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INDIA DIGEST

A Newsletter from Embassy of India, Paramaribo



Dear Readers,

Greetings!

I am happy to welcome you all to our first edition of "India Digest", a newsletter produced by the Embassy of India in Paramaribo, Suriname. Our effort is to highlight and keep you informed of the economic developments in India, thereby creating awareness among friends of India in Suriname of progress being made in diverse economic sectors.

Your feedback and comments are most welcome, and you may write to us at: india@sr.net.

Yours sincerely,

(M. Subashini)

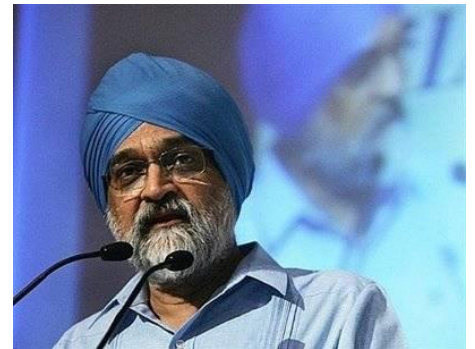
Ambassador of India, Paramaribo

Infrastructure investment to push growth to 8 pc in 3 years: Ahluwalia

Planning Commission Deputy Chairman Montek Singh Ahluwalia stated that efforts to revive infrastructure investment would help in reverting to 8 percent growth in next three years.

"We are working to revive the pace of investment in infrastructure, which we believe can provide the basis for a return of growth back to eight percent over a three year period. Our economic fundamentals are strong and we believe that a return to high growth is possible.

The economy must expand by 5.7 per cent in January-March quarter to achieve the estimated GDP expansion of 4.9 per cent in 2013-14. GDP growth has slowed down to 5 per cent over the past two years.



China wants to invest in India to produce computers, TV sets

China wants to step up its investment in India to produce personal computers, internet equipment, cell phones and televisions, Chinese Vice-Minister for industry and information technology, Yang Xueshan, has said.

Besides pushing China to open up its markets for the lucrative Indian products like IT and pharmaceuticals to offset \$35 billion trade deficit in the USD 66.5 billion bilateral trade last year, India is urging China to step up investments in India.



Biotech could be a \$200 bn industry in the next decade: Sam Pitroda

Sam Pitroda, Chairman, National Innovation Council said that 30 years ago India had only around two million phones and no exports. Today it has 900 million phones, and its exports of software services are worth \$120 billion every year.

Pitroda said, "It is possible to look at biotech industry as a \$ 200 billion-industry in the next decade. But we have to perhaps invest \$30-40 billion in biotech, and not \$5 billion." The Indian biotech industry reported revenues of \$3 billion during 2009-11, according to the Association of Biotechnology Led Enterprises (ABLE).



India's power sector generates international interest

There has been an increased interest in projects in the Indian power sector with international companies acquiring stakes in power projects in the country. In some instances promoters have sold assets with a view to servicing their loan obligation. The sale of two hydro power projects by the Jaypee Group is a case in point.



All women's bank to open three branches in northeast India

Bhartiya Mahila Bank (BMB) - India's first all-women bank – will open three more branches in three capital cities of the northeastern states. The government-owned bank that was launched Nov. 19 last year has set up its northeast India's first branch in Assam's main city Guwahati last year.

BMB chairman and managing director Usha Ananthasubramanian would set up the region's second branch in Agartala.



Reserve Bank eases foreign portfolio investment norms

The Reserve Bank of India, on March 25, simplified foreign portfolio investment norms by putting in place an easier registration process and operating framework with an aim to attract inflows.



Sugar output seen jumping as subsidy boosts exports

Sugar output in India, the world's largest producer after Brazil, is set to climb for the first time in three years as a subsidy for raw exports and abundant dam water spur farmers to increase planting. Production may gain 5 percent to 25 million metric tons in the harvesting season starting October 1, said M G Joshi, managing director of the National Federation of Cooperative Sugar Factories Ltd., which accounts for 48 percent of the national output. The area under the crop will increase in Uttar Pradesh and Maharashtra, the biggest growers, he said.



