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India offers humanitarian aid to Lebanon

India announced humanitarian aid worth US \$ 2.2 million for the relief efforts to rebuild Lebanon. The first batch of India's aid to Lebanon was airlifted by Indian Air Force plane on 19th August 2006. The aid comprises tents and blankets which were urgently required for hundreds of displaced citizens of Lebanon. The aid is a gesture of solidarity by the Government and the people of India with the Government and people of Lebanon and a measure of India's concern for the people of Lebanon.

SAARC Meeting in Dhaka

The 27th Session of the SAARC Council of Minister was held in Dhaka from August 1-2. Mr. E. Ahmad, Minister of State for External Affairs, led the Indian delegation to the meeting which was also attended by the Foreign Secretary, Mr. Shyam Saran.

The SAARC meeting discussed important issues which have a long term impact on the future of SAARC as a regional organisation. It was decided in the meeting held in Dhaka that the 14th SAARC Summit will be held in New Delhi from April 3-4, 2007. The

SAARC member countries agreed that as a curtain-raiser to the 14th SAARC Summit, a SAARC Car Rally, covering all SAARC member countries, would be held. Another important decision related to the agreement on the modalities for the establishment of SAARC Disaster Management Centre which would be located in India. The meeting also accepted the proposal for setting up a SAARC Museum for Textile and Handicrafts, proposal for establishing a telemedicine network linking all the SAARC member countries and setting up a South Asia University as a centre of excellence for the region. The Council of Ministers approved the modalities for the SAARC Development Fund. India announced a contribution of US\$100 million. Along with SAFTA, which has become operational, the SAARC Development Fund becomes the second pillar of economic cooperation among the SAARC countries.

The meeting welcomed Afghanistan as a new member of SAARC and agreed to requests from China and Japan to be accepted as observers. While accepting the observer's status of USA, Republic of Korea and the European Union, it was decided that they would be invited to the next Summit in India.

Mr. Shiv Shankar Menon to be the new Foreign Secretary

Mr. Shiv Shankar Menon, presently India's High Commissioner to Pakistan, will be the next Foreign Secretary of India. He will take charge from the 1st October 2006. Mr. Shyam Saran, present Foreign Secretary, will be the Special Envoy for the negotiations relating to the Indo-US Nuclear Agreement.

Parliament Museum Inaugurated

President A P J Abdul Kalam inaugurated a hi-tech story telling museum depicting the continuum of India's democratic heritage. While inaugurating the Museum, President complimented the authorities for the highest level of creativity and expressed the hope that the museum would serve as a link between Parliament and the people. The museum is spread over an area of 16,000 sq ft and has been built at the cost of Rs. 45 million. The museum is the only one of its kind in India which uses synchronizing sound-light video and mechanical animation with lots of computer multi-media projections on large screens. Virtual reality and animatronics will be attractions for tourists visiting New Delhi.

ECONOMIC NEWS

India's exports at record high

In a continuing surge, India's merchandise exports during June 2006 have shown an unprecedented growth of 40.17%, having increased to US \$ 9967.08 million (\$ 9.9 billion) from the level of US \$ 7110.96 million (\$ 7.1 billion) during June 2005, according to provisional data available for the first

quarter April-June of the current financial year 2006-07. Exports during April-June 2006 are valued at US \$ 27671.93 million (\$ 27.6 billion) which is 32.40% higher than the level of US \$ 20900.31 million (\$ 20.9 billion) during April-June 2005. The sustained buoyancy of India's merchandise exports and in particular the record growth achieved in the first quarter of this fiscal reflects the growing global competitiveness of Indian enterprises, especially in the manufacturing sector.

The increase has taken place across the board covering diverse products and destinations.

India witnesses manufacturing revival

The manufacturing sector in India is witnessing a major revival, with a significant turnaround in performance which is reflected in the increase in manufacturing growth rate from 5% in 2000-01 to over 9% in 2005-06. Manufacturing growth during the current financial year (April 2006) is estimated at 10.4%. Further, foreign direct investment (FDI) equity inflows into manufacturing sector have gone up from a meagre US \$ 671.47 million in 2003-04 to over US \$ 2 billion in 2005-06, registering a record growth of 75%. Manufacturing sector is expected to become a prime driving force for the country's economic development, especially employment generation with its share in GDP expected to increase from the current level of around 17% to 25% by 2012. According to McKinsey, multinational manufacturers are setting shop in India particularly in skill intensive industries requiring advance technical expertise such as auto components and engineering (Cummins, Toyota, Daimler Chrysler), specialty

chemicals (Degussa, Rohm and Haas) and electrical and electronics products (ABB, Honeywell, Siemens). The next wave of global outsourcing in manufacturing may well take place in these industries.

