

Issue no. 7
October, 2014

INDIA DIGEST

A Newsletter from Embassy of India, Paramaribo



New confidence, new excitement in India-US ties: Modi

Saying there is “new confidence, new excitement” in the India-US relationship, Prime Minister Narendra Modi on September 30 assured the US of India’s commitment to take their stalled landmark civil nuclear deal forward as both sides agreed to work together to disrupt financial and tactical support for terror groups like the Lashkar-e-Taiba, and Jaish-e-Mohammed.



Modi, after holding over two-hour-long summit talks with President Barack Obama, invited US defence companies to invest in India. “India and US are natural partners and America is an integral part of our Look East, Link West policy,” he said addressing the media.

India and the US are to intensify cooperation in counter-terrorism operations and sharing intelligence and have agreed on disrupting financial and tactical support for terror groups like the Lashkar-e-Taiba, Jaish-e-Mohammed, D-company and the Haqqani network, officials said. “Bilateral ties on energy, defence, security, and infrastructure were discussed during the Modi-Obama meeting,”

“Bilateral ties on energy, defence, security, and infrastructure were discussed during the Modi-Obama meeting,”

On the outbreak of Ebola virus disease in West Africa, both agreed that it was a great crisis. Modi informed Obama that India has given \$12 million to fight the virus outbreak.

Obama said India was emerging as a major power for peace and security in the region.

Referring to the Mars mission, Modi said it was a happy coincidence that the summit meeting with Obama was taking place a week after the “summit” in space between the Indian and US orbiters over Mars.

Source: Indo-Asian News Service

India open minded, wants change, Modi tells top US executives

India is open-minded and wants change, Prime Minister Narendra Modi told top executives of American companies in New York, including Google and Citigroup, during a high-powered breakfast meeting in New York on September 29.



The breakfast meeting with 11 CEOs, including those of Google, Citigroup and Pepsico, was followed by one-on-one meetings with six other CEOs of companies like Boeing, IBM, GE and Goldman Sachs. Modi discussed infrastructure development with the CEOs.

Source: Indo-Asian News Service

Corporate America vows to boost US-India business ties

The US-India Business Council (USIBC) has reaffirmed its faith and hope in the future of the US-India trade relationship with its members committed to making \$41 billion investment in India.

"There's never been a better nor a more vital time for the US and India to work together than right now. Let us seize a defining moment in a defining partnership," USIBC chairman Ajay Banga said at its 39th Anniversary Leadership Summit here.



Source: Indo-Asian News Service

India likely to join Asian infrastructure bank

India is expected to join Asian Infrastructure Investment Bank (AIIB) as the second largest shareholder in what is being seen as a move by the government to ensure that it has a say in running the new multilateral lending institution being created at China's behest.

India may get around 19% voting rights based on the size of its economy, compared to China's 42%.

The bank is expected to start with an authorized capital of \$50 billion and will boost infrastructure financing in the region. It will rival the Asian Development Bank (ADB), where Japan and the US have larger shareholding than China, which has emerged as a major global force in recent years.



Source: The Times of India

India, China form Asian Infra Investment Bank

India on October 24 signed on to a China-led initiative to create an international bank to fund development of infrastructure essential for Asia's economic growth and reduce the dependence on Western-dominated World Bank and International Monetary Fund.

Besides the two neighbours, 19 other countries of the region signed a Memorandum of Understanding (MoU) on setting up the new Asian Infrastructure Investment Bank (AIIB) at a special ceremony in the Great Hall of the People, Xinhua news agency reported.



Asia needs an estimated \$8 trillion in investment by 2020 to improve its infrastructure and the AIIB aims to channel capital for construction of roads, railways, power plants and telecommunications networks.

To be headquartered in the Chinese capital, it is expected to be operational by next year.

The MoU specifies that the authorised capital of AIIB is \$100 billion and the initial subscribed capital is expected to be around \$50 billion. The paid-in ratio will be 20 percent.

Source: Indo-Asian News Service

Modi inspires investor confidence in US visit, \$42 bn committed

Prime Minister Narendra Modi's "extremely successful" US visit, especially his meeting with top business leaders there, has seen a US-India business body committing to \$42 billion investment in India with many lauding the "Gujarat model" of development.