India's spice exports surge 41% during April-Dec 2013

Riding on the excellent export performance of mint, chilli and seed spices, India's spice exports has registered a 41 per cent growth in terms of rupee value during April-December 2013. The period witnessed a total export of 57,1680 tonnes of spices and spice products valued 9,433 crore as against 44,9926 tonnes valued at 6,696 crore during April-December 2012. An increase of 27 per cent has been registered, both in terms of volume and dollar value.



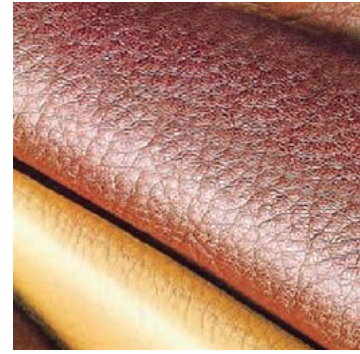
Auto parts exports from India up 4.4 pct at USD 9.7 bn in 2013

At a time when the Indian auto industry is reeling under a prolonged slump, the component makers have something to cheer as exports grew by 4.4 per cent to touch USD 9.69 billion in 2013. Despite a decline in import by five per cent to USD 12.70 billion last year, the country remained a net importer of components, according to latest data issued by Automotive Component Manufacturers Association of India (ACMA). Commenting on the rise in exports, ACMA Executive Director Vinnie Mehta told PTI: "80 per cent of our exports are to global original equipment manufacturers (OEMs) and tier I companies. Growing credibility of domestic component makers have led to many global companies setting up their sourcing centres in India." There are 35-40 international purchasing offices set up by various global entities in India now, he added. The US remains India's biggest component export market but shipments to the country were down 7.1 per cent last year at USD 1.98 billion. Exports to Germany, the second largest market, registered 8.6 per cent increase at USD 780 million, while it was up 3.6 per cent to the UK, the third largest, at 580 million.



Leather exports up 17.5% in April-Jan

Leather exports from the country have increased by 17.5 per cent during the April- January period of this fiscal against the comparable period of the 2012-13 financial year, according to data from the Directorate General of Commercial Intelligence & Statistics. Shipments increased to \$4,861.29 million (29,301.6 crore) against \$4,138.13 million (22,542.74 crore), bolstered chiefly by leather footwear exports which contributed an increase of \$244.53 million. Germany kept its position as the top importer, buying 13.09 per cent of the goods exported, while the US and the UK bought close to 11.5 per cent each.



India Inc expects economy to grow at 5.5 percent next fiscal

The Federation of Indian Chambers of Commerce and Industry (FICCI) on March 30 said a survey by it pointed to improved economic growth in the next fiscal. "The GDP growth for the year 2014-15 is projected at 5.5 percent. The participating economists expect the industrial sector to also recover in the next fiscal with an estimated growth of 3.3 percent," the industry chamber said in a statement. Agriculture and services sector growth in the next financial year is pegged at 3.3 percent and 7 per cent, respectively, according to FICCI's 'Economic Outlook Survey'. It also estimates that growth in the fourth quarter of the current fiscal will pick up marginally to five percent. "However, this might imply that actual growth in the year 2013-14 will be slightly lower than the growth of 4.9 percent projected by the Central Statistical Organization some time back," the chamber said.



India set to grow at 5.4 percent in 2014: IMF

The International Monetary Fund (IMF) has projected India's growth to recover from 4.4 percent in 2013 to 5.4 percent in 2014 and strengthen to 6.4 percent next year, essentially unchanged from its forecast in January. These projections are based on the assumption that government efforts to revive investment growth succeed and export growth strengthens after the recent rupee depreciation, the multilateral finance institution said in the April 2014 World Economic Outlook (WEO). India's growth recovery is supported by slightly stronger global growth, improving export competitiveness, and implementation of recently approved investment projects, it said. A pick-up in exports in recent months and measures to curb gold imports have contributed to lowering the current account deficit, IMF said. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. "Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions, but will remain below trend," IMF said. "Consumer price inflation is expected to remain an



important challenge, but should continue to move onto a downward trajectory," the WEO said. In a number of economies, including Brazil, India, and Indonesia, inflation pressure continues and could be reinforced by currency depreciation since mid-2013, IMF said. In India, further tightening of the monetary stance might be needed for a durable reduction in inflation and inflation expectations.

