



INDIA NEWS

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Official Indian participation at WEF

An official Indian delegation participated in the World Economic Forum (WEF), which took place at Davos from 25 – 30 January 2011. The delegation comprised of Mr. P. Chidambaram, Hon'ble Minister of Home Affairs, Mr. Kamal Nath, Hon'ble Minister of Urban Development, Mr. Anand Sharma, Hon'ble Minister for Commerce & Industry, Mr. Praful Patel, Hon'ble Minister of Heavy Industries and Public Enterprises, Mr. Montek Singh Ahluwalia, Hon'ble Deputy Chairman, Planning Commission. In addition, Hon'ble MPs, Mr. N.K. Singh and Ms. Shobhana Bhartia also participated in the annual meet. The event also had a strong 130-member representation from the Indian industry and a delegation from Confederation of Indian Industries (CII).

India elected Chair of UNSC Committee on counter-terrorism

After taking over as a non-permanent member of the UN Security Council (UNSC) on 1 January 2011, India has been elected to Chair the UNSC Committee on Counter-Terrorism and the Working Group concerning threat to international peace and security by terrorist acts. India's Permanent Representative to the UN, H.E. Mr. Hardeep Singh Puri was elected to Chair the Security Council Committee, established pursuant to Resolution 1373 (2001) concerning counter-terrorism, and the Working Group established pursuant to Resolution 1566 (2004) concerning threat to international peace and security by terrorist acts, sources said. Mr. Puri has also been elected to chair the Security Council Committee established pursuant to Resolutions 751 (1992) and 1907 (2009) concerning Somalia and Eritrea. Given its experience in the fight against menace of terrorism over more than two decades, India, during its chairmanship of the CTC, will work to further strengthen the international legal framework for counter-terrorism. It will endeavour to increase international cooperation in the fight against terrorism by the UN member-states uniformly and without exception. India will also

seek to enhance cooperation among various international institutions and national authorities engaged in fighting terrorism that will help strengthen the implementation of best practices globally and give adequate assistance for capacity-building of nation-states in fighting terrorism. The Security Council Committee established pursuant to resolution 751 (1992) and 1907 (2009) concerning Somalia and Eritrea oversees the implementation of various measures, including arms embargo, travel ban and assets freeze, against the listed individuals and entities. Given the continuing security and political problems in the region, India will seek to actively promote full implementation of these measures. India will also bring its wide experiences in nation-building as well as those of its Navy in the fight against piracy to further international cooperation so that Somalia does not become safe haven for terrorists and pirates rather returns to normalcy and stability as early as possible.

Export grows 26.8% in November 2010

India's exports have registered a growth of 26.8% during November 2010, at US \$ 18.9 billion. Stating this at a press interaction, Mr. Rahul Khullar, Commerce Secretary informed that during the period April-November 2010, exports had reached a level of US \$ 140.3 billion at a growth of 26.7%. During April-November 2010, the following sectors have done well viz., engineering, gems & jewellery, petroleum and its products, leather & leather products, carpet, plastics & linoleum, cotton yarn, chemicals etc. Explaining about the growth momentum in exports, Mr. Khullar highlighted that the target of US \$ 200 billion would not only be achieved but could even touch between US \$ 210 to 215 billion, during this fiscal.

FII inflows touch record \$39bn in 2010

Mirroring their faith in the Indian economy, overseas funds have infused a staggering US \$4.78 billion in the capital market in November, taking the year-to-date total to \$39 bil-

lion. With an investment of US \$ 4.78 billion in November, the total inflows of foreign institutional investors (FIIs) so far in 2010 have crossed the record US \$38.76-billion mark. According to data available with SEBI, FIIs have made investments worth US \$4.11 billion in equities and poured US \$ 667.71 million into the debt market. According to analysts, FIIs have been pumping funds into emerging markets like India because of growth potential.