The US-India Business Council (USIBC), in a survey, found that \$42 billion was willing to be committed over the next two-three years for investment by just 20 percent of the members surveyed, said government officials.

There was a "very positive" investor sentiment among the businesspersons in the US "based on the experience in Gujarat",

What added to the investor confidence was Prime Minister Modi being very conversant with the "nuts and bolts" of business during his interactions with the top CEOs of global firms like Google, Boeing, Black Rock and Pepsico.

Source: Indo-Asian News Service

FDI in telecom sector jumps manifold to \$2.33bn in April-July

The foreign direct investment in the telecom sector grew manifold to \$2.33 billion in the first four months of 2014-15.

During the entire 2013-14 fiscal, the sector had received a total FDI of \$1.3 billion.



Source: The Times of India

Hines to invest \$250 million in India

U.S.-based real estate firm Hines, launched 'Hines India Residential' to invest in residential developments in key urban centres of India. The firm, which had entered the Indian real estate market in 2006, has tied up with a global fund to invest \$250 million (over Rs.1,500 crore) in various housing projects.



Source: The Hindu

India should aim \$40 billion gold jewellery exports by 2020: WGC

India, the world's largest gold consumer, should target five-folds increase in gold jewellery exports to USD 40 billion by 2020 from the current level of USD 8 billion, according to the World Gold Council (WGC).

The country should also put to use about 22,000 tonnes of gold lying idle with households and temples and reduce its dependence on imports in the next five years, it said.

Besides, it should aim at creation of 5 million new jobs across the gold value chain - manufacturing, retailing, assaying and recycling areas, it added.



Source: Press Trust of India

'Indian biotech industry is on the cusp of entering a new era'

India's biotechnology industry is on the cusp of entering a new era as it already has many of the necessities required to grow its bio economy such as a talented and enthusiastic scientific workforce, a top biotech industry leadership has said.

"In 2012, Indian industry and government leaders set an ambitious yet attainable goal of growing the nation's bio economy to more than US \$100 billion by 2025," Jim Greenwood, CEO Biotechnology Industry Organization (BIO) said yesterday.



Source: Business Line

Microsoft bets big on tablets in India

Software giant Microsoft is placing big bets on tablets to drive adoption of its Windows 8.1 platform on smart devices in the country.

The US-based firm, which acquired devices and services business of Nokia earlier this year, expects Windows-powered tablets to do especially well in segments like educational institutions and small and medium businesses (SMBs).

"Previously, there were devices that were launched at extremely low



prices but failed to deliver quality experience. The devices that are coming now offer much better experience and we are confident that Windows platform will do well,” Microsoft India Director (Windows Business Group) Vineet Durani told PTI.

Source: Press Trust of India

August core sector output rises to 5.8%

Driven by good expansion in steel, coal, cement and electricity generation, the output of eight crucial core sector industries rose 5.8 per cent in August from 2.7 per cent in July, official data showed on September 30.

The eight industries had risen 4.7 per cent in August, 2013-14.

For the first five months of 2014-15, the eight grew 4.4 per cent, marginally higher than the 4.2 per cent in the corresponding period of the earlier year.



Source: Business Standard

Growth rate of 5.7% to 5.9% achievable, says Mayaram

The government expressed confidence that a growth rate of 5.7% to 5.9% would be easily achievable during the current fiscal. Speaking at a function organised by the Madras Chamber of Commerce & Industry in Chennai, finance secretary Arvind Mayaram said an outlook upgrade by ratings agency S&P from negative to stable reaffirms that the economy was in a much better condition than it was a year ago.



Source: Hindustan Times

CII business survey projects 6 percent growth this fiscal

Six percent growth in gross domestic product (GDP) is within the country's reach in the current fiscal, according to the 88th Business Outlook Survey by the Confederation of Indian Industry (CII).

“Indicating a sharp improvement for the second consecutive quarter, the CII Business Confidence Index (CII-BCI) for July-September quarter of the current financial year 2014 – 2015 has shot up to 57.4, up from 53.7 in April-June quarter and 49.9 in January-March quarter this year. During the same quarter last fiscal, the index had touched the all-time low value of 45.7,” the CII said in a release here Monday.