India's forex reserves rise to \$306.64 bn

India's foreign exchange (forex) reserves increased by \$2.97 billion to \$306.64 billion for the week ended April 4, Reserve Bank of India (RBI) data showed. The forex reserves have soared past \$300 billion mark for the first time since December 2011. This is the sixth consecutive week of increase in the country's forex reserves as overseas investors poured in money in local bonds and stock markets. The forex reserves had risen by \$5.03 billion and \$1.34 billion in the previous two weeks. According to the RBI's weekly statistical supplement, foreign currency assets, the biggest component of the forex reserves, rose by \$2.39 billion to \$278.80 billion.



India's overseas investment doubles in March :

Overseas direct investment by Indian companies more than doubled to \$5.23 billion in March 2014 as compared to same month last year. The overseas FDI by companies was at \$2.16 billion in March 2013, the RBI data showed. The investments or financial commitments in form of equities, loans and guarantees were at \$2.91 billion, \$418.72 million and \$1.91 billion respectively during the month. Reliance Energy Generation & Distribution, issued guarantee

India becomes net steel exporter after 6 years

India became net steel exporter in 2013-14 after a gap of six years and is likely to maintain the momentum in 2014-15 as producers are looking to dock more overseas shipment to tide over subdued domestic consumption. Total steel exports by India during the last fiscal stood at 5.59 million tonnes (MT), as against imports of 5.44 MT, Joint Plant Committee (JPC), a unit of the steel ministry, said in a report. India, now the world's fourth largest steel maker, had been a net steel importer since 2007-08 and the trend continued till 2012-13 with 7.9 MT of imports and 5.2 MT of exports. Before 2007-08, India's exports were more than its imports.



Exports up 3.98% to \$312.35bn in 2013-14

India's exports grew by 3.98 per cent to \$312.35 billion in FY 2013-14 while imports dipped by 8.11 per cent during the period. Imports declined to USD 450.94 billion, narrowing the trade deficit to USD 138.59 billion in the last fiscal. In FY 2012-13,



trade deficit stood at USD 190.33 billion. However, in March exports contracted by 3.15 per cent to USD 29.57 billion and imports fell by 2.11 per cent to USD 40 billion as compared to the same period last year.

ETA will help boost tourism in India: Tourism Secretary

The move to grant in principle approval for Electronic Travel Authorisation (ETA) to travellers from 180 countries to India will boost tourism in the country, Tourism Secretary Parvez Dewan said on April 8. "Travelling to India will be made easy once the ETA to visit the country becomes operational," he said. ETA, which will allow foreign travellers to apply for a visa from home and receive an online confirmation in five working days, is



expected to become operational by October. Barring eight prior reference countries, which include Pakistan, Afghanistan, Iran, Iraq, Somalia, Sudan, Nigeria and Sri Lanka, government has decided to give e-visa to all the 180 countries. Mr. Dewan added that during the past year, India had considerably relaxed its visa regime and expanded the Visa-on-Arrival (VoA) scheme. India launched the VoA scheme in January 2010 for citizens of five countries – Finland, Japan, Luxembourg, New Zealand and Singapore — visiting India for tourism purposes. The scheme was later extended to six more countries in January 2011. Further, the secretary said that a dedicated helpline for inbound tourists will be launched in a year. "Tourism Infoline in 12 languages will become operational in about a year," he said. The Infoline – a dedicated call centre -- will provide information regarding tourist-related facilities and services available in the country.

India tops global remittances at \$70 billion

India received foreign exchange remittances worth \$70 billion in 2013 from its migratory workforce to retain the top spot in the world amid a broad slowdown caused by regulatory hindrances on both movement of people and capital. China (\$60 billion), the Philippines (\$25 billion), Mexico (\$22 billion), Nigeria (\$21 billion), Egypt (\$17 billion), Pakistan (\$15 billion), Bangladesh (\$14 billion), Vietnam (\$11 billion) and Ukraine (\$10 billion), rounded up the Top 10 remittance recipient nations, according to a World Bank report released on April 11. The report, an annual World Bank exercise that underscores the point that remittances are an important source of foreign exchange often surpassing earnings from major exports, said India's \$70 billion in remittance receipts in 2013 was "more than the \$65 billion earned from the country's flagship software services exports".



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