank of India (219th) and Indian Oil (303rd), the country's biggest private sector lender. According to *Forbes*, the Global 2000 companies have combined revenue of 30 trillion dollars, 2.4 trillion dollars of profit, 119 trillion dollars in assets and 39 trillion dollars in market capitalisation. Besides, these companies employ 72 million people across the world. While the list is still dominated by the US companies, the number of American firms has dropped by 61 from previous year and 153 from 2004. The report said that in contrast, China, India and Brazil are rapidly adding companies to the list. India, for example, has 48 companies this year versus 27 in 2004. In terms of sectors, banking has the largest presence with 315 firms in the global list. Even among the Indian companies, one-third or 16 of them belong to this sector.

Tatas world's 6th most innovative, RIL 19th'

In the list of world's 25 most innovative companies released recently, Tata group has been ranked at the sixth position, while Reliance Industries was placed at the 19th spot. The list has been compiled by Business Week magazine in collaboration with Boston Consulting Group. Both Tata and RIL have made it for the first time to the annual list which was topped by Apple Computer, followed by Google, Japanese auto major Toyota, General Electric (GE) and Microsoft in the top five.

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