FDI in renewable energy sector touch US\$ 498 million in FY '10

Foreign Direct Investment (FDI) in renewable energy sector has witnessed an upward trend and investment in 2009-10 has been robust, according to the Government. Mr. Farooq Abdullah, Union Minister for New and Renewable Energy (MNRE) added that wind energy was the fastest growing renewable energy sector and the FDI inflow in the sector had been increasing over the years. Mr Abdullah also said that the Ministry had announced a Generation Based Incentives (GBI) scheme for grid connected wind power projects with the objective of broadening the investors' base by attracting FDI and independent power producers.

Lufthansa Cargo signs pact with GMR group

Lufthansa Cargo and GMR group have signed an agreement to develop Rajiv Gandhi International Airport as a South Asian cargo hub, with focus on pharmaceutical exports. Under the agreement, the German cargo carrier would provide capacity for transport of temperature-sensitive cargo. The agreement paved way for setting up a facility to meet the complex requirements of reliable, temperature-controlled transport solutions. Mr Martin Schlingensiepen, Vice-President (Product Management) of Lufthansa Cargo, said that his company saw a lot of growth potential for export for temperature-sensitive pharma products. Addressing a press conference after signing the agreement, he said that pharma exports from India went up to US \$8.7 billion in 2008-09 from \$6.23 billion in 2006-07 and held good promise in the next few years. The cargo company would sell Hyderabad as a hub for inbound cargo.

Nissan's Indian component sourcing to rise four-fold in 2 yrs

Nissan Motor Ltd of Japan is looking at a four-fold increase in sourcing of production compo-

nents from India for its global operations. The company would import US \$10 million of components in 2010 from Indian vendors. It is set to increase this to US \$ 40 million by the end of 2012, a top company official said. NMIPL, a fully-owned subsidiary of Nissan Motor Ltd, Japan, which launched the petrol version of the Micra in July, is sourcing 85 per cent of the components from Indian vendors. Of this, half are sourced from vendors in and around Chennai. However, Nissan imports some components, such as the transmission and safety features, from various countries. The company is currently in talks with Indian vendors for supply of some key components that go into transmission units. It was also studying the possibilities of producing transmission products in India. In February 2008, Nissan and its global alliance partner, Renault, signed an agreement with the government of Tamil Nadu to set up a manufacturing unit at Oragadam, near this city, with an investment of US \$ 1 billion over seven years. The factory was inaugurated this March, with an initial capacity of 200,000 units per year. It is to reach 400,000 units yearly in due course. Another US \$ 500 million would be invested in the next two to three years to set up one more assembly lines and introduce six other models. The company plans to launch its new sedan on the 'V' platform towards the end of 2011. According to the company, this model would be launched in China and America before India.

Manufacturing grows at a faster pace

According to a recently published 2010 Global Manufacturing Competitiveness Index, a collaboration between Deloitte and the US Council on Competitiveness India, along with China, India will become the world leader in manufacturing competitiveness by 2015. Significantly, Manufacturing in India grew at the fastest pace in six months in November, with HSBC Purchasing Managers' Index (PMI) reaching a six month high of 58.4, from 57.2 in October, as the order flow continued to improve, adding optimism to India's growth prospects for 2010.

India Inc sealed record US\$ 55 billion M&A deals so far in 2010

India Inc sealed mergers and acquisitions (M&A) deals worth US\$ 55 billion so far in 2010, including a record number of billion-dollar transactions. The total deal value surpassed the previous record set in 2007 and big

-ticket deals made a comeback as corporate India regained its deal-making appetite with more than US\$ 9 billion deals, the highest-ever in a single year. The M&A deals showcased the high global ambitions set up by India Inc who acquired foreign assets worth US\$ 27.25 billion with a view to expand their market share. So far in 2010 (till December 15), the total deal announced value amounted to US\$ 54.6 billion, significantly more than the previous high of US\$ 42 billion achieved in 2007, according to research firm VCCEdge.

