

Newsletter, 25-VIII-2009

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In Portuguese and Spanish languages

1. Acordo de Comércio Livre UE-ÍNDIA

Em Junho de 2007 foram lançadas as negociações de um acordo de comércio livre entre a UE e a Índia, tendo já sido realizadas 7 rondas negociais até ao momento. Quando se fala de um acordo de comércio livre entre países e/ou regiões pensamos logo em livre circulação de mercadorias, isto é sem restrições quanto às quantidades importadas ou exportadas e sem pagamentos de impostos alfandegários, se não para a totalidade, pelo menos para a grande maioria dos produtos. Mas há uma vertente – menos conhecida, por mais recente – do comércio internacional que não diz respeito à importação e exportação de mercadorias, mas sim de serviços.

2. Operações cirúrgicas 'low cost' en la India

Hace 20 años el doctor **Devi Shetty** ideó un plan que permitiese a todo el mundo tener acceso a un seguro médico capaz de cubrir incluso las intervenciones coronarias, que están entre las más costosas. Por el equivalente a **15 céntimos de euro al mes**, millones de indios se benefician de un seguro médico que incluye cualquier tipo de eventualidad, incluida no solo la cirugía coronaria sino también neurocirugía, trasplantes y cualquier otro tipo de tratamiento, operación o análisis. Ese seguro es complementado por el Estado. Pude ver en:

<http://www.elmundo.es/elmundo/2009/08/21/solidaridad/1250836201.html>

A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS

3. Landmark education Bill passed by Parliament

The Lok Sabha today passed the Right of Children to Free and Compulsory Education Bill, 2008, hailed as a “historic effort” to make free education a fundamental right for children. The Bill to provide free and compulsory education to children aged between 6 to 14 years also aims to reserve 25 per cent seats to weaker sections in private schools. Congress President Sonia Gandhi, who had keen interest to see that the Bill was passed at the first opportunity, was present when the Bill was approved in the Lok Sabha. The Rajya Sabha has already okayed the Bill last week.

4. Govt will go all-out to get back to 9% growth: PM

“Restoring our growth rate to nine per cent is the greatest challenge we face. We will make every necessary effort to meet this challenge — whether by increasing capital flows into the country, or by encouraging exports or increasing public investment and expenditure,” he said in his address to the nation on its 63rd Independence Day.

5. Indian media industry to outshine global peers

While the Indian media industry would touch \$18.58 billion by 2013, the global E&M market is expected to grow 2.7% compounded annually over the five year forecast period to \$1.6 trillion in 2013. After registering a growth of around 16.6% compounded annually over the period 2004-08, growth in the Indian media industry is set to decelerate to 8% in 2009. This has largely been influenced by a marked slowdown in advertising spending, which is expected to touch 9.2% in 2009 after posting a CAGR of close to 17.3% during the period 2004-08.

6. Indians have the highest trust in business

The Edelman Trust Barometer found that at 75 percent, India recorded the highest level of trust in business of any of the six countries surveyed. China followed with 60 percent respondents saying they trust business to do what is right. In the US, 48 percent of respondents trust businesses to do the right thing, up from 36 percent who said that in January, but still below 59 percent at the beginning of 2008. France saw an 11-point jump, from 30 percent to 41 percent.

7. India, Asean trade may go up to \$60 bn

Trade between India and member-countries of Asean, now at \$40 billion, could increase to \$60 billion following the Free Trade Agreement, said Mr Jyotiraditya Scindia, Minister of State for Commerce and Industry.

8. Rs 3,000 cr (\$650 million) to be invested in aerospace SEZ

An investment of Rs 3,000 crore will be made by industries in the Aerospace and Precision Engineering Special Economic Zone at Adibatla, Ranga Reddy district, according to the Andhra Pradesh Chief Minister, Dr Y.S. Rajasekhara Reddy.

9. Bill allows merger of Indian companies with foreign firms

The Companies Act Amendment Bill, which was tabled in Parliament in the Budget session that adjourned last week, has proposed to allow Indian companies to merge with overseas companies, a move that could introduce greater flexibility in cross-border merger and acquisitions (M&As).

10. India, Korea agree to cut tariffs to boost trade ties

India today signed a Comprehensive Economic Partnership Agreement (CEPA) with the Republic of Korea in a bid not only to promote trade of industrial and farm goods but also boost exchanges of manpower, particularly in the services sector between the two countries. Korea is the fifth largest investor in India, with a raft of big brands such as Hyundai, Daewoo, LG and Samsung having a robust presence here. Steel major Posco's proposal to invest \$12 billion in an integrated plant in Orissa with option to buy ores and ship back the finished product to India is a notable investment.

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

11. Apollo expands footprint with Mauritius facility

Apollo Bramwell Hospital, Mauritius, will offer a unique blend of holistic medicine and complementary therapies such as ayurveda, acupuncture, aromatherapy and music therapy. Simultaneously, the hospital is equipped with state-of-the-art radiology, imaging and laboratory facilities. Designed as a centre of medical excellence in the region, the hospital will cater to global patients. The 220-bed hospital has been set up with an estimated investment of \$70 million.

