

## Newsletter, 5-VII-2009

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### **A: ENTREPRENEURSHIP; DEVELOPMENT; GENERAL ITEMS**

#### **1. Times of India Group goes for a Christian Magazine**

Published recently by the publishing giant Bennett, Coleman & Co.Ltd., the magazine's first issue hit the stands this summer (in April 2009) and is packaging itself as a monthly meant to focus on the "community and microcosm".

In another article, Man Booker Award winner for 2008, Aravind Adiga, narrates what he learnt in the Christian schools he studied in – Don Bosco's in Chennai, and St. Aloysius in Mangalore. Adiga, author of *The White Tiger*, writes: "Catholic institutions – particularly those run by the Jesuit order – have also historically emphasised the need to expand social and educational services to the poor and the downtrodden. "Certainly, at St. Aloysius College, some of the Jesuit priests who were my teachers tried hard to convince their students that education in India, a country plagued by illiteracy, was a privilege; and that those who received this privilege had an obligation to speak for others less fortunate."

#### **2. At 8%, India to grow fastest in '10: World Bank**

The World Bank has projected an 8% growth for India in 2010, which will make it the fastest-growing economy for the first time, overtaking China's expected 7.7% growth. The multilateral lender has revised upwards the growth rate for the Indian economy this year to 5.1% from an earlier projection of 4%, according to its Global Development Finance Report released on Monday. India has consistently outperformed growth forecasts by the World Bank in the past.

#### **3. Biocon ties up with Mylan of US for biogenerics**

Biocon Ltd on Monday announced an exclusive collaboration with the US-based generic drugs major Mylan Inc to develop, manufacture, supply and commercialise many high-value generic biologic compounds for the global markets.

#### **4. TN- Tamil Nadu earmarks Rs 3391 cr for healthcare**

The Tamil Nadu government has allocated Rs 3,391 crore for health and family care for the year 2009-10, up from Rs 2,741 crore a year ago. According to a health department's policy note, presented in the Assembly by health minister MRK Panneerselvam, allocation for the healthcare segment increased 128 per cent from Rs 1,487 crore in 2005-06.

#### **5. Duty-free import regime ushered for 2,202 items from Singapore**

India has knocked off import duties on 2,202 items as part of its tariff elimination commitments under the Comprehensive Economic Cooperation Agreement (CECA) with Singapore. The 2,202 items on which tariffs have now been eliminated include sail boats, ships, trawlers and fishing vessels, dredgers, golf clubs, wrist watch, wall clocks, percussion instruments, musical keyboards, flutes, ultrasound scanners, aircraft parts, optical fibre, helicopters, railway coaches, instant print film, photographic paper, new tyres for aircraft, used tyres, ice-cream, pasta, and fish.

## **6. Mobile advertising market to see 55% y-o-y growth**

The year-on-year growth of mobile digital advertising market is expected to be 55%. Digital advertising is still in a nascent stage in India and brands are in the experimental stage with a focus to reach remote areas.

## **7. India to invest \$4.2 bn in Ethiopia**

Indian entrepreneurs have received licences from the Ethiopian authorities to invest an aggregate capital of USD 4.2 billion in 439 investment projects in the country," Gurjit Singh said on his visit to Dire Dawa recently.

## **8. CII sees scope for higher Indo-US trade**

Bilateral trade between India and the US could increase eight fold to \$320 billion in 2018 from \$42 billion in 2007-08. The report has recommended comprehensive economic cooperation agreement to cover goods and services, expediting the bilateral investment treaty, opening up of retail and higher education to foreign direct investment and easier movement for skilled workforce under the H1-B scheme.

## **9. India, China to cushion recession: World Bank**

Boosted by the strength of India and China, developing nations would grow 1.2% this year, but without the two, these economies would shrink 1.6%, says the World Bank. Warning that the world is entering an era of "slower growth", the multilateral lending agency has projected the global economy to shrink 2.9% this year. The World Bank in its latest report titled 'Global Development Finance 2009: Charting A Global Recovery' has said that excluding India and China, the developing economies would shrink 1.6% this year. "Developing countries are expected to grow by only 1.2% this year, after 8.1% growth in 2007 and 5.9% growth in 2008.

