



# INDIA NEWS

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## **Visit of Hon'ble Minister of Commerce & Industry to Switzerland**

Mr. Anand Sharma, Hon' Minister of Commerce & Industry visited Switzerland on 24-25 March, 2011. Along with Swiss Federal Councillor for Home Affairs, H.E. Mr. Didier Burkhalter, he inaugurated Baselworld 2011. The two Ministers also inaugurated the India Palace at Hall No. 2. On 25 March, Hon'ble Minister had a bilateral meeting with H.E. Mr. Johann N. Schneider-Ammann, Federal Councillor for Economic Affairs. A wide range of subjects pertaining to bilateral economic and commercial relations were discussed.

## **Baselworld 2011**

Baselworld 2011 the globally recognised watch, clock and jewellery fair was held on March 24-31 March, 2011. The Gems and Jewellery Export Promotion Council, Mumbai coordinated India's participation at Baselworld. Over 52 manufacturers and exporters of Indian jewellery participated at the exhibition at Hall of Universe. The main highlight of the Indian participation was the "Brand India" event projected at the specially designed India Palace in the Hall. India Palace was jointly inaugurated by the Hon'ble Minister for Commerce and Industry, Mr. Anand Sharma and the Swiss Federal Councillor for Home Affairs, Mr. Didier Burkhalter on March 24. The Ambassador of India to Switzerland, Ms Chitra Narayanan was also present on the occasion. The 10-member contemporary Kathak dance group led by Ms Vida Lal and 8-member Manipuri Drummers led by Ms. Bina Devi gave performances, including at the "India Show" on March 24, at the Baselworld. A special fashion show displaying a range of exquisite India jew-

ellery was also organised during the "Show".

## **Export rises 36.4% in December, 2010**

India's exports during December, 2010 were valued at US \$ 22500 million which was 36.4 per cent higher than the level of US \$ 16493 million during December, 2009. Cumulative value of exports for the period April-December 2010 was US \$ 164707 million as against US \$ 127182 million registering a growth of 29.5 per cent over the same period last year.

## **Non-life insurers clock 22% growth in April-December**

According to data released by the Insurance Regulatory Development Authority (IRDA), non-life insurers collected a total gross premium of US \$ 6847.33 million during April-December, as compared to US \$ 5593.77 million in the corresponding period last year. At present, health comprises 25 per cent of the business for the industry, whereas motor generates 40 per cent. Private players grew by 24.35 per cent while four public sector insurers saw a growth of 21 per cent.

## **Mobile data traffic set to grow many folds: Cisco**

According to Cisco VNI Global Mobile Data Traffic Forecast, mobile data traffic in India will grow 114-fold to 338,911 terabytes by 2015, which is equivalent to 85 million DVDs each month, or 934 million text messages each second. At present, mobile data traffic is at 2,971 terabytes — equivalent to 1 million DVDs a month, or 8 million text messages each second. There will be 1,067 million mo-

bile-connected devices (devices other than phones and modems) in 2015 which is 0.8 per capita. The number of smart phones in use will grow four-fold between 2010 and 2015, reaching 101 million. Mobile-connected tablets will grow to 9.9 million and mobile-connected laptops will reach 65 million.

### **AVB to buy Columbian Chemicals for \$800 mn**

Aditya Birla Group, which had simultaneously placed bids for two of the world's three largest carbon black assets, has reached an agreement to buy US-based Columbian Chemicals for about \$800 million, said sources with direct knowledge of the deal. An announcement may be made shortly. Columbian has about 9% market share in global carbon black production. The carbon black division of the Birla Group currently has a production capacity of 780,000 metric tonnes a year. It is spread across India, Egypt, Thailand and China through four units - Hi Tech Carbon, Alexandria Carbon Black, Thai Carbon Black and Liaoning Birla Carbon. Evonik has global manufacturing capacity of 1.4 million tons a year, across 12 countries, while Columbian has 11 plants in nine countries.

### **Forex reserves rise \$1.8 b to \$302.59 b**

According to the Weekly Statistical Bulletin released by the Reserve Bank of India, India's foreign exchange reserves have gone up by \$1.807 billion to \$302.593 billion for the week ended March 4, The reserves have gone up for the third consecutive week. In the earlier week ended February 25, forex reserves increased by \$158 million to \$300.786 billion. The country's reserve position at the IMF also increased by \$12 million to \$2.282 billion. Gold reserves also increased by \$219 million to \$22.143 billion, while SDRs went up \$28 million to \$5.204 billion.

### **Foreign investors embrace direct market access**

Direct market access (DMA) is fast gaining popularity among investors abroad, with more than a quarter of their trades in India coming through this route, say brokers familiar with the matter. DMA is an electronic facility that allows brokers to offer clients direct access to the exchange trading system through their infrastructure, but without manual intervention. The Securities and Exchange Board of India had allowed DMA in April 2008. At present, the DMA facility is only available to institutional investors in India. Foreign broker-dealers such as UBS, Citigroup, Morgan Stanley, Deutsche, Credit Suisse, Goldman Sachs, Macquarie and Newedge provide DMA to institutional clients in India and the majority of the FII business is routed through them, including their own trading, according to Celent, a Boston-based financial research and consulting firm. The major buy-side FIIs using DMA in India include Fidelity, Prudential and Aberdeen Asset Management. The demand has been picking up in India, mostly on account of FIIs. By an industry estimate, there are around 70-80 brokerages and 110-120 foreign buy-side companies using this electronic facility to execute trades in India. Besides the foreign players, local proprietary trading firms are also using DMA, broking officials say.

