



India remains favourite outsourcing destination'

India continues to rule as the favourite global destination, even though factors like emergence of cheaper destinations for outsourcing, employee and salary crunch are adversely affecting the sector. India holds an edge as it commands global confidence to produce perfect turn around time (TAT), a recent study by recruitment solutions provider Elixier Solutions shows. TAT is the time needed for performing a task, especially receiving, completing, and returning an assignment. At present outsourcing business in India is increasing at a rate four times more than any other country and the country has the resource and margin to meet the competition. Growing at a rate of 40% annually, India is the lead player in this sector followed by China at the second spot with a growth rate of 25%.

India to challenge China in manufacturing

India is on the threshold of an exciting opportunity in the manufacturing outsourcing space. In the next 3-5 years, manufacturing could become the primary activity to be offshored to India, and surpass India's IT and business process outsourcing (BPO) activities. While China has always been considered to be a manufacturing hub and India a services hub, a survey titled 'Offshoring Evolution — Changing trend in India and China across industries' by Paris-based IT company Capgemini and ProLogis states

that India could challenge China's position as the manufacturing centre of the world. The report reasons that some of the main manufacturing locations in China are becoming too expensive

relative to other countries in the region, including India.

Sky is the limit for Indian IT

With aviation majors like Boeing and Lockheed Martin looking at setting up captive R&D centres in India, smaller aircraft and business jet manufacturers are likely to follow suit. Aircraft manufacturers like Bombardier, ATR, EADS Socata, Eurocopter, Hawker, Falcon are very seriously evaluating the option of setting up their R&D centre in India with a third party IT services provider or independently. This move could mean a billion dollar business opportunity within the ecosystem of the aviation industry in India. These R&D centres would come under the engineering services segment of IT. A study done by NASSCOM and Booz Hamilton estimates that engineering services outsourcing could touch \$40 billion by 2020. The contribution by the aerospace segment is expected to be around 15%. European Aeronautic Defence and Space (EADS), the parent company of Airbus is setting up a technology centre in Bangalore with investment to the tune of US \$ 2.75 billion. Eventually this centre, which will handle core projects and mission critical projects, will evolve into major technology centre for Airbus own operations like a captive centre in the country.

Food & beverage sector to touch US 117.25 bn by year-end

Driven by robust growth in areas like semi-processed, ready-to-eat food and wine, India's food and beverages (F&B) sector is expected to touch US \$ 117.25-billion mark by the year-end which is growing at 9 per cent rate, a FICCI survey reveals. The survey covering 300 sector-specific industry associations and companies projected that segments like semi processed/cooked ready-to-eat, ice-

cream, wine and sugar would achieve 24 per cent, 30 per cent, 22 per cent and 25 per cent growth respectively. The segments which are expected to record high growth between 10-20 per cent include branded flour atta (16 per cent), bakery items like bread, cakes (11 per cent), biscuits (16 per cent), fruit juices, pulp and concentrates (18 per cent) and sauces/ketchups (17 per cent). Apart from these, culinary products/snack food, milk products, butter, health beverages, malted food, chocolates, beer, country liquors and branded edible oil are also expected to register excellent growth. However, items belonging to the unorganized sector which also includes processed food products, flour/atta, bread, milk and dairy products, ghee, sugar, tea, coffee and edible oil are likely to achieve moderate to single digit growth.

India to become top sugar producer

India is expected to overtake Brazil as the world's top sugar producer in 2007/08 (October/September), the International Sugar Organization (ISO) said recently. The London-based ISO forecast in its latest monthly report Indian sugar output in 2007/08 at an all-time high of 33.15 million tonnes, up 8 per cent year-on-year. India, the world's top sugar consumer, has exported 1.5 million tonnes of white sugar since January 2007, when a ban on overseas sales ended. The industry may ship significantly more than 3 million tonnes of sugar a year," the ISO said. To get rid of the sugar surplus India has cast an eye on the raw sugar market and, according to reports. The industry has managed to sell around 550,000 tonnes of raws to refineries in the Middle East.