Source: Indo-Asian News Service

Australia announces 13 innovative projects with India

Australia announced 13 innovative projects with India that will support new cutting-edge collaborative research partnerships between universities, professional bodies and private sector organisations of the two countries.

The latest initiatives will be supported through Australia-India Council (AIC) grants programme, said Australian Foreign Minister Julie Bishop.

“AIC’s grants, totalling over A\$ 565,000, will support new partnerships between Australian and Indian universities, professional bodies, private sector organisations and arts communities in areas of strong mutual interest and where the bilateral relationship has the greatest capacity to grow,” Bishop said.



Source: Press Trust of India

Govt to set up platform for LatAm investors

To invite investments from the South American countries after PM Narendra Modi’s visit to Brazil, the Centre has decided to have the first-ever investment-focused platform for the Latin American countries (LAC), especially Argentina and Peru.



Argentina and Peru will be the ‘partner country’ and ‘focus country’, respectively, at the two-day India-LAC Investment Conclave, 2014, starting October 16.

‘Invest India’, which is a FICCI and DIPP joint venture, will play a key role in this initiative. The theme of this Conclave, “Lets Grow Together”, promises to bring a paradigm shift in the economic equation between India and LAC.

With over 100 business delegates confirming their participation at the conclave, the ministers and governors from Argentina, Cuba, Dominican Republic, Guatemala, Haiti, Honduras and Mexico have also confirmed their participation in the event.

Source: The Financial Express

India's steel demand expected to grow 3.4% this year: WSA

Domestic steel makers, who are facing subdued offtake, have something to cheer about now as a premier global industry association has projected India's steel demand to grow at 3.4 per cent during the current year.



World Steel Association (WSA), in its short-range demand outlook, has pegged demand growth for the next year even higher at six per cent, a significant rise as compared to 1.8 per cent in 2013.

In 2014, India's steel demand is expected to grow by 3.4 per cent to 76.2 million tonnes in 2014, following a growth of 1.8 per cent in 2013.

Gas production to rise by two-thirds over five years: Oil ministry

India's domestic gas production is set to rise by two-thirds from 100 million standard cubic metres per day (mscmd) in the current financial year to 163 mscmd, or 59 billion cubic metres (bcm), over the next five years through March 2019.



Source: Business Standard

India forms PSU consortium to start due diligence to pick up 30% stake in Acron

The government of India will be signing a protocol agreement with Russia with the objective of proceeding towards picking up stake in Russian potash manufacturing company – Acron.

Acron is a Russian group of interrelated companies and one of the leading global mineral fertilizer producers in the world, primarily potash. This is over and above the agreement which Indian Potash Limited has with Uralkali, another potash manufacturing Russian company for import of potash.



Russia has offered to Government of India to pick up 30% stake in the Acron along with buyback agreement for exclusively supplying the produce back to India.

Source: Business Standard

Govt readies plan for over 6% growth

The government is working on a strategy to boost growth to “6% plus” in the short term and authorities are confident that the steps taken so far will help accelerate expansion, officials said.

The encouraging April-June quarter GDP data, which showed the economy expanded 5.7% year-on-year after a sustained period of sluggish growth, has given hope that the momentum can be sustained, officials said, adding that political certainty has helped boost confidence.



Source: The Times of India

Modi unveils key labour reforms, promises better work culture

Prime Minister Narendra Modi unveiled some key labour reforms that relies on trust and promotes ease of doing business



and said these efforts will go a long way in changing India's work culture.

The Prime Minister also dedicated the Shram Suvidha portal, a Labour Inspection Scheme, as also portability of social security through a Universal Account Number for Employees Provident Fund at an event in Vigyan Bhavan conference complex in New Delhi.

Source: Indo-Asian News Service

Participate in India's growth story, Sushma Swaraj tells diaspora

Minister of External Affairs Sushma Swaraj on October 17 urged the Indian diaspora in Britain to invest in India as the country offers tremendous opportunities and participate in India's growth story.



