



INDIA NEWS

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Export grows 45.7% in the first quarter at us \$ 79 billion

India's exports have registered a growth of 46.4% during June 2011, at US \$ 29.2 billion. Interacting with the media persons, Mr. Rahul Khullar, Commerce Secretary informed that during the period April-June 2011, exports had reached a level of US \$ 79 billion at a growth of 45.7% during the same period. During the interaction, Mr. Khullar also informed that India's imports in June 2011 were US \$ 36.9 billion registering a growth of 42.4%. Balance of trade for the month of June 2011 stood at negative 7.7 billion US dollar. Regarding the consistently growing exports, Mr. Anand Sharma, Union Minister for Commerce & Industry said, that with the exports showing a steady growth, there was a growing satisfaction. He underlined that if India kept growing at an excess of US \$ 79 billion, the target of exports of US \$ 500 billion could be achieved by 2014. This growth was possible due to the collective efforts and endeavours of manufacturers and exporters. During April-June 2011, exports primarily in the following sectors have done well viz., engineering, 94% (US \$ 23 billion); Gems & Jewellery, 19% (9.25 billion US \$); petroleum & oil products, 60% (US \$ 14 billion); man-made yarn & made-ups, 30% (US \$ 1.2 billion); electronics, 69% (US \$ 2.8 billion); Marine products, 27% (0.6 billion); and leather registered the growth of 26% (US \$ 1.1 billion).

Forex reserves up \$1.68 b on currency revaluation

The country's foreign exchange reserves increased by \$1.681 billion to \$310.215 billion for the week ending May 27, mainly

on account of currency revaluation. This was the second week in a row that forex reserves had increased. In the earlier week ending in May 20, forex reserves had increased by \$1.041 billion to \$308.534 billion. Gold was unchanged at \$23.790 billion. SDRs increased by \$6 million to \$4.591 billion and the reserve position in the IMF increased by \$4 million to \$2.961 billion.

Electronics industry size to exceed \$150 b: Exim Bank

A study by the Export-Import Bank of India (Exim Bank) has estimated the size of the electronics industry in India to exceed \$150 billion by 2015. Exports of electronic goods are expected to touch \$15 billion by 2013-14. The share of electronics production in India's GDP has increased from 1.6 per cent in 2001-02 to 1.95 per cent in 2009-2010. This has been due to the high rate of growth of the Indian economy, increasing disposable income and demand from the youth market. In order to grow, this industry needs to design and manufacture "global" products to suit both domestic and global markets. The study said that companies should also invent mass products and price them in such a way that they reach even the rural areas of the country.

Bosch to invest Rs 2,500 cr in India

German engineering conglomerate Bosch Group said that it would invest US \$ 555.55 million in India in the next two years to set up plants and expand capacity. Of the US \$ 555.55 million, the flagship company of the group in India,

Bosch Ltd, would use US \$ 288.88 million. The group will set up a manufacturing plant at Sanand in Gujarat with an investment of US \$ 33.3 million for making electrical controls and drives. The plant will be operational by 2012.

The company would also set up a green-field facility at Verna in Goa for packaging solutions and another plant in Chennai for electrical drives. The investment plans include capacity expansion of existing plants at Jaipur, Nashik, Naganathapura and Bangalore. A 'large' portion of the investment will be used to develop products for the growing needs of the Indian market. Having met Bharat Stage III norms with the inline pump, they are now making further efforts to upgrade these pumps for higher injection pressure to meet forthcoming emission norms. For the low-priced vehicle segment, common rail for enhanced fuel efficiency is also being worked upon. Innovative solutions for tractors are another area of work. The 47-billion group will also invest an unspecified amount in software engineering and developing power train electronics for gasoline and diesel engines along with hybrid and electric vehicles. They will employ about 800 engineers in our Bangalore and Coimbatore facilities to develop power train electronics for reducing carbon dioxide emission. The company had already acquired land in Coimbatore for setting up its own software technology development campus and engineering labs.