12. Telecom subscriber numbers in India witness upsurge in July

The total wireless subscriber base constituting of GSM, CDMA and WLL (F) stood at 441.66 million in July 2009, rising from 427.28 million. The wireline subscriber base stood at 37.41 million in July. The

broadband subscriber base reached the 6.8 million-mark. India's mobile user base rose 25 times in the last five years and research firm, Gartner forecasts a rise upto 737 million by 2012.

13. Suzuki to set up Asian R&D hub in Rohtak

This facility is being seen as the R&D hub for the entire Asian region and would be the largest facility of Suzuki Motor Corporation outside Japan. This initiative of Maruti Suzuki is likely to make Haryana the base for product engineering and development for group activities, besides catalysing investment of about Rs 1,000 crore in the region.

14. Outsourcing pie still sweet for India

India continues to capture large share of new offshore centers being established in Asia. More delivery centers set-up in tier-1 and tier-2 locations during Q2 2009 as compared to Q1 2009, said Vista report of the Everest Research Institute, a leading research agency on the IT, ITES and BPO sector. Outsourcing transaction volume increased 10% globally in Q2, compared to the Q1 this year, led by contracts signed by financial services and manufacturing firms, according to the 'Market Vista - Q2 2009 report on global outsourcing and offshoring activity' by the Institute.

15. Panacea bags Rs 1,000-cr contract from Unicef

Panacea Biotec Ltd has bagged a three-year contract worth over Rs 1,067 crore (\$222.37 million) from Unicef to provide the agency with EasyFive vaccine, a protection against five dreaded pediatric diseases. The contract is valid for the period between 2010-2012, during which Panacea would supply the vaccine, a combination of five vaccines—Diphtheria, Tetanus, Pertussis, Hepatitis B, Hemophilus Influenza.

16. Indian generics profit from Glaxo patent expiry

The final approvals for generic versions of the drug, named sumatriptan succinate tablets, are for Indian companies such as Orchid Healthcare, Aurobindo Pharma, Sun Pharmaceuticals, Ranbaxy Laboratories and Dr Reddy's Laboratories in different versions of the tablet, with dosages of 25 mg, 50 mg and 100 mg. The other approvals from the FDA last week were for overseas drug companies like Hikma Pharma, Mylan, Sandoz, Roxane and Cobalt.

17. Tata Comm completes intra-Asia TGN cable

Communications solution provider Tata Communications (Tata Comm) on Tuesday completed the construction of its \$200-million TGN-Intra Asia (IA) cable system. The fully-operational, 6,700-km TGN-IA system, initiated in 2007, will link Hong Kong, Singapore, Tokyo, Vietnam and the Philippines, providing route diversity through the Asia-Pacific (APAC) region.

18. India emerges as the new IT front office of the world

Global markets may be the breadwinners for Indian technology majors, but the domestic market is fast becoming the next hot destination for global firms, particularly smaller, niche market players. While the western economies are still waiting for 'green shoots' of recovery, a slew of niche technology vendors, who were focusing on the US and Europe for so long, are finding greener pastures in emerging markets such as India.

19. Pride to operate 30 hotels by 2015

As part of its expansion initiative, Pride Group of Hotels aims to open five 'five star' hotels spread over a period of six years. This expansion entails opening of luxury hotel in Goa in 2009 followed by Mumbai, New Delhi, Hyderabad and Alibaug in 2010. Pride Biznetel', the full service business hotel from Pride Group will penetrate its reach in Tier II metros with launches scheduled at Noida, Rajkot, Cochin, Gurgaon and Kolkata by 2011. Currently operates five star luxury hotels at Pune, Nagpur, Ahmedabad, Chennai and Bangalore. Under Pride Biznetel and Pride Resorts brands, the group has set up properties in Pune, Ranipet, Puducherry, Mahabaleshwar and Jaipur.

C: AGROBUSINESS; RETAILING

20. AP to take up Rs 15300 cr (\$3.500 million) micro irrigation projects

The Andhra Pradesh government has prepared a comprehensive action plan involving an outlay of Rs 15,300 crore for execution of micro irrigation systems under the 31 lift irrigation projects in the state. The Water Resources Development Corporation will be the nodal agency for the execution of the projects aimed at increasing water use efficiency in the agricultural sector.

21. Agri export to double in 5 yrs: Apeda

Though the global recession is still lingering on, India's agri-export turnover is expected to double in the next 5 years, said Agricultural and Processed Food Products Export Development Authority (Apeda) chairman Asit Tripathy. Agri-export turnover is set to rise from \$9 billion to nearly \$18 billion by 2014.

