

Newsletter, 5-IV-2009

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A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS

1. We can't afford mediocrity when competing with Indian kids: Obama

Interacting with local residents at California's Costa Mesa town hall Wednesday, Obama said, "It can't just be a single high-stakes standardized test — but we do need to have strong, powerful measures of performance, because schools are like anything else."

"We can't afford our kids to be mediocre at a time when they're competing against kids in China and kids in India who are actually in school about a month longer than our kids. So, there's a whole bunch of reforms that we're going to have to do," Los Angeles Times quoted him as saying.

2. Air India hub at Frankfurt International Airport

Air India has officially opened its European hub at the Frankfurt International Airport from where it will operate its west-bound flights. The airline had launched two new daily US-bound flights from Mumbai and Delhi and back last Sunday.

3. India to fork out \$20bn for crisis kitty

India is open to the idea of contributing a total of around \$20 billion — roughly Rs 100,000 crore — towards increasing the capital base of the IMF, the World Bank and the Asian Development Bank (ADB) as part of the global effort to enable these institutions to lend more. The contribution, which is likely to be spread out over the next two years, will be in proportion to the quotas or shareholding that India has in these multilateral bodies, sources said.

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

4. India emerges 2nd in medical tourism race

India spends 1.2% of its GDP on health, but takes care of foreign patients — the country ranks second in medical tourism. In 2007, Indian hospitals treated 4.5 lakh patients from other countries against topper Thailand's 12 lakh. A two-year study by healthcare researchers Deloitte revealed there's always been an inflow of patients from neighbouring countries and West Asia, but now there's a significant rise in patients from the US, UK and Europe.

5. Vikram Chatwal Hotels to invest Rs 5000 crore (\$1100 million) in India

Looking aggressively at the Indian market for expansion, the Vikram Chatwal Hotels, a division of Hampshire Hotels and Resorts, plans to open 'Dream brand hotels' in various cities in the country, including Bangalore, Mumbai and New Delhi with a Rs 5000 crore investment. About Rs 1000 crore has already been invested in the country which will go upto Rs 5000 crore, chairman and CEO Hampshire Hotels and Resorts, Sant Singh Chatwal, told reporters here.

6. High quality, low costs keep IT product companies ticking

There is no major impact from the current economic downturn, in fact there is an upturn, said a CEO of an Indian software product company. This may sound unreal in an environment where the IT industry is struggling to find new business. But, industry trackers say, software product companies, the less-

known cousins of India's services-led IT industry, may be better perched to tackle the economic slowdown.

7. India adds 13.45 mn mobile users in Feb: TRAI

The Indian telecom scene continues to record a robust growth with the operators adding over 13 million customers in February, higher than the average additions of 10 million in past few months. However, the total addition in February is a notch lower than the January additions of over 15 million subscribers. Telecoms attribute the marginal dip to being a shorter month by two days.

8. Ericsson launches telecom tower for Indian market

The company has set up a prototype of the Tower Tube at Ibrahimpatnam near Hyderabad and would decide about the location of the production facility depending on the customers it would get," P Balaji, vice-president (marketing and strategy), Ericsson India, told mediapersons. The over \$28-billion company has a facility in Jaipur to manufacture about 8,000 base stations a month.

9. India emerges as drug testing hub

At least a dozen global firms, including Roche, Pfizer and Astra Zeneca, got a nod from the Drugs Controller General of India (DCGI) to conduct over 50 clinical trials on Indian volunteers this month, official data reveal. The global clinical research outsourcing market is projected to touch \$23 billion by 2011, with consultancy firm KPMG estimating that India will corner 15 per cent of this in two years.

10. Eaton plans to make India its global R&D hub

The move is aimed at making the country a hub for its global research and development activities. It has decided to appoint over 600 engineers over the next two years and double the headcount at its Professional Services Centre, Pune. The exercise is part of the company's strategy to beat the slowdown by outsourcing a large portion of R&D to overseas markets. "We are very upbeat about the growth prospect here. India offers a huge market opportunity in itself, it also serves as a strategic location to enhance Eaton's global competitiveness. As part of this, we are expanding the Pune centre to help it design products for use in the global market," Eaton India MD Shyam Kambeyanda said.

11. Eli Lilly, Zydus Cadila enter drug development deal

Zydus will work to discover and develop potential molecules against a novel drug target, primarily in the area of cardiovascular research. This will include lead identification and optimization, pre-clinical trials and clinical trials up to second phase of human clinical trials. Lilly will provide chemical starting points as well as expertise, besides regulatory support. Zydus will receive potential milestone payments of up to \$300 million and royalty on sales during commercialisation.

C: AGROBUSINESS; RETAILING

12. Tata Tea buys majority stake in Russian firm

Known for its acquisition-led strategy, India's second-largest branded tea company, Tata Tea, has tied up with the European Bank for Reconstruction and Development (EBRD) to buy 51 per cent in a Russian packaging and distribution company called Grand. Russia is the world's largest tea market by volume after the UK and India. Grand is Russia's second-largest tea importer, accounting for 15 per cent of imports. The size of the deal was not disclosed.

13. Indian tea fetches record prices overseas

At a time when most industries are reeling under the impact of the global financial meltdown, local tea companies - for whom, in any case, agro-climatic conditions assume prime importance - are reaping the benefits of a global demand-supply mismatch triggered by adverse change in weather patterns in competing tea producing nations. Indian teas, overseas, have started fetching some of their highest prices in over a decade - having already gone up by 20% in the export market - as a drought in Kenya and an almost similar situation in Sri Lanka has resulted in a shortage of quality teas abroad. A price rise of Rs 20-30 per kg has also been seen in domestic auctions.

