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INDIA DIGEST

A Newsletter from Embassy of India, Paramaribo



Modi stresses on financial and geographical inclusion

Prime Minister Narendra Modi asked the Reserve Bank of India (RBI) on April 3 to prepare a 20-year roadmap on financial inclusion to mark its 100th anniversary in 2035, and said geographical inclusion must also be addressed to bridge the east-west divide.

"Why don't you have a target for 100 years - to reach banking services and beyond to each and every household?" the prime Minister posed at an event here to mark 80 years of India's central bank, which was established on April 1, 1935.



"Eighty years is an important event for us in India," he said, adding that it marks the witnessing of 1,000 full moons during that time. "I'm sure when you celebrate your 100th anniversary 20 years from now, you would not have disappointed the country."

He said the other milestones for financial inclusion could be the 150th birth anniversary of Mahatma Gandhi in 2019, the 75th year of Indian Independence in 2022, and the RBI's own 90th anniversary in 2025.

Source: Indo-Asian News Service

Defence to give \$250 bn business in 7-8 years: Government

India's defence sector is expected to provide business opportunities worth \$250 billion in the next seven to eight years, a senior industry ministry official said on March 30.

If India is going to import \$140 billion of defence equipment in the next seven years and homeland security is going to need another \$110 billion, this would spell "\$250 billion worth of business in the next seven to eight years", said Amitabh Kant, secretary, department of industrial policy and promotion (DIPP).



"How quickly we can transform ourselves into a defence manufacturing country is a key challenge to India,"

"We have opened up defence, railways, insurance and medical devices. Other than multi-brand retail, India is the most open economy of the world today. How quickly we can use our defence manufacturing sector. That is a huge area for growth in the future," he added.

Source: Indo-Asian News Service

India to sign international agreement on dry ports

The union cabinet on March 31 gave the nod to the signing and ratifying of an inter-Governmental agreement on dry ports that will facilitate and expand international goods transport.

The decision was taken by the union cabinet under the chairmanship of Prime Minister Narendra Modi. The approval was given for "signing and ratifying of the inter-Governmental agreement on dry ports of international importance", an official statement said.



To be signed at the UN headquarters in New York, the agreement is a follow up of the resolution of the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) regarding development of dry ports within its member countries, including India.

"This current agreement promotes international recognition of dry ports, facilitates investment in infrastructure, improves operational efficiency of inter modal transport services, establishes guiding principles for development and operation of dry ports and enhances the environmental sustainability of freight transport," the statement said.

The agreement will help in connectivity and integration of the Asian highway network, the trans-Asian railways network and other modes by working towards development of dry ports.

"There is need to promote and develop an international integrated intermodal transport and logistics system in Asia with its neighbouring regions. The agreement will facilitate and expand international goods transport as a consequence of growing international trade in the region," the statement said.

The agreement will also strengthen connectivity and seamless international movement of goods, facilitate increased efficiency and reduce cost of transport and logistics as well as extend reach to inland areas and wider hinterlands.

Source: Indo-Asian News Service

Automobile sales mark healthy growth in 2014-15

Despite high fuel and interest costs, automobile manufacturers closed 2014-15 on a positive note with major companies reporting sales growth during the fiscal ended March 31. Total sales of India's largest passenger car manufacturer Maruti Suzuki grew by 11.9 in 2014-15 and stood at 1,292,415 units from 1,155,041 units sold in the previous fiscal. The company's domestic sales during the year grew at 11.1 percent at 1,170,702 units from 1,053,689 units in 2013-14. Exports during the period under review zoomed by 20.1 percent at 121,713 units from 101,352 units shipped out in 2013-14.



Source: Indo-Asian News Service

India's forex reserves increase by \$1.4 bn

India's foreign exchange reserves increased by \$1.38 billion to \$341.37 billion for the week ended March 27, the Reserve Bank of India (RBI) data showed on April 3.

Source: Indo-Asian News Service



PepsiCo inaugurates green-field manufacturing facility in AP

Global beverages company PepsiCo on April 3 inaugurated its new manufacturing facility at Sri City industrial park in Chittoor district of Andhra Pradesh's. PepsiCo chairperson and CEO Indra Nooyi and Andhra Pradesh chief Minister N Chandrababu Naidu took part in the event.