ONGC gets Brazil's approval to farm out block in Santos basin

ANP, the petroleum regulatory authority of Brazil, has approved farming out a block to ONGC Videsh Ltd. ONGC Campos Limitada (OCL), Brazil, a wholly-owned subsidiary of OVL, had acquired the 100 per cent stake in the block, BM-S-73 (formerly S-M-1413) during ninth bidding round in 2007. The offshore concession is located in the Santos basin and covers an area of 160.04 square kilometres. The concession is a part of Brazil's ninth licensing round and is currently in exploration phase, OVL said in a press statement. ONGC Campos Limitada, Petroleo Brasileiro SA, Petrobras and Ecopetrol Oleo Gas do Brasil LTDA, had entered into an agreement under the terms of which Petrobras will get 43.5 per cent share, Ecopetrol will get 13 per cent in the block BM-S-73 and 43.5 per cent will remain with ONGC Campos Limitada, the operator of the block.

Industrial output grows by 10.8 per cent in October 2010

After the buoyant gross domestic product (GDP) in the second quarter, the industrial output has registered a robust growth of 10.8 per cent year-on-year (y-o-y) in October 2010. The output has come on a high base growth of 10.1 per cent for the same month of 2009-10. The latest increase in the official Index of Industrial Production (IIP) is mainly on account of high consumer spending as well as corporate investments. The consumer durables production in October 2010 was up 31 per cent over last year, while the output was up 22 per cent (10.9 per cent) in case of capital goods. Among the three major constituents of the IIP, manufacturing and electricity recorded higher growth rates of 11.3 per cent and 8.8 per cent in October as against their corresponding levels of 10.8 per cent and 4 per cent for the cor-

responding month in 2009. The third constituent mining index registered 6.5 per cent in October 2010. The cumulative growth was higher in manufacturing at 11 per cent (6.8 per cent) and mining at 8.3 per cent (8.1 per cent). Within manufacturing, basic goods and intermediate goods have also done well in the month of October 2010, with their respective growth rates of 7.7 per cent and 9.5 per cent.

GSM telecom operators add 17.45 million new subscribers in Nov 2010

The global system for mobile communications (GSM) telecom operators added 17.45 million new subscribers in November 2010, as per data released by the Cellular Operators Association of India (COAI). The all-India GSM cellular subscriber base stood at 526.18 million in November 2010, as compared to 508.72 million at the end of October 2010.

Religare buys US PE co Landmark for \$ 170 million

Religare Enterprises is buying Landmark Partners, a US-based private equity and real estate investment firm with assets under management worth US \$ 8.5 billion. The New Delhi-based financial services group will buy about 55% in Landmark for roughly US \$170 million, valuing the American asset manager at over 3.6% of its total assets, said two people familiar with the matter. The Landmark acquisition will catapult Religare's assets under management, including the money managed by Northgate and its Indian mutual fund, to almost US \$ 15 billion. Reliance Mutual Fund, India's largest asset management company, had assets worth US \$ 23 billion on September 30.

Indian firms grab 34% of SA govt's AIDS drug order

Indian companies have bagged 34.3 per cent of the AIDS drugs supply contracts announced by the South African government. The anti-retroviral drug tender floated by South Africa is the largest of its kind in the world. Of the US \$ 629.11 worth order for anti-retroviral drugs, about US \$ 215.55 have come to four Indian companies primarily through the joint venture (JV) entities set up by Ranbaxy and Cipla, the South African Health Ministry has stated. While Ranbaxy's South African JV Sonke Pharmaceuticals bagged a supply contract that comes to 21.9 per cent (over US \$ 133.33 million) of the

total tender value, Cipla-Medpro cornered 5.1 per cent (about US \$ 32.22 million) share. The other two firms are Strides Acrolab (4.2 per cent or approximately US \$ 26.22 million) and Aurobindo Pharma (3.1 per cent or approximately US \$ 20 million). On the whole, 10 firms won the tenders, the supplies for which has already begun from January 1, 2011 and go on till December 31, 2012.

Rahman honoured with Crystal Award at WEF

A day after he won two Academy award nominations, Indian musician A R Rahman was honoured with the Crystal Award at the World Economic Forum. Mr. Rahman received the award at the opening ceremony of the Forum's annual meet on January, 27, 2011, attended by 2500 global leaders from business, government, art, culture and religion. The award is given annually by the WEF to outstanding artistes who use their talent for social and charitable work

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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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