India Destination for textile sourcing

With textile exports set to grow 25 per cent in 2006-07, India is emerging as a hotspot for sourcing textiles and apparel in the post-quota period. Increased numbers of buyers are visiting India for direct sourcing, while more vendors are going abroad for direct selling. Indian textile exports are doing well, though still behind China. Keeping with the upbeat mood, Indian textile companies with strong presence in the US and EU markets are planning to expand capacity and strengthen their retail presence in India to tap the huge potential of the domestic market.

Indian IT companies eye big acquisitions abroad

Indian information technology (IT) and business process outsourcing (BPO) companies have been on an overseas shopping spree that is set to get bigger. This year, so far, Indian vendors have picked up about a dozen companies spending over \$500m. Barring couple of exceptions the buys have been small — in the range of \$40-60m, but this will change soon. The reasons for the shopping binge are not far to see. The valuations for overseas companies are attractive - averaging less than 1.5 times revenue multiples. Acquisitions help acquire clients and more importantly domain expertise in niche areas. Besides, it gives access to new geographies and an onshore presence.

AMD plans \$500 m investment in SemIndia SEZ

The world's second largest computer chip maker Advanced Micro Devices (AMD) is planning to invest about \$500 million in SemIndia's proposed chip manufacturing facility near Hyderabad. AMD will invest in SemIndia's SEZ for making silicon chips that would require a total investment of up to \$ 3 billion.

Apart from AMD, Singapore-based Flextronics has already announced it would pick up a minority stake in the venture. Flextronics, a contract manufacturer, will also invest \$100 million for a 250-acre SEZ at Sriperembudur in Tamil Nadu.

EEPC expects exports to top US\$ 23 billion

Engineering Export Promotion Council (EEPC) has set engineering export target of US\$ 23 billion for 2006-07 against last year's export figure of US\$ 19.18 billion. The achievement in 2005-06 was even higher than the revised target of \$18.3 billion for the year. Machinery and instruments, transport equipment and manufacturers of metal jointly contributed over 70 per cent of the total export. The principal items of engineering exports were machine tools, ferro alloys, machine tools, ferro alloys amongst others.

Indian Oil to pump in US\$ 2 billion in Nigeria refinery

Indian Oil Corporation (IOC) is readying an investment of \$2 billion in Nigeria for setting up a 6 million tonne per annum refinery in the Edo state. In lieu of this commitment, the state-run oil refiner

would negotiate a long-term crude oil supply contract with the Nigerian government, preferably for 12-15 years. Besides, IOC will also negotiate for equity stakes in producing oil properties in Nigeria. IOC's chairman and managing director, Sarthak Behuria, discussed the modalities of this proposal with the Nigerian President, Olusegun Obasanjo.

Nippon Paint to invest in India

Nippon Paint, a Japanese paint and coatings manufacturer, will invest about US 35.5 million to set up two manufacturing units in India. Proposed at Chennai and Gurgaon, the units will start production from 2008 and will cater to the decorative and automotive paint segments. Both units will have a minimum capacity of 20,000 tonnes and will have facilities to scale up to 40,000 tonnes. Besides catering to the Indian market, the units are also expected to export to countries in South Asia where Nippon Paint does not have a manufacturing unit.