### **Cognizant to invest over \$500 million in infra**

On the back of 40% revenue growth, Cognizant will invest more than \$500 million till 2014 to expand its campuses to add over 8 million square feet to house over 55,000 employees. It will create additional software development and training facilities in regions designated as special economic zones in Chennai, Pune, Coimbatore and Kolkata. In addition to the construction of owned facilities, Cognizant will continue to lease more facilities throughout India to meet its future staffing requirements, a statement said.

### **Siemens AG to increase stake in Indian arm**

Germany-based engineering and technology major Siemens AG is planning to increase its stake in the Indian subsidiary, Siemens Ltd, from the present 55.18 per cent to 75 per cent with an offer of 1 billion. Siemens is present in India for the last 100 years in various business segments from power to medical equipment and has revenues in excess of US \$ 2703.31 million from its 22 odd companies operating in India. Siemens Ltd is the flagship business of the group in India and it recorded revenues of US \$ 2117.59 million in 2009-10. Siemens plans to set up six new centres of competence in India for base-level products with 60 products in the pipeline. The company is developing products like ring main units, steam turbine generators of above 45 Mw capacity, solutions for iron and steel making equipment, engineering, procurement and construction (EPC) for full turnkey power plants, wind turbines and low-end signalling systems, all targeted at the Indian market.

### **Domestic car sales grow by 26% in January 2011**

According to data released by the Society of Indian Automobile Manufacturers (SIAM), the domestic passenger car sales witnessed an increase of 26.28 per cent to 184,332 units in January 2011 from 145,971 units in January 2010, The motorcycle sales registered a growth of 14.94 per cent during the month, increasing from 650,633 units in January 2010 to 747,818 units in the first month of 2011. The total two-wheeler sales in January increased by 17.55 per cent to 980,752 units from 834,343 units in January 2010. Sales of commercial vehicles also saw an upsurge by 12.58 per cent to 60,753 units in January 2011 from 53,963 units in the same month last year. Total sales of vehicles across categories registered a growth of 18.69 per cent to 13,22,979 units in

January as against 11,14,692 units in the year-ago period.

### **Apparel exports on course to hit \$11 billion**

With apparel shipments hitting the \$1-billion a month mark in December for the first time in nine months, garment makers are confident of achieving \$11 billion in exports during the financial year 2010-11. That would be 6% higher than that of 2009-10. In the words of the Chairman of AEPC, India was one of the few countries having capabilities across the textile value chain and "all these factors were working considerably in our favour now. China has a lion's share of the global textile trade with exports worth about \$110 billion and even a 5% shift in favour of India would throw up huge opportunities. He further added that apparel would be one of the biggest beneficiaries of the free trade pact between India and Japan, he said. With the pact in place, India would be able to export garments at zero duty to Japan. Garment makers pay around 11% in duties now.

### **FIPB approves 19 FDI proposals worth US \$ 301.77 million**

The Foreign Investment Promotion Board (FIPB) has approved 19 proposals worth US \$ 301.77 million including one from Sistema Shyam Teleservices and Reliance Broadcast Network. Shriram Capital wants to induct foreign equity in an investing company in a US \$ 262.22 million proposal. The government also approved a US \$ 10.11 million proposal of Reliance Broadcast Network seeking to induct investment by foreign institutional investors and non-resident Indians, among others, up to the limit of 20 per cent of the capital of the company. The company is engaged in FM Radio Broadcasting. A US \$ 12.22 million proposal of INX Media was also okayed.

### **GM India to invest \$300mn**

GM India will launch six new vehicles over the next two years in India. The investment for this will be to the tune of \$300 million. GM has invested over \$1 billion in India till date. They will be launching a compact vehicle, a sedan, new Captiva model and three light commercial vehicles. One of these would be an SUV-type van, another multi-utility vehicle and a pick-up van.

### **Satarem to enter wind Power, waste mgmt biz**

Switzerland-based Satarem AG has signed an agreement for joint venture with SA India, erstwhile promoters of Crocodile brand in India, to enter the waste management and renewable energy business along with consultancy services for cement manufacturers in the country. The JV firm, Satarem Enterprises India, would set up its first, modern wind power system, Windsat, which would have twice the capacity of normal wind power systems while utilising the same space, said Venkatesh Sivaraman, managing director, Satarem India. The manufacturing facility would be set up in Coimbatore and units would be established in Chennai and Bangalore in five months, with an investment of US \$ 1.55 million. Windsat system, consisting of a new generation of wind turbines, will have towers of different modules vertically integrated and electrically connected. The tower would also be equipped with an orientation system enabling the wind turbine to align with the wind direction.

### **DISCLAIMER**

*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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