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

## **10. MNCs scout for alliances with small R&D cos**

MNCs, whose drug pipelines are drying up and more blockbuster drugs going off-patent, are desperately looking for alliances for drug co-development, buying or licensing out innovative molecules which can further be developed into finished drugs. Smaller Indian firms such as Indus Biotech and Rubicon Research are set to sign multiple deals with MNCs for molecules as well as technology out-licensing.

## **11. Tourism sector seeks 10-year tax holiday for new hotels**

Ten-year tax holiday for new hotels, inclusion of hotels as infrastructure and service tax and excise duty exemptions are part of the industry wishlist that tourism minister Kumari Selja will be putting before finance minister Pranab Mukherjee.

## **12. Tata Comm signs \$1.5-bn deal with British Telecom**

British Telecom (BT) Group and Tata Communications (Tata Comm) have signed a five-year agreement worth about \$1.5 billion. As per the deal, Tata Comm will become BT's primary supplier of international direct dial (IDD) and other voice termination services outside BT's own footprint countries, i.e., barring a few European nations. Also BT will become Tata Comm's main distribution channel for its IDD traffic into the UK, expanding into other markets across Europe as the relationship matures.

## **13. Telecom sector earnings may cross \$30 bn by 2013**

Continuing its growth trajectory, the Indian telecom sector is expected to generate revenues of over \$30 billion by 2013, according to global analyst firm Gartner. The country's telecom subscriber base is expected to cross the 770-million mark by 2013. India has over 450 million telecom users at present.

#### **14. Durables makers to invest Rs 1,000 cr**

Hopes of a healthy rise in demand have spurred consumer durables firms such as LG, Samsung, Whirlpool and Godrej & Boyce to line up investments amounting to about Rs 1,000 crore over the next few months for product launches, research and development (R&D) and for upgrading capacity at their existing manufacturing plants.

### **C: AGROBUSINESS; RETAILING**

#### **15. Indian foods business poised for leap**

Hindustan Unilever Limited, which has completed 75 years of operations in India, is confident that its foods business alone will reach a top line of more than Rs 20,000 crore (almost its current turnover) over the next decade. If it achieves this target, the figure will be at least eight times more than the current turnover of its food and beverages division. For the 12 months ending December 2008, the division's turnover stood at Rs 2,642 crore, of which beverages (Brooke Bond and Lipton) accounted for Rs 1,805 crore, processed food (Knorr and Kissan) for Rs 647 crore and ice creams (Kwality Walls) raked in Rs 190 crore.

#### **16. Bengal plant to become Pepsico's largest by 2011**

"We have recently bought close to 4 acres more adjacent to our existing 10-acre plant in Sankrail in West Bengal. Currently, we are making 'Lays' and 'Kurkure' at this plant. The intention is to make the West Bengal plant Pepsico's largest in India with a production capacity of 50,000 ton per annum by 2011, up from 20-25,000 ton per annum right now."

#### **17. Kurien's Kiwi dream gets real**

When India gained Independence, it largely relied on New Zealand to meet its milk requirement in cities like Mumbai. Milk powder was imported from New Zealand and converted into liquid as the then Bombay Milk Scheme did not have adequate milk. Six decades on, the dream long cherished by India's milkman Dr Verghese Kurien to see that India one day exports dairy products to New Zealand, is coming true. Gujarat Co-operative Milk Marketing Federation (GCMMF), which markets Amul brand of products, is all set to export dairy products to New Zealand, the global dairy capital and home to Fonterra, world's largest dairy firm which controls almost one-third of international dairy trade. Though Amul's first consignment to New Zealand is only of 20 tonnes, the symbolism is causing excitement in the Indian dairy sector.