The plant was built at an initial investment of Rs 500 crore (US\$ 78.358).



The facility will be expanded in phases, entailing a total investment of Rs 1,200 crore (US\$ 188.058). Upon completion, it is set to become PepsiCo's largest manufacturing facility in India.

"For the past 25 years, PepsiCo has been investing in the Indian economy and its people. As we move forward into our next 25 years, that commitment is stronger than ever. This plant is an investment in India's bright future," said Nooyi.

Spread across 86 acres, the first line of the plant started manufacturing on Friday. When it becomes fully operational, it would benefit nearly 33,000 farmers thanks to local sourcing of mangoes and other fruits, Nooyi said.

Speaking on the occasion, Naidu said local sourcing of mangoes would immensely benefit the region economically.

Complimenting the Sri City management for attracting dozens of companies to set up shop there, Naidu said it could become India's largest industrial park in 10 years.

The PepsiCo plant will manufacture fruit juice-based drinks, carbonated soft drinks, and sports drinks, among other beverages.

PepsiCo has deployed state-of-the-art technologies with an emphasis on production efficiencies, environment protection and safety.

The plant will be PepsiCo's most water-efficient beverage plant in India and the firm aims to procure LEED certification for this facility, company officials said.

LEED, or Leadership in Energy & Environmental Design, is a set of rating systems for the design, construction, operation, and maintenance of green buildings, homes and neighborhoods. It is developed by the US Green Building Council.

Source: Business Standard

India's new trade policy merges all export schemes into two

With Prime Minister Narendra Modi's "Make in India" initiative in the backdrop and a target of raising India's exports to \$900 billion by 2020, a new five-year Foreign Trade Policy was unveiled on April 1 that recasts all external commerce programmes into two schemes.

"The new five-year Foreign Trade Policy, 2015-20 provides a framework for increasing exports of goods and services, as well as generation of employment and increasing value addition in the country, in keeping with the "Make in India" vision of the prime Minister," Commerce Minister Nirmala Sitharaman said.

"The focus of the new policy is to support both the manufacturing and services sectors, with a special emphasis on improving the ease of doing business," she said during the unveiling of the new policy at the Vigyan Bhavan here.

In its blueprint for enhancing exports, she said, the Government has now merged all the earlier export promotion projects under two plans - the Merchandise Exports from India Scheme (MEIS) and the Served from India scheme (SFIS) for services exporters.



Highlights of Foreign Trade Policy 2015-20:

- * Increase exports to \$900 billion by 2019-20, from \$466 billion in 2013-14
- * Old promotion schemes subsumed under two schemes - "Merchandise Exports from India Scheme (MEIS)" and "Services Exports from India Scheme (SEIS)".
- * Higher level of rewards under MEIS for export items with high domestic content and value addition.
- * Incentives extended to units located in special economic zones (SEZs).
- * Export obligation reduced to 75 percent to promote domestic capital goods manufacturing.
- * Duty credit scrips made freely transferable and usable for payment of custom duty, excise duty and service tax.
- * Mainstreaming of state Governments and various ministries in formulating FTP
- * FTP will be reviewed after two-and-a-half years.
- * Agricultural and village industry products would be supported across the globe at the rates of 3 percent and 5 percent.
- * Focus on defence, pharma, environment-friendly products and value-added exports.

Source: Indo-Asian News Service

New FTP to nudge domestic procurement

The new five-year foreign trade policy (FTP) unveiled here on April 1 will nudge procurement of capital goods from indigenous manufacturers under the Export Promotion Capital Goods (EPCG) scheme by reducing specific export obligation to 75 percent of the normal export obligation.

The new FTP was unveiled by Union Minister of Commerce and Industry Nirmala Sitharaman.

According to the Government, this will promote the domestic capital goods manufacturing industry. Such flexibility will help exporters develop their productive capacities for both local and global consumption.

Measures have also been taken to boost to exports of defence and hi-tech items.