14. Despite slowdown, spices exports cross \$1 bn

Indian spices exports for the first eleven months of the current financial year has crossed the \$1 billion-mark despite the slowdown in global trade. The eleven month performance has crossed the value target for the financial year as fixed by the state-run Spices Board.

15. Despite the slowdown, FMCG cos see sales volumes surge

Kishore Biyani, chairman of Future Group, the country's largest retail chain, confirmed that sales of food, grocery and FMCG products in his stores have grown around 15 per cent, but non-food and non-FMCG products are growing at only 5 per cent. "It has to do with demographics. A whole host of new customers, who earlier aspired to buy branded products, are joining the fold for the first time. And that is ensuring there is no slowdown," he said.

D: INDUSTRY

16. Nano wait is over

The Tata Nano, India's least expensive car, was launched at a glittering ceremony at the Parsi Gymkhana on Mumbai's Marine Drive on a Monday evening. The people's car will hit the roads in July. However, customers (the first one lakh of whom will be selected through a random computerised process) will have to wait a long while for eventual possession as Tata Motors hopes to produce just about 50,000 Nanos this year from its interim Pantnagar plant in Uttarakhand.

17. People's car, an idea whose time has come

If you think Tata Motors just has the Nano up its long sleeve, be prepared to be dazzled. India's largest automotive player hasn't let the recent financial slowdown blunt its vision or its hunger to excel in a rapidly evolving global automotive scenario. Proof of this came straight from the man who has been steering India's most respected business house into an automotive powerhouse.

18. Ultra Motor eyes 100% sales growth in India

Buoyed by an encouraging response to its electric vehicles in India last year, Ultra Motor Company (UMC), the UK-based leading electric vehicle firm with a major operation in India, has set itself aggressive plans to cater to the growing electric vehicles category in India for FY10, including more than doubling sales with expanded dealership network and new products.

19. Volkswagen looking to export from India

In line with other international automobile manufacturers such as Fiat and General Motors, Germany-based Volkswagen is looking at serving small markets in the Indian subcontinent from its manufacturing facility in the country.

20. Havells India bags \$200 million order

Electrical products maker Havells has bagged \$200 million export order from the West European countries to supply motors and compact fluorescent lamps(CFLs) over a period of five years, said a top company executive. The company plans to make India a global manufacturing and export hub and intends to export half of the total produce of CFLs, motors and switchgears to Europe in the near future.

21. GEH signs initial pacts with NPCIL for ABWR

GE Hitachi Nuclear Energy (GEH), an alliance between GE and Hitachi to serve the global nuclear industry, on Monday signed initial pacts with state-run Nuclear Power Corp of India (NPCIL) and Bharat Heavy Electricals Limited (BHEL) to build an advanced boiling water reactor (ABWR) power station in India. The 1,350 MW ABWR technology developed by GEH is the world's only commercially proven Generation III reactor design, with the first two of four units entering service in 1996 and 1997 and four additional units under construction currently.

22. Oakley to start second innings in India

Following its merger with Luxottica, the Italian luxury sunglasses group, Oakley hopes to have better access to retail channels. "So far, we did not have the kind of infrastructure and distribution reach

Luxtotta has, but now, we have access to Luxottica's resources, which will allow us to push sales," Scott Bowers, senior vice-president, global marketing and brand development, Oakley Inc, told Business Standard.

23. Mercedes-Benz to launch new truck, bus model

Mercedes-Benz India is set to explore the bus and truck segments as part of its long-term perspective and to capitalise on emerging opportunities in the Indian market. In this regard, the company will launch new models in the next 12-15 months, said Wilfried Aulbur, chief executive officer and managing director, Mercedes-Benz, here on Wednesday.

E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI

24. India Inc's investment growth soars to 53%

Growth of corporates' investments has surged from 31.79% during 2006-07 to 52.55% during 2007-08. The investment to asset ratio steadily increased from 17.85% during 2005-06 to 18.07% in 2006-07 and further increased to 21.03% during 2007-08. This was revealed at a study on the investment pattern of 1,548 major companies during 2007-08, 2006-07 and 2005-06.

25. Energy boost for India as KG gas flows

In a development slated to enhance India's macroeconomic health as well as energy security, Reliance Industries (RIL) has commenced natural gas production from its D-6 block in the Krishna-Godavari (KG) basin. The gas started to flow late on Wednesday evening. The development will reduce India's trade deficit, cut the subsidy burden on fertilisers, and improve chances of oil multinationals investing in oil and gas exploration in Indian seas.

26. Airbus plans manufacturing base in India

European aircraft manufacturer Airbus Industries on Tuesday said it plans to have a manufacturing base in India in the next three-four years following a strong presence in areas such as engineering, research, design and training. The airplane maker said that it is bullish on the emerging market like India and see a double-digit growth in the region in the long-run.

27. Come Apr, inter-bank ATM usage becomes charge free

Just a few hours before the entire ATM network—numbering over 40,000 —of the domestic banking industry being available to customers from any bank for transactions for no fee at all, irrespective of the banks in which they have their accounts, commercial banks are waiting for an intimation from the Reserve Bank of India (RBI) about charges that banks will collect from each other for having other customers use their networks. Bankers also mention that the new regulation would not come in the way of their ATM network expansion plans

