

Newsletter, 25-IX-2009

AAPI – Associação de Amizade Portugal Índia (Association for Friendship Portugal-India) founded with the purpose of encouraging friendly relations between Portugal and India in what concerns the promotion of permanent and mutual interchange between individuals and goods of the two countries, favoring the consolidation and strengthening of cultural and economic cooperation.

For that purpose, the Association may participate in joint initiatives with other associations with a view to unite efforts for the accomplishment of compatible aims and/or create and participate in juridically independent undertakings.

The Association abstains from any political activity or ideological publicity whatsoever and it does not develop any profit oriented commercial or industrial activities. For further information please click to: www.AAPUI.org

INDEX

click to www.AAPUI.org for the full news and source of information.

A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS

1. PM wants G20 to act against protectionism

“The Pittsburgh summit is expected to focus on medium- and long-term issues such as a framework for sustainable and balanced growth, strengthening the international financial regulatory system, reforming the mandate, mission and governance of the IMF and development banks, strengthening support for the most vulnerable, an open global economy and energy and climate change,” the PM’s statement said. Asserting India has a lot at stake in the global economy and much to contribute to it, Mr Singh said it is necessary for India to engage in the management of the global economy. This is in keeping with the new-found confidence India derives from being one of the fastest, in fact, the second-fastest, growing economy in a world large parts of which would be happy to just stop shrinking.

2. Jamnagar SEZ exports to cross Rs 50,000 crore

“Reliance SEZ is expected to export goods worth at least Rs 50,000 crore by March 2010. This will be the largest in terms of exports compared with any other SEZ in the country,” Reliance Jamnagar SEZ Development Commissioner Upendra Vasishth Business Standard. In 2008-09, exports from all SEZs in India had been pegged at Rs 99,500 crore, of which exports from SEZs in Gujarat stood at Rs 26,000 crore. This financial year, exports from all the SEZs are poised to touch Rs 1,70,000 crore, according to Vasishth. The Rs 25,000-crore Jamnagar Export Refinery Project (JERP) located in the SEZ became functional on December 25, 2008. But it became fully operational only in July this year. Exports from the refinery have already touched Rs 18,000 crore till August 31.

3. R&D offshoring set to pick up, says Zinnov

“The global economy is currently observing green shoots of recovery with Germany, India and China among others showing signs of improvement. Despite changes in the current market dynamics, there will be continued growth of inter-linkages between global businesses and stronger relationships between the service providers and their customers,” Mr Natarajan said. Indian companies top the global R&D service provider rankings of Zinnov.

Wipro, TCS and HCL Technologies have emerged as market leaders in overall rankings, which are based on components such as financial strength and sheer capabilities such as business models, innovation and expertise, people strength and operations. Aricent, MindTree, Tata Elxsi, Tech Mahindra, Symphony, Sonata Software and GlobalLogic figured among the top ten. These mid-tier vendors are strongly moving towards the top pack and establishing themselves as leaders in specific industry verticals they operate.

4. Indian firms in Forbes Asia's Fabulous 50

13 Indian companies, including Reliance Industries, Infosys Technologies and Tata Steel, have made it to the list of Forbes' 50 best listed companies in the Asia-Pacific region. **Reliance Industries Ltd**, the flagship company of the Reliance Group, is a Fortune Global 500 company and is the largest private sector company in India.

5. Tatas plan second affordable housing project in Boisar

Tata Housing — a real estate firm of the Tata Group — on Thursday announced an affordable housing project in Boisar near Mumbai, its second such project this year. The new project would offer 1,300 apartments, including 2 BHK and 3 BHK homes, starting at Rs 12.73 lakhs per flat, with a minimum size of 670 sqft, said a Tata Housing statement.

6. IREO to pump in Rs 10k cr to build 20,000 houses

Global investment fund IREO on Friday said it would invest Rs 10,000 crore to develop an integrated township with about 20,000 flats in Gurgaon over the next seven to eight years. IREO, which is also a fully-integrated real estate development company, is planning to launch 10 million sq ft of projects over the 12 months in the northern region of the country.