At the same time e-Commerce exports of handloom products, books/periodicals, leather footwear, toys and customized fashion garments through courier or foreign post office would also be able to get benefit of Merchandise Exports from India Scheme (MEIS) (for values upto Rs.25,000).

Source: Indo-Asian News Service



Indian Inc. welcomes new foreign trade policy

India Inc. on April 1 welcomed the slew of measures announced by the Government in its new five-year foreign trade policy.

The new policy focuses on simplifying old schemes and procedures under one streamlined policy structure.



India Inc. noted that the positive measures like facilitation and enhancing the ease of doing business as mentioned under policy statement as the major focus areas.

Hailing it as a path-breaking policy, Federation of Indian Export Organisations (FIEO) said the new policy recognises the global challenges faced by the export sector and also identifies the sectors which could emerge as winners in the next five years.

Source: Indo-Asian News Service

Time to conclude free trade agreement, India tells EU

The Indian Government on April 2 urged the European Union to conclude negotiations on a bilateral free trade agreement, saying the parties have arrived at the point of compromise that could be upset if EU became over-ambitious.

"What is the point at which EU will feel satisfied? In our perspective, we have already arrived at that point and EU should feel satisfied. If EU has more ambitions, which it believes should be satisfied now, we might have some reservations," Commerce Secretary Rajeev Kher said at a seminar here on the Foreign Trade Policy organised by industry chamber FICCI.



"We have not spoken for some time now in a formal sense. Informally, we have been getting messages through public announcements that EU is interested in taking up the process forward. This has been said on our side that we find it very interesting to pursue India-EU BTIA," he added.

Negotiations on the FTA, officially dubbed the Broad-based Trade and Investment Agreement (BTIA), between India and the 28-nation EU, were launched in June 2007 but have been facing hurdles with differences between both sides on crucial issues.

Besides demanding major duty cuts for exporting automobiles to India, the EU wants tax reduction in wines, spirits and dairy products as well as a strong intellectual property rights (IPR) regime in the country.

However, the Indian automobiles industry has raised an alarm over the sector being included in the FTA, claiming it will kill investments and technology flow into the country, resulting in under-achievement of the Government's automotive mission plan.

Source: Indo-Asian News Service

Govt makes e-tendering must for larger orders by oil PSUs

In order to prevent anomalies in awarding contracts, the ministry of petroleum and natural gas has made it mandatory for companies under its ambit to opt for e-tendering for orders above specified thresholds.

The Government's move is seen to bring in transparency in procurement of PSUs.



In the past, several projects of oil companies faced inordinate delays because of conflicts claims and counter claims by contractors, delay in material supply and additional cost claims by contractors.

For the oil marketing companies such as IOC, BPCL and HPCL, e-tendering would be mandatory for purchases worth Rs 5 lakh and above. The limit would be lowered to Rs 2 lakhs and above from April 1, 2016," an official privy to the latest norms told FE.

At the same time, the limit would be Rs 10 lakh (US\$ 15,625) and above for ONGC and Oil India, which would be lowered to Rs 5 lakh (US\$ 7,812) and above from April 1, 2016, he added.

The department of expenditure has already set a limit of Rs 10 lakh (US\$ 15,625) and above for e-procurement for all ministries and Government departments. This limit would be brought down to Rs 5 lakh (US\$ 7,812) and above from April 1, 2016.

Source: The Financial Express

Oil marketing companies' profit to double in 2 years

Heydays are back for India's largest public sector oil marketing companies namely Indian Oil (IOC), Bharat Petroleum (BPCL) and Hindustan Petroleum (HPCL).

While falling global crude oil prices had led to a sharp fall in under-recoveries on retail fuels like diesel and LPG - petrol price was decontrolled in June 2010, and diesel in 2014 - margins in the fuel marketing business are expected to rise, providing a boost to EBITDA of these oil marketing companies (OMCs).



India continues to be second most economically confident nation: Study

India continues to be the second most economically confident nation globally on the back of improved performance by industry and services sector, according to a report by global research firm Ipsos.

According to the “Ipsos Economic Pulse of the World” study, Saudi Arabia (94%) solidified its position at the top of the national economic assessment in February 2015, followed by India (80%), Germany (76%), Sweden (73%), China (71%), and Egypt (61%).