"There are tremendous opportunities today for you to join us, especially in the fields of manufacturing, science and technology, research and innovation, knowledge economy and youth development," she said

She mentioned about the 'Clean Ganga' campaign, metro rail and smart cities projects as areas where overseas Indians could participate.

Source: Indo-Asian News Service

India can learn waste management from Norway, Finland: President

President Pranab Mukherjee, expressing satisfaction at the outcome of his visit to Norway and Finland, on October 17 said India can gain from the two countries' expertise in areas such as clean technology and waste management.



Noting Norway and Finland were both highly developed countries, having resources, technological advancements, innovation capabilities and expertise in sectors key for India, he said: "They have expertise in specialized areas like clean technologies, renewable energy, bio-technology, waste management as also education, research, skill development and innovation.

"India can cooperate successfully with them keeping in mind the objective of sustainable development," he said.

Mukherjee said the abiding theme of his visit was expanding cooperation in education, research, innovation, trade and investment.

During his visit to Norway, six governmental agreements were signed for cooperation in the fields of earth sciences, culture, and scientific research.

In Finland, four agreements were signed for collaboration and research in renewable energy, biotechnology, civil nuclear research and meteorological issues.

Source: Indo-Asian News Service

Canada keen to be reliable partner of India in energy supply

India and Canada sought to boost their cooperation in a range of areas including education and nuclear cooperation with visiting Canadian Foreign Minister John Baird expressing his country's desire to be a reliable partner in meeting India's energy needs.



During the strategic dialogue meeting India sees "natural synergy and tremendous potential"

in areas of mutual interest including energy, education, skill development, nuclear cooperation and trade.

Source: Indo-Asian News Service

Exports up by 2.73%; surge in gold imports push up trade gap in Sept

India's exports rose by a marginal 2.73% to \$28.9 billion in September, but trade deficit more than doubled to \$14.2 billion in the month due to a surge in gold imports.



Trade deficit in September, 2013 was \$6.12 billion.

Gold imports in the month under review increased manifold to \$3.75 billion compared to \$682.5 million in same month last year. Overall imports jumped by about 26% to \$43.15 billion.

Source: Press Trust of India

Leather exports up by 20 per cent in first half

Exports of leather and leather products increased by 22 per cent to \$3.488 billion in the first six months of the current financial year from \$2.869 billion in the same months in the previous year.



As per the available data, all the products segments — finished leather, footwear, footwear components, leather garments, leather goods and saddlery and harness items — posted positive growth in rupee and dollar terms. Shipments in the second quarter increased by 10 per cent when compared with the first quarter.

Source: The Hindu

US-India trade body to partner in Vibrant Gujarat summit

The US-India Business Council (USIBC) will lead a US delegation of Fortune 500 CEOs and senior executives to the Vibrant Gujarat 2015 summit in Gandhinagar, Gujarat in January 2015.

This will be USIBC's fourth, and most prominent participation in the Vibrant Gujarat Summit as a Partner Organization with the Gujarat Government, the trade advocacy group of 300 plus top US companies doing business with India announced.



Source: Indo-Asian News Service

India set to become \$2 trillion economy this year: IMF

India is poised to become a \$2 trillion economy this year, while its GDP size would cross another milestone of \$three trillion after five years in 2019, according to IMF's latest world economic outlook.

India's ranking would also improve to seventh largest economy in the world, while measured on "current prices" basis in US dollar, in 2019 from its tenth position currently.



Source: Press Trust of India

Economy improving, 5.5 percent growth this year: RBI Governor

India's economy is improving and the country is hoping to achieve 5.5 percent, or little more, growth rate this year, said Reserve Bank of India (RBI) Governor Raghuram Rajan.

"Next year we will go into sixes and hopefully sevens the year after," he said while addressing students of Indian Business School (ISB) on October 16.



Source: Indo-Asian News Service

India, Mexico discuss cooperation in hydrocarbons

India and Mexico on October 22 discussed the possibilities of cooperation in the hydrocarbon sector, especially in the wake of reforms initiated by the Mexican government in the energy sector.



Both also inked a Memorandum of Understanding (MoU) in space cooperation.