7. Housing industry: The new magic figure is '2'

According to Atma Sharan, GM (Marketing), Ashiana Housing Ltd, "About 55% to 60% inventory would be 2BHK. This definitely is the fastest moving segment, particularly among first home buyers who are at the beginning of their careers and married life." The 2BHK end user is attracted by the price tag, affordability factor, and lower EMIs. His is likely to be a nuclear family with small kids where a third bedroom is not a necessity and hence not worth additional cost.

B: IT; ITES; R&D; TELCOS; TOURISM & HEALTH T.; SERVICES

8. 'Engineering services outsourcing to reach \$40 billion by 2020'

The engineering services outsourcing (ESO) market, which is estimated to grow at \$40 billion by 2020 from the current level of \$2.5 billion to \$3 billion, presents huge potential for domestic IT companies, said ValueNotes in its latest research. Domestic service providers has the potential to bring down cost in the range of 20% to 40% for the European and The US clients that too in a short period of around 24 months along with a dedicated team set up. Companies such as Tata Consultancy Services, Tata Technologies, Infotech Enterprise would benefit from new opportunities unfolding in the sector, the research pointed out.

9. Logistics revenues set to cross Rs 5 lakh crore in five years' time

The logistics industry revenues are pegged at Rs 3,60,000 crore in 2008-09, which includes primary transport modes and infrastructure as well as secondary movement (from the hub to various depots). This accounts for 10.7% of GDP, which is significantly higher than 5-7% that is registered in developed nations. "A strong growth in the sector is expected, following a favourable regulatory environment, greater thrust on logistics infrastructure spending and the changes that we expect from organised players gaining a larger market presence in the industry," Crisil Research head Manoj Mohta said on Wednesday.

10. Telephone users touch 494-m mark in August

The total telephone subscribers in the country touched 494-million mark during August, with the wireless subscribers reaching 456 million. The total tele-density was at 42.27 at the month-end. The wireless users increased by 15.08 million during the month. Broadband connections, however, continued to grow at a snail's pace to reach 6.98 million. The wireless subscribers grew at 3.42% during the month from over 441 million in July. The wireless tele-density touched 39.08 in August.

11. Wipro expands UK presence

Wipro Technologies, the global IT services arm of Wipro Ltd, has enlarged its footprint in the United Kingdom by expanding its development facility in Reading and opening an office in London. The company also appointed Dr Henning Kagermann, former Chief Executive Officer of German business software maker SAP to its board of directors. Welcoming Dr Kagermann on the Wipro board, the Chairman, Mr Azim Premji, said, "He brings in a unique combination of academic perspective, technical expertise and leadership experience."

12. MNCs campaigning against Indian generics in Africa: Sharma

The country's growing share of generics in Africa have "started causing concern" among MNCs which are campaigning against Indian medicines as being "counterfeit and substandard", Sharma said while addressing the Indo-Africa Pharma Business Meet here. He said India's export of drugs, pharmaceuticals and fine chemicals have registered 29 per cent growth at Rs 39,538 crore during 2008-09 over the previous year and that Indian companies have established their lead in most of the markets, including Africa.

The country's growing share of generics in Africa have "started causing concern" among MNCs which are campaigning against Indian medicines as being "counterfeit and substandard", Sharma said while addressing the Indo-Africa Pharma Business Meet here.

C: AGROBUSINESS; RETAILING

13. Horticulture boosts agriculture income, export opportunities

India, which is one of the world's largest producer of fruit and vegetables, has strengthened its position in the world fruit market by becoming the largest grower of banana in the world, largely due to renewed emphasis on increasing fruits and vegetables production through use of better technology and marketing linkage as laid down under the National Horticulture Mission (NHM). Agriculture ministry data indicate that with the production of more than 28.2 million tonne of fruits and 66 million tonne of vegetables, the country has emerged as the second largest producer of fruits and vegetables in the world next only to Brazil.

D: INDUSTRY

14. Ford inks \$500-mn deal with TN govt

Ford Motor Company today signed an agreement with the Tamil Nadu government for the \$500-million expansion programme at its manufacturing facility at Maraimalai Nagar a city suburb. This would help the company expand its presence in India, paving the way for volume production of the new Ford Figo which was unveiled yesterday in New Delhi, according to Ford India.