### **D: INDUSTRY**

#### **18. GM India sets eyes on exports, Spark diesel version on cards**

After Hyundai, Maruti, it is time now for General Motors India to focus on exports in a big way. Despite being presence in almost 200 countries, the Indian arm of the global major sees that its small cars have huge potential in the global markets. The company is also currently working on alternate fuels, including diesel, for its small car Spark which may hit the stands in due course of time, said P Balendran, vice-president, corporate affairs, GM India.

#### **19. Renault puts India car plans on the fast track**

French carmaker Renault has completely recast its plans for India as part of a new, aggressive approach that will see it producing cars in its Chennai plant by 2011. "It is important for us to speed up our activities in India because we do not have the luxury of time now. I know a step-by-step approach is always seen as being sensible but it is equally important not to stop. There is also no question of abandoning the Indian project," Mr Marc Nassif, Country General Manager, Renault in India, told Business Line.

#### **20. Tata Motors selects over 1.55 lakh Nano customers**

Auto major Tata Motors on Tuesday said it has selected over 1.55 lakh customers for its small-car Nano -- touted as the world's cheapest -- which the company will start delivering from next month. The company would deliver the first one lakh cars by March 2010, while the handing over of the Nanos in the next phase to 55,021 customers would start thereafter.

#### **21. Tata Power to build plant for Corus**

India's largest private power producer, Tata Power, will build a 525 mw plant for Corus at the world's second-largest steelmaker's IJmuiden facility in the Netherlands. Tata Power on Thursday signed an MoU with Tata Steel and Corus Steel BV.

### **E: BASICS; INFRASTRUCTURES; EMPLOYMENT; FDI**

#### **22. ONGC scores hat-trick on gas discoveries**

India's biggest oil explorer ONGC has struck oil and gas in three new blocks, one of these finds its most significant in decades and holding the promise of significantly narrowing the energy-starved country's demand-supply gap in the natural gas sector. The gas find at Krishna Godavari (K-G) basin off the Andhra coast could prove as rich as the Reliance Industries' D-6 block, which, at its peak, is expected to double India's current natural gas output. The other two discoveries included an oil find in Charada-3 offshore block in Cambay basin and oil and gas find in Matar in Vadodara district, both in Gujarat.

#### **23. Investment in infra uplift to touch Rs 45,900 cr (\$9 bn) by 2013**

Investment in airport infrastructure was over \$5 billion (Rs 25,500 crore) in 2008 and will go up \$9 billion (Rs 45,900 crore) by 2013, of which close to \$6.8 billion (Rs 34,680 crore) is expected to come through public private partnerships (PPP) model, states a recent study by research firm Frost & Sullivan. The study further states that a key driver for the airport infrastructure market is the upgradation of 35 non-metro airports identified by the Airport Authority of India (AAI).

#### **24. Future Group to foray into realty biz**

Following the trend of the retail majors diversifying into low-cost housing sector, Kishore Biyani-led Future Group is venturing into the real estate business through a 50:50 joint venture with Kolkata-based developer Sumit Dabriwal for building affordable, branded, ready-to-move-in homes. This is part of the company's plan for a turnover of Rs 13,000 crore by July 2011, a growth of 35% over last year. In the recent past, Tata Group, whose business spread has a significant retail component, had also launched Tata Housing to construct affordable homes at Mumbai's far suburbs.

#### **25. PwC to up India staff by over 50%**

Given the current growth and future potential of its Indian operations represented by PwC India, Price Waterhouse (PW) and Lovelock & Lewis PwC is going on an overdrive with its recruitment plans. According to Dennis M Nally, who is set to take over as PwC's global chairman from July 1, the firm will increase its strength to over 10,000 employees from the current 6,500 in the next 3-4 years.



## **26. GAIL to invest Rs 7,500cr in pipelines**

State-run gas utility GAIL will invest over Rs 7,500 crore in laying gas pipelines from Dabhol on the Maharashtra coast to Bengaluru, Kochi and Mangalore. Chairman U D Choubey on Thursday sought the Karnataka government's support in laying the project investment for which has been approved by the company board.