GM lines up US\$ 279.4 million for Pune plant

General Motors, the world's largest car-maker, has decided to produce its small car — Chevrolet Spark — at Talegaon, near Pune, in Maharashtra. The company will invest US\$ 279.4 million in setting up a unit to manufacture the vehicle. The plant, with an initial capacity to make 45,000 cars, will be ready for production by 2009. A memorandum of understanding (MoU) to this effect was signed between the company and the Maharashtra Government recently. BMW has also recently announced that

it would assemble cars in India for the first time. A US\$25 million plant in southern part of Madras will manufacture 1,000 of BMW's 3-series and 5-series models starting 2007, with a peak capacity of 1,700 cars a years. These and other recent announcements by automakers such as Bayerische Motoren Werke, Suzuki, Nissan, Volkswagen, Honda, Toyota, have given a vigorous boost to India's quest for a leading carmaker for domestic consumption and export. According to a recent forecast of Indian Government, automobile sales would leap from US\$34 billion in 2006 to US\$145 billion in 2016, accounting for one-tenth of India's economic output.

India third largest investor in UK

Making rapid strides, India has emerged as the third largest investor in the UK. "Three years ago, India was nowhere in the investor's radar screen. It was one-way investment from UK to India. A year ago it became the eighth largest investor in the UK and this year India was in third position.

India could emerge as e-publishing hub

With several global publishers such as Oxford University Press, Cambridge University Press, Prentice Hall, Macmillan, and Pearson looking to India for outsourcing their e-publishing projects, the country is set to emerge as a hub, according to Mr. A. Elangovan, Managing Director of Cadgraf Digital. He said that the Indian companies in the e-publishing space are currently working on books and journals for overseas clients. The companies have well-defined process flow, process control and checks and are able to meet the

client's requirements. However, in the future competition could be expected from East European countries in this area.

Medical Tourism

The Ministry of Tourism is aggressively promoting India as a global healthcare destination. The Confederation of Indian Industry (CII) and Indian Healthcare Federation (IHF) have brought out the *Incredible India Brochure on Medical Tourism* which was released by the Minister for Health and Family Welfare recently in the presence of Minister for Tourism and Dr. Naresh Trehan of IHF. To encourage health tourism the government has introduced a special category visa – the M (medical) visa to medical patient and MX to the accompanying attendant which would be valid for a year. According to figures released by Ministry of Tourism, 200,000 medical tourists visited Indian in 2005. The figure is expected to grow by 50% in 2006. It is expected that India would attract 1 million such tourist by 2010 who would spend almost US\$2 billion.

Europe is the next destination for Indian drug makers

Europe is wooing Indian drug makers to develop new medicines for HIV/AIDS, tuberculosis and malaria with home-grown companies for its \$85bn-a-year pharmaceutical market, the second largest in the world. At the first meeting of the Indo-EU working group on pharmaceuticals and biotechnology, the European Union (EU) approached India to provide up to 75% of the cost of

research as non-repayable grant-in-aid to collaborative research projects.

Wockhardt tie-up with US co

Wockhardt Hospitals, a leading healthcare provider group, announced a strategic tie up with US based IndUShealth Inc., a global health care service that links uninsured and self-insured Americans to affordable, high-quality medical care outside the US. Under the agreement, IndUShealth will coordinate overseas care at Wockhardt Hospitals in India for American patients in need of highly complex medical procedures, a Wockhardt release said.

Coimbatore hospital to train US doctors

Dr S Raja Sabhpathy, Director and Head, plastic, hand and reconstructive micro surgery Department of Ganga Medical Centre and Hospital, Coimbatore and Dr. Larry J Shapiro, Executive Vice-Chancellor and Dean of Washington University signed a Memorandum of Understanding to train American doctors in hand and reconstructive microsurgery. Under the agreement, the American post graduate doctors would undergo supervised training and would be exposed to clinical and didactic experience in advanced hand and reconstructive microsurgery, including re-plantation surgery.

“Incredible India” set for a new push

The Ministry of Tourism is planning new programmes and activities to give a boost to the *Incredible India* campaign, which was launched three years back. Private sector participation is being encouraged to move *Incredible India* to the next level along with renewed efforts

to showcase new regions and areas for tourism growth like the states of Orissa, Madhya Pradesh, Chattisgarh, North Eastern States and Karnataka. In 2004, tourism witnessed a growth of 16% in volume and about 25% in value. In 2005, the growth was 26% in volume and 36% in value terms. The country gained an additional Rs.5,500 crores in revenue through tourism. Currently at 0.67%, the target of the Ministry of Tourism is to get about 1% of total global revenue from tourism in the next 3-4 years.