15. India will build Ford's Figo

American carmaker, Ford Motor, plans to make India its manufacturing hub for its small car Figo it showcased on Wednesday for the Asia Pacific market. Ford has targeted 2 lakh cars for India by 2010. After unveiling the Figo in Delhi, Ford's president and CEO Alan Mulally said: "The global market is shifting towards smaller cars and India has a predominant advantage with a 70% market for

compact cars. With Figo, we plan to get a larger chunk of the premium hatchback market, both in India and overseas.” “Our plan for India involves accelerating development of fuel-efficient small cars. The small car market in India will double in the next one decade,” said Mr Mulally. He, however, ruled out plans to compete with Tata Motors’ Rs 1-lakh car the Nano and Maruti Suzuki’s M800 in the near future.

16. Adhunik arms to invest Rs 3,350 cr in 2 yrs

Orissa Manganese, a 100 per cent subsidiary is planning an iron ore beneficiation and pelletisation plant in Jharkhand, apart from a 30MW power plant and 40,000 tonnes of ferro alloys. The total investment in the project would be Rs 700 crore, said Manoj K Agarwal, managing director, Adhunik Metaliks. The iron ore beneficiation and pelletisation plant would be in Jharkhand while the power plant and the ferro alloys plant would be set up in Orissa.

17. Dell to get bigger footprint in India with Perot buy

Perot Systems, today, has close to 8,300 employees across six centres in India. The Bangalore, Noida and Pune centres cater to the application development and infrastructure services. Hyderabad, with around 80-100 people, offers engineering services. The company’s BPO operations are run from Chennai and Coimbatore and consists of over 4,000 people. Dell has close to 12,000 people in India, spread across four segments, R&D, marketing, domestic sales and BPO. The company’s BPO centres are in four cities—Chandigarh, Hyderabad, Bangalore and Gurgaon.

18. Hyundai i20 to hit Australia, New Zealand roads soon

Hyundai Motor India will use the distributor network built by its parent Hyundai Motor Company of Korea to sell its products in the newer markets that it plans to tap for exporting the i20 and the i10. The premium hatchback is a significant segment in Australia and New Zealand, according to Mr Lheem, who hopes that the two countries together will account for 10,000-15,000 cars a year.

19. Panasonic India to invest US\$ 100 million in new plasma TV facility

Panasonic India plans to invest US\$ 100 million in its new plasma TV production facility in 2011, according to a top company official. “We plan to invest USD 100 million in our new production facility in 2011,” Panasonic India CEO Daizo Ito said, while addressing the press at Mumbai.

20. InterfaceFLOR plans facility in India

InterfaceFLOR, a global modular flooring specialist, has identified India for its next big manufacturing facility, according to Mr Lindsey K . Parnell, President and CEO (Europe, Middle East, India and Africa). “Given the potential growth in the Indian market, an inevitable factor, it could take a couple of years for us to get things in place such as funding and location,” Mr Parnell said.

E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI

21. WB okays \$4.3 bn loan for infrastructure and banks

The World Bank on Wednesday sanctioned four loans aggregating \$4.3 billion to support India’s economic recovery by strengthening its state-run banks and funding infrastructure projects. The bank said the loans would support the country’s economic stimulus measures by channeling resources into infrastructure, power and irrigation sectors. “This is a crucial time to support Indian economic recovery,” World Bank country director for India Roberto Zaghera told reporters in a video conference. “Despite the uncertainty about the pace of economic recovery, current trends suggest a growth rate of between 5.5% and 6.5% for 2009-10 is realistic,” he said.

22. ONGC to spend Rs 5,000 cr on east coast fields

Oil and Natural Gas Corporation (ONGC) plans to invest nearly Rs 5,000 crore in appraisal of its oil and gas fields off the country's east coast, where production is likely to start from mid-2010. The company has established a business unit, Eastern Offshore Asset, with the aim to put east coast oil and gas discoveries on a fast track, "through an integrated east coast hub", chairman R S Sharma told journalists after the company's 16th annual general meeting. "The oil discoveries in G-4-6, GS-29-1 and G-4-5, part of discoveries in KG-DWN-98/2 and in the Petroleum Exploration Licence Block IG, will be developed through the integrated hub."