India fastest growing healthcare IT market in Asia

India has the fastest growing healthcare IT market in Asia, with an expected growth rate of 22 per cent, followed closely by China and Vietnam. The total market for IT in the healthcare industry in Asia was \$2.95 billion in 2006, and is expected to grow at a compounded annual growth rate (CAGR) of 13.1 per cent to reach \$4.83 billion by 2010 according to the Springboard Research

report. The Asian emerging markets continued to invest in infrastructure for their healthcare sector, with a broader push for community care and increased care in rural areas. Huge sums of money were being spent in India and China in this regard. Many of the emerging markets in Asia were spending more on healthcare as a percentage of the total IT spending than the more developed countries.

Gems and jewellery demand to top \$30 bn by 2015

The insatiable Indian craving for gems and jewellery and increasing disposable incomes will see demand skyrocketing to \$20 billion by 2010 and \$30 billion in 2015. The jewellery market, estimated to be \$13.5 billion in fiscal 2006-07, is also likely to employ 300,000 additional workers every year, according to the Associated Chambers of Commerce and Industry of India (Assocham). The growth in purchasing parity of the middle class and surging income levels have resulted in consumption growth of gems and jewellery by about 11 per cent in the five-year period preceding 2006-07. India consumes nearly 800 tonnes of gold that account for 20 per cent of world gold consumption, of which nearly 600 tonnes go into making jewellery. Diamond jewellery consumption is likely to jump to nearly 80 per cent in 2010 and over 95 per cent between 2010 and 2015.

Rural retail to cross US\$ 45.22 billion by 2010: Study

The US \$ 35 billion rural retail market is expected to cross US \$ 45.22 billion mark by 2010, according to a Confederation of Indian Industry (CII) - YES BANK study. And it is likely to go up to US \$ 60 billion by 2015. India's rural markets are growing at double the rate of urban markets. The total number of rural households is expected to rise from 135 million in 2001-02 to 153 million in 2009-10 giving a tremendous push to the rural retail opportunity. The rural revolution is driven by rising purchasing power, changing consumption patterns, increased access to information and communication technology, improving

infrastructure and increased government initiatives to boost the rural economy.

Indian luxury market may boom to US\$ 30 billion by 2015

No stranger to Bharat (India), luxury is all set for an unprecedented flourish as the Indian consumer has overcome the guilt pangs associated for ages with indulgence. The size of the luxury market in India is estimated at around \$3.5 billion, and what's best, given the right impetus, it could easily leapfrog to \$30-billion by 2015. Indians are lapping up luxury assets, services and goods with voracious appetite, according to a comprehensive survey done by AT Kearney for The Economic Times. Indians splurge \$2.9 billion on luxury assets spend another \$953 million on luxury services and top it by buying luxury goods worth \$377 million, said the survey. The typical luxury brand consumer is in the 25-34 age brackets, usually an industrialist. Apart from industrialists, the big spenders identified in the survey include professionals, self-employed and top professionals working for leading corporation.. A very interesting fact highlighted by the survey was the potential of India to be a source of luxury goods for consumers across the world. Manufacturing of luxury items in India can grow to \$500 million. India's strengths include traditional craftsmanship and low labour cost. As compared to markets like the US, Japan, Germany and even China, the size of the Indian luxury market is small but the growth potential is tremendous. The number of high networth individuals is increasing and the tendency to opt for global brands increases as more and more Indians travel abroad.

Capexil sees exports at \$20 billion

Chemicals and Allied Products Export Promotion Council (CAPEXIL) plans to enhance its exports to \$20 billion in the next decade from a \$9.6 billion at present. The membership of CAPEXIL, just above 4000 at present, is also expected to go up to 6000, during the period. The average growth per year would be around \$1.04 billion, according

to Samir K Ghosh, chairman of CAPEXIL. India needs to follow the cluster model taken up by China to promote the small and medium enterprises. The council is also looking at targeting the Commonwealth of Independent States (CIS) countries as a market, despite the problem of high freight charges. As of now, about 56 per cent of CAPEXIL exports went to east Asia, 10 per cent to USA and Canada, 13 per cent to West Europe and 10 per cent to West Asia. China is the largest importer of minerals and ores, while USA tops the list in non-mineral exports. Africa is a target market.