D: INDUSTRY

22. Jewellery major Joyalukkas targets \$2 bn biz by 2012

Fluctuating gold prices present a minefield for gold jewellery buyers, but jewellery major Joyalukkas expects business to follow a northward trajectory in the near future, and has targeted a \$ 2 billion business volume by March 2012.

23. Bridgestone rolls into Pune for 2nd tyre plant

Japanese tyre manufacturer Bridgestone, which has a plant at Pithampur, near Indore, will set up a second facility near Pune at an investment of Rs 2,050 crore.

24. Tata Power plans Rs 29,300-cr (\$6.500 million) capex

Mr Tata said the company was targeting a generating capacity of 25,000 MW by 2017 and was keen to get into the nuclear power business as and when the sector opens up for private participation. Tata Power currently has an installed generating capacity of 2,785 MW. It is building a 4,000 MW facility at Mundra in Gujarat and a 1,050 MW project at Maithon in Jharkhand.

25. Essar Steel expands India, overseas ops

Essar Steel in retrospect may be relieved it decided to pull out of its bid to acquire US firm Esmark for \$1.2 billion last year considering the economic meltdown and the plummeting metal prices that followed.

26. Bhushan Power to invest Rs 3.000 cr (\$650 million)

Bhushan Power and Steel (BPSL) plans to invest Rs 3,000 crore to add 250 mw capacity to its existing power plant and to increase production of value-added steel at its Orissa facility over the next one year, a company executive said. The privately held company, promoted by Sanjay Singal, has a hot rolling steel plant and a 260 mw captive power plant in Sambalpur (Orissa). Plans are already afoot to increase its capacity to 390 mw by the year-end.

27. Tata Comm gets Russian licence for long-distance services

Tata Communications has bagged a licence for offering international long distance services in Russia, one of the biggest telecom markets in the world. Tata Communications now has direct presence in about 40 countries.

28. CEL, Russian co plan silicon wafer making venture

CEL manufactures photovoltaic cells that converts solar energy into electricity. Silicon wafers are used in solar cells. "The cost of silicon wafers is high as we have to import it in India. Setting up our own facility will significantly bring down costs for us," CEL CMD director SK Kaicker said.

29. Mercedes to invest €700 m in Chennai plant

Mercedes-Benz plans to invest €700 million to increase the production capacity of its trucks in its manufacturing plant in Chennai. While the infrastructure is expected to address future expansion plans of the company, details of the time frame of investment were not disclosed.

30. India set to sign pharma export deal with Nigeria

The government is set to sign an exhaustive deal with Nigeria to boost pharmaceutical exports to its eighth- largest global consumer, where the reputation of Indian drugs was recently dented by fake drugs from China bearing 'Made-in-India' labels.

E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI

31. State lines up Rs 75,000 cr (\$16,5 bn) to boost power generation

Currently, the state has to cope up with a power shortage of around 5,000 mw daily during peak hours and this is further expected to rise to 10,000 mw by the end of 2012. Meanwhile, NTPC and some private players, such as Tata Power, Reliance Power, Adani Power, JSW Energy and Jindal Power, are also expected to complete commissioning of few units.

32. IIFCL sanctions Rs 6,475 cr for highway projects

India Infrastructure Finance Company Ltd (IIFCL) has sanctioned Rs 6,475 crore of loans to 58 highway projects, with a total project cost of Rs 37,678 crore. This is the largest sanction of loans to road projects by any financial institution within a short span of three years.

33. US ExIm Bank commits \$2.45 bn for infra projects

The Export-Import Bank of the US has approved nine Indian financial institutions and made a commitment of \$2.45 billion under its India Infrastructure Facility for lending to the country's infrastructure projects and capital goods purchases.

34. TN-TAMIL NADU to take up projects worth Rs 11,204 cr (2,2 bn) under PPP

The government would focus on developing urban infrastructure, roads, airports, ports, SEZs, water supply/sewerage, housing, tourism, agriculture, health and education where the private sector participation will be encouraged.

35. Solar power plan roll-out likely this year

The Government is likely to roll out a plan to add 20 Gigawatt (20,000 MW) solar-based power generation capacity. "The solar mission has been approved in principle. Now we have to work on the roll-out. Hopefully, we will go to the Cabinet in the next couple of months so that this calendar year, we should have the roll-out."

36 Stimulus package boosts housing loan uptake

The government's first ever initiative to give impetus to the realty sector in the form of special home loan package has reaped benefits. The latest data released by RBI shows that housing loan disbursed by banks as a whole grew by more than four times (353%) during three months ended May 2009. This compares with the average 53% decline in the previous three quarters.

37. Cairn, ONGC to invest \$4 bn in Rajasthan

Cairn India, the domestic subsidiary of Edinburgh-based oil explorer Cairn Energy, and state-owned ONGC will jointly invest \$4 billion (Rs 20,000 crore) to scale up the production capacity of their oil fields at Barmer in Rajasthan by 25,000 barrels of oil per day (bopd) to two lakh bopd. They had earlier revised their production target from 150,000 bopd to 175,000 bopd.