23. Ispat plans Rs 2000 cr investment

Ispat Industries (IIL) plans to invest Rs 2,000 crore within the next two years to set up a captive power plant, a coke oven battery and a pellet plant at its existing plant site at Dolvi in Maharashtra. While the company is slated to spend Rs 480 crore on two power units of 55 MW each, it has earmarked Rs 600 crore for a 2.4 mt pellet plant. The biggest chunk of the current investment will go into a one million tonne coke oven battery estimated to cost Rs 1,100 crore.

24. Hong Kong group raises Rs 3,900 cr for project

CLP India, the Indian arm of Hong Kong-based power major China Light and Power (CLP) Group, is investing over Rs 12,000 crore in two new power projects and in wind energy. The company, which today raised Rs 3,900 crore from a consortium of 15 banks to fund a 1,320 Mw coal-fired project in Jhajjar, Haryana, is also planning a 1,060 Mw gas-based power project near its existing facility at Paguthan, Gujarat. This latter project will cost Rs 4,000 crore. Further, CLP India is setting up close to 450 Mw of wind power capacity in Gujarat, Rajasthan and Karnataka with Rs 2,500 crore of investments, said Rajiv Mishra, managing director. "We are in discussions with Reliance Industries Ltd (RIL) for gas supplies from the KG-D6 basin and also talking to other gas suppliers to ensure fuel linkage for the second phase of Paguthan. We hope to start construction during this year," he said.

25. FDI tide turns in favour of BRIC countries: Report

The economic and financial crisis seems to have altered the global investment landscape considerably. It is now the developing countries that are taking the lead in attracting investments as well as investing globally, according to the Unctad World Investment Report 2009. Unctad predicts global inflows to fall from \$1.7 trillion in 2008 to below \$1.2 trillion in 2009. Recovery is expected to be slow in 2010 (to a level up to \$1.4 trillion) and gain momentum in 2011 (approaching \$1.8 trillion).

26. NTPC plans Rs 17,700-cr capex this fiscal

The state-owned power utility plans to more than double its power generation capacity by 2017 from the current 30,000 MW, diversifying into renewable and nuclear energy. The utility has set a target of setting up hydro power capacity of 9,000 MW, nuclear power capacity of 2,000 MW, renewable energy of 1,000 MW by 2017, Mr Sharma told the company's shareholders.

27. GE Energy's windmill plant to come up in South

We are currently analysing the investments. The plant will commence with the production of GE's 1.5 XLE model wind turbine, which is most suited for India's low wind regimes and will eventually grow the capacity to ship 300 wind turbines (450 Mw capacity) yearly in line with the growth in demand," Tejpreet Singh Chopra, president and CEO of GE India, said at a press conference here on Wednesday.

28. India to turn world's third largest steel producer this year

Going by the production of steel in the country so far this year, India is on its way to becoming the third largest steel producer in the world. With an output of 55 million tonne (mt) last year, the country was ranked fifth in the world after China (501 mt), Japan (119 mt), United States (91 mt) and Russia (69 mt). Germany, Ukraine and Brazil followed India at the sixth, seventh and eighth positions, respectively.

29. Gas-based infrastructure worth Rs 8,500 cr to come up in State

The Kerala State Industrial Development Corporation (KSIDC) and GAIL (India) have signed a bilateral agreement that envisages investment of up to Rs 8,500 crore in gas-based infrastructure in the State. With this, the long-drawn LNG terminal at Kochi, a gas pipeline project for supplying natural gas, and a city gas distribution (CGD) project are expected to become a reality.

30. IT industry may create 40k jobs this fiscal: Nasscom

NASSCOM has projected that some 30,000-40,000 students will be absorbed by IT companies this fiscal. Talking to ET, Nasscom president Som Mittal said: "Typically, we take one to two lakh people annually into our industry. In the current fiscal, we had made offerings to 80,000 fresh graduates, of which we are expecting that some 30,000-40,000 will join."

31. Delhi-Noida metro trains to start running by end of 2009

"The metro on Yamuna Bank to Noida section is likely to start by the first week of December this year. The opening of the section depends on delivery of trains, which are likely to come by November," E. Sreedharan, DMRC managing director, told reporters here. The 13.1 km elevated Yamuna Bank-Noida stretch, with 10 stations, will be an extension of the existing Dwarka Sector 9 to Yamuna Bank section. The stretch was scheduled to be opened June 2009.