The lowest average global economic assessment this month is in Italy (8%). Close behind are France (10%), Brazil (12%), Spain (12%), South Korea (13%) and Hungary (16%).

One in two (50%) Indians believe that the local economy which impacts their personal finance is good, a sharp drop of 5 points.

Indians are very hopeful that Narendra Modi-led NDA Government will continue making progress on its domestic reforms agenda and encourage investments that will trigger economic growth and create more jobs; with more than six in ten (64%) people expecting that the economy in their local area will be stronger in next six months, a rise of 2 points making India the most optimistic country globally.

Source: The Hindu Business Line

India a land of peace, asking for UNSC seat as its right: Modi

Prime Minister Narendra Modi made a strong pitch for India to be given a seat in the UN Security Council, saying that India, the land of the Buddha and Mahatma Gandhi - a land of peace - is asking for its rights to be given a permanent seat in the UN Security Council.

Addressing an enthusiastic civic reception by the Indian community on April 11 evening, Modi also reached out to the Diaspora, including to those living in the French territories of Guadeloupe, Reunion Islands and St Martin.

"India is a country that is for peace, and helps bring peace to the world, and yet we are struggling to get a seat in the UNSC," he said, to loud cheers from the packed audience at the Carrousel du Louvre here.

Modi said that this is the centenary year of World War I, and India gave 14 lakh jawans to fight in a war that was not its, and lost 75,000 men. He said 11 of them won the Victoria Cross for their valour.



He said India is the largest contributor to the UN peacekeeping force and the Indian soldiers are known for their discipline, valour, intelligence.

Source: Indo-Asian News Service

India to buy 36 Rafale jets in fly-away condition: Modi

A breakthrough in the much delayed process of buying Rafale jets was reached on April 10 as Prime Minister Narendra Modi announced India will buy 36 Rafale jets from France in fly-away condition soon, citing "critical operational necessity".



The decision is among the several agreements reached between the two countries after his meeting with French President Francois Hollande here. "Keeping in view the critical operational necessity of fighter aircrafts in India, I have spoken with the (French) president for buying 36 Rafale jets in flyaway condition as soon as possible," Modi said while addressing the media jointly with the French president. Modi said these jets will be bought under an agreement between the two governments.

Source: Indo-Asian News Service

Moved with speed, boldness to create stable economic environment: Modi

Saying that the Make in India lion was a "symbol of new India" and a "national movement", Prime Minister Narendra Modi on April 12 told the Hannover Messe audience that his government has moved "with speed, resolve and boldness" to create a stable economic environment, including by opening up FDI in insurance, defence and railways, building a stable tax regime and assured protection of Intellectual Property.



In his inaugural address at the Hannover Messe, the world's largest trade fair in which India is the partner country, Modi said, with German Chancellor Angela Merkel listening keenly that all the credit rating agencies have spoken "in one voice of optimism about India. We know that the wind is blowing in the right direction, and it has made us the fastest growing economy in the world."

He said that in this time of political instability and economic challenges and with threats of violence, "India will do its part as an anchor of economic stability, an engine for growth, and, as a force of peace and stability in the world."

He said the government has set up a National Infrastructure and Investment Fund and a new institution for integrated development of the infrastructure sector. He said the government has set a target of 175 Giga Watts of new capacity for renewable and clean energy in the next seven years.

Source: Indo-Asian News Service

Modi launches bank for small firms with Rs.20,000 crore (US\$ 3167.56 million) corpus

Prime Minister Narendra Modi on April 8 launched a bank with a corpus of Rs.20,000 crore (US\$ 3167.56 million) to extend credit of up to Rs.10 lakh to small businesses and regulate micro-finance institutions, to promote their growth, add to the country's output and create jobs.

The move is aimed at benefiting some 58 million small businesses in the country, who account for a mere four percent of institutional funding, despite employing over 120 million people, many from unprivileged strata of society, the officials said.



"After 'banking the un-banked' with the Jan Dhan Yojana, it's time to 'fund the unfunded'," the prime minister said at an event to launch what is called Micro Units Development and Refinance Agency - Mudra.

"