Dr Reddy's Labs launches three generic products in USA

Dr Reddy's Laboratories announced that it launched three generic drugs in the US market. The drugs are used to treat central nervous system disorders and were all approved by the US drug regulator. Donepezil Hydrochloride is a remake of Japan based Eisai Pharma's Aricept and its sale in the US alone fetched the company over \$ 2 billion for the financial year 2011. The drug is available in 5mg and 10mg strengths in 30, 90 and 500 count bottles. The second drug released- Venlafaxine

Hydrochloride- is a copy cat of Wyeth's Effexor XR and is used to treat depression and social anxiety. Dr Reddy's will be competing with bigger generic players like Mylan and Teva who are their version of this drug in the US. Effexor accounted for \$ 2.3 billion of Wyeth's total sales. The extended Release capsules are available in 37.5mg, 75mg and 150mg strengths. Letrozole tablets, available in 2.5 mg potency, are a cheaper version of Novartis' Femara and are used to treat menopausal disorders. According to IMS Health, the pharmaceutical intelligence firm, Femara clocked in sales of \$ 720 million in US in the last financial year. CNS disorders constitute the leading therapeutic category in the US pharmaceutical market.

Domestic IT-BPO services, products market set for 17% growth by 2012

The country's domestic IT-ITES services and tech products markets are expected to swell to US \$ 38154.88 million in 2012 – about 17.4 per cent higher than 2011. According to latest projections by research and advisory firm CyberMedia Research, the aggregate market size of domestic IT services and IT products sector is likely to touch US \$ 51984.44 million by 2014, growing 17.3 per cent between 2010 and 2014. Meanwhile, the combined telecom services and products markets will touch US \$ 64184.88 million by 2012. This sector will grow at a CAGR of 15.8 per cent between 2010 and 2014 leading up to a total domestic telecom market opportunity of US \$ 83930 million by 2014, it said. The study further noted that the domestic services market (IT Services and ITES services) will be pegged at US \$ 21819.55 million in 2014. The IT Services alone will grow at 16.7 per cent CAGR over 2010-2014, while domestic ITES spending will grow at 30.2 per cent over the same period. Amongst others highlights, the survey also forecast an increased penetration of cloud services in the India enterprise segment (from 4 per cent in 2010 to 6.8 per cent in 2012); an above average growth in the IT products segments such

as software, PCs, servers and networking equipment between 2010 and 2014; and uptick in enterprise solutions spending post 2011.

GSM telcos add 9.5 million subscribers in May

More than 9.5 million GSM subscribers were added in May, a body representing service providers using this technology. The news pushed up stock prices of Bharti Airtel and Idea Cellular. Cellular Operators' Association of India (COAI) announced that Indian GSM telecom operators added 9.53 million subscribers in May, taking the all-India GSM cellular subscriber base to 590.19 million. The GSM subscriber base stood at 580.66 million at the end of April, 2011. Bharti Airtel, the largest GSM player, added 2.45 million users in May, taking its total subscriber base to 167.06 million. It had a market share of 28.31% at the end of May. Aditya Birla group firm Idea Cellular added 1.80 million users during the month to take its total user base to 93.75 million. Vodafone Essar, with a 23.62% market share, notched up 2.44 million new subscribers during the month. Its subscriber base stood at 139.42 million. Meanwhile, Aircel added 1.11 million customers to take its subscriber base to 57.06 million. State-run telecom firms BSNL and MTNL

added 0.47 million and 20,604 new users, respectively, taking their subscriber base to 87.61 million and 5.23 million, respectively.

Foreign tourist arrivals jump 11.5% in Jan-May

Foreign tourist arrivals (FTAs) in the country have helped the tourism industry rebound from the recession-hit phase of the last two years. There has been a 11.5 per cent increase in inbound arrivals for the first five months of this year compared with the same period last year, according to data received from the Tourism Ministry. FTAs during the period January-May 2011 were 2.523 million compared with 2.263 million during January-May 2010. FTAs during May 2011 were 0369 million compared with 0345 million during May 2010 and 0305 million in May 2009. There has been a growth of 7 per cent in May 2011 over May 2010 compared with a growth of 13 per cent registered in May 2010 over May 2009. In terms of outbound travel, last year recorded more than 12.5 million departures. Going by the current trend, the industry expects a 25-30 per cent growth.

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