Nine Indian banks among top 50 in Asia

As many as nine Indian banks, led by HDFC Bank and ICICI Bank, have made it to the list of top 50 Asian Banks. However, none of the Indian banks could qualify for top 10, as per this year's Asian Banker 300 report released. Commenting on Indian banks, the report said that this (achievement) is no surprise given that the Indian economy is in overdrive, with buoyant consumption and investment demand driving the banking sector's strong balance sheet growth. Private lenders such as HDFC Bank and ICICI Bank have been able to protect their net interest margin and loan quality amid aggressive growth, further improving their earnings growth momentum.

Seven Indian firms among top 250 global energy companies

As many as seven Indian companies figure in the list of the world's 250 top performing energy firms, with Reliance Industries, ONGC and NTPC grabbing the top Asian ranks. In the annual rankings of Platts Top 250 Global Energy, ONGC and Reliance Industries have made into the top 50 with rankings of 23 and 39 respectively. ONGC has also been named as the third best performing energy company in Asia. The ranking is published every year by Platts, a division of The McGraw-Hill Companies and a global energy and metals information provider. Other Indian firms on the list include Indian Oil Corp (52), NTPC (103), GAIL (135), Bharat Petroleum Corp (203) and Hindustan Petroleum Corp

(233). According to Platts, China and India have dominated the sector leadership position. While ONGC has been named as the top Asian firm in the exploration and production (E&P), Mukesh Ambani-promoted Reliance Industries has topped the refining and marketing (R&M) list and NTPC has emerged as the top player in the independent power producers (IPP) category. The list scores the world's top performing energy companies on a combination of assets, revenues, profits and return on invested capital. Also, all the ranked companies have assets greater than two billion dollars and are publicly listed companies.

India Inc on top in Forbes list

Indian companies, led by software giants TCS and Infosys, continue to outshine and dominate the annual ranking of big-cap, profitable companies in Asia. A total of 12 Indian companies made it to the third annual 'Forbes Asia Fabulous 50 List', followed by Taiwan with 10 and China with seven, Forbes Asia said in a press release. Four of India's IT outsourcing companies made the cut including the biggest, Tata Consultancy Services (TCS) that writes software for leading American firms. Its revenues leapt 45 per cent in the last year and its market capitalisation has doubled since listing three years ago to cross the US \$ 27 billion mark.

India number one travel destination

Described once as a land of snake charmers, India has now emerged as the numero uno travel destination-trailing beauties of Italy, Thailand, Australia and New Zealand. India's rise from the fourth spot last year was contained in a survey conducted by a widely read British magazine Conde Nest Traveller, which gives away Readers Travel Awards, considered to be the Oscar awards of the tourism industry. India was the 10th most preferred destination in 2004, 4th in 2006 and is now at the top in 2007 and that is where we want to be, Union Tourism Minister Ambika Soni said while receiving the award at a ceremony in London.

India's the destination for foreign students

India is becoming a coveted destination amongst global managers for a professional stint. The country is drawing students from across the world who want to be part of the India story. The number of foreign students enrolled in various Indian institutions has seen over three-fold rise, up from 6,988 in 2000 to 25,947 in 2006, according to figures available with Association of Indian Universities (AIU). Interestingly, the biggest jump in their number has come from the students from the country that boasts to be the Mecca of modern education – US. There's been a whopping 53% increase in the number of students from the US in 2006 itself, according to a report by Institute of International Educations, Open Doors.

TCS in multi-million dollar deal with Roche

India's number one software exporter Tata Consultancy Services (TCS) has entered into a multi-year collaboration with Swiss healthcare giant Roche to provide services related to drug development processes. The collaboration with Roche will cover clinical data management, clinical programming, biostatistics and drug safety support as a part of the multinational's Global Capacity Building Initiative (GCBI). Basel-based Roche, which generated 23 billion Swiss Francs in revenues for the first half of 2007, is one of the world's leading healthcare groups straddling pharma and diagnostics businesses. Its presence in biotechnology is marked by majority ownership in Genetech and Chugai. Roche global head (pharma development) Jean-Jacques Garaud said: that the partnership with TCS will allow Roche to address the growing operational needs of our development organisation and to handle the increasing workload. The Global Capacity Building Initiative programme will be staffed by doctors, pharmacologists, physicians, biostatisticians, pharmacists and informatics specialists. The operations would be handled initially from Mumbai and could expand to other cities later.

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