India is the largest buyer of Mexican crude oil in Asia and the third largest overall globally. Private and public sector Indian companies are seeking more opportunities in this sector.

The issue came up during the Sixth Session of the Joint Commission Meeting between India and Mexico that was presided over by External Affairs Minister Sushma Swaraj and Mexican Foreign Affairs Minister Jose Antonio Meade Kuribrena.

India's relations with Mexico have deepened and strengthened in the last few years. Bilateral trade has increased appreciably. In 2010, it was \$2.81 billion and it currently stands at \$7 billion annually. The trade is almost evenly balanced.

The two sides signed an MoU on space cooperation under which they will cooperate on issues like remote sensing, satellite communication, capacity development and other mutually beneficial areas relating to cooperation in outer space for peaceful purposes.

India's exports mainly comprise organic chemicals, vehicles and auto parts, electrical machinery and equipment, mineral fuels and oil, pharmaceuticals, textiles and garments, gems and jewellery. India's imports mainly consist of crude oil.

Source: Indo-Asian News Service

India-Mexico trade can touch \$10 bn by 2015: Minister

Visiting Mexican Foreign Minister Jose A. Meade Kuribrena said on October 20 that bilateral trade has the potential to increase to \$10 billion by 2015.



Source: Indo-Asian News Service

India favours democratisation of global affairs of telecommunications: Prasad

India favours democratisation and broad-basing of the global affairs of telecommunications and internet governance, Information Technology and Telecommunications Minister Ravi Shankar Prasad has said.



He was speaking at the inaugural session of the International Telecommunications Union (ITU) Conference at Busan in South Korea, an official statement said.

India's point of view is that ITU should take leadership and partner with UN and other international/ regional organizations in executing the Information and Communication Technology (ICT) projects and programmes in developing countries.

FPI inflows hit \$1.5 billion in Oct; reaches \$35 billion in 2014

Continuing to bet big on the government's reforms agenda, overseas investors have poured in \$1.5 billion in the Indian market so far this month taking the total inflow to \$35 billion since January. The net investment by foreign investors into debt market was at Rs 12,645 crore (\$2.06 billion) between October 1-22, while they pulled out Rs 3,500 crore (\$570 million) from the stock market during the same period, taking the total to \$1.5 billion, as per latest data.



Source: Press Trust of India

India 2nd fastest growing air cargo market after Middle East: IATA

India has emerged as the second fastest growing air cargo market after the Middle East and is expected to grow at a compound annual rate of about seven per cent over the next five years, an IATA forecast said.

India would also be among the ten largest international freight markets by 2018 led by the United States supplying 10,054,000 tonnes and China with 5,639,000 tonnes, the International Air Transport Association's (IATA) Industry Forecast 2014-2018 shows.



It estimated that "the second fastest-growing market, India, will experience a compound annual growth rate (CAGR) of 6.8 per cent to add 622,000 extra tonnes."

India world's 4th largest steel maker at 62.41 mn tonne in Jan-Sept

With 62.41 million tonnes output, India remains the world's fourth largest steel producer in the first nine months of the current year, preceded by China, Japan and the US.

World Steel Association (WSA) data showed India's steel production grew by 1.8%, the second highest among the top four steel producing nations, during the January-September period from 61.27 MT in the same period last year.



Source: Press Trust of India

Govt aims to make \$15-bn IoT industry in India by 2020

The government is working on an ambitious plan to create \$15 billion 'Internet of Things' industry in the next six years. Internet of Things, or IoT, can be loosely described as a network of inter-connected devices that can be accessed through the Internet.



For instance, with IoT, street lights will automatically go off when they sense no traffic on the roads and consequently save power. Another application could be a smart band that will automatically alert physician when body vitals go to abnormal levels.

Some of the proposed concepts under the policy include development of tools to monitor quality of water flowing in taps and levels in reservoirs, smart environment to monitor quality of air, technology to monitor changes in body vitals and send alerts to hospitals.

Devices or objects under IoT, will be connected seamlessly on networks and communicate with least human intervention. The IoT policy excludes phones, tablets and personal computers.

Source: Press Trust of India