Jet Airways starts New Delhi-Singapore Service

Jet Airways has started new services from New Delhi to Singapore and is planning to introduce direct services to Bangkok from New Delhi and Calcutta in their winter schedule. According to the Chief Executive Officer of Jet Airways, international operations are turning profitable and the airline is keen on adding more destinations. He also said that the Jet Airways is looking forward to adding more capacity on the India-UK route which, at present, is operating 24 flights a week including two daily flights from Bombay and Delhi to UK and three days a week from Amritsar to London.

SBI to set up ATMs in Railway Stations

The Indian Railways has signed a Memorandum of Understanding with the largest bank, the State Bank of India to install ATMs at 681 stations across the country. The banks would also provide e-ticketing facility through internet ticketing kiosk at 383 major stations.

Online registration of passport applications at Regional Passport Office, Delhi.

In a step towards simplification of passport application procedure, it has been decided to introduce on a trial basis online registration of passport applications at Regional Passport Office, Delhi with effect from 9th August 2006. Under the new system, a passport applicant with access to internet facility can go to the website <https://passport.gov.in>, select **ONLINE REGISTRATION** and fill in the form. Adults as well as minor applicants can register online for fresh passports, reissue of passports (where the validity of the passport held has expired or is about to expire) and new passport booklets in lieu of lost or damaged passports. The application form is simple, applicant-friendly and easy to fill in. The existing system of submitting applications at the Passport Office, District Passport Cells (DPCs) and Speed Post Centres will continue.

AWARDS AND HONOURS

Ramon Magsaysay Award

Mr. Arvind Kejriwal, head of Delhi-based 'Parivartan' citizen's movement, has won the 2006 Ramon Magsaysay Award for Emergent Leadership for his contribution to right-to-information movement at the grassroots and empowering Delhi's poorest citizens to fight corruption by holding government accountable to the people. Magsaysay Award is regarded as Asia's equivalent of the Nobel Prize.

Indra Nooyi appointed CEO of Pepsico

Indra Krishnamoorthy Nooyi has been appointed global CEO of Pepsico. She will be the first woman and perhaps the first person of Indian origin to head a Fortune 100 company. After graduating from Madras Christian College she studied at IIM-Calcutta. She has worked with ABB and Johnson & Johnson in Mumbai. Later on she studied at Yale and worked with Boston Consulting Group and Motorola, before joining Pepsi in 1994.

India-born expert receives Stockholm Water Prize

An India-born water management expert has been awarded the US\$150,000 Stockholm Water Prize for his multi-faceted contribution to global water resource issues, including research, education and creating awareness in both developing and developed countries. Asit K Biswas, now a Canadian citizen, is the president of the Mexico-based Third World Center for Water management. He was cited for helping "foster a critical rethink" among UN agencies, governments and others about how to improve the delivery of water and sanitation services. He received the prize from Swedish Crown Princess Victoria at a ceremony in Stockholm.

US University appoints Indian as Dean

A US university has appointed an Indian as the dean of its engineering college. C Mauli Agrawal has been made the Dean of the College of Engineering by the University of Texas at San Antonio. A graduate of Mechanical Engineering from the Indian Institute of Technology at Kanpur, Agrawal holds the Peter

Flawn Endowed Professorship in biomedical engineering at UTSA and is a Professor of Orthopaedics at the University of Texas Health Science Center in San Antonio.

OBITUARY

Ustad Bismillah Khan passes away

Shehnai maestro Ustad Bismillah Khan passed away on August 21, 2006 after a cardiac arrest. He was 90. He was given a state funeral. Ustad Bismillah Khan was the third classical musician after Pt Ravi Shankar and M S Subbulakshmi to be awarded the Bharath Ratna, the highest civilian honour in the country. He spent his childhood and his life in Varanasi, where his uncle was the official shehnai player in the famous Visvanath temple. At an early age, he familiarised himself with various forms of music of Uttar Pradesh, including thumri, kajri and sawani. He later studied khayal and mastered a large number of ragas.

EMBASSY OF INDIA,
SWITZERLAND
KIRCHENFELDSTRASSE 28, CH-3005
BERNE

TEL : 031-351 11 10 Fax : 031-351 15 57

E-mail : india@spectraweb.ch

Website : www.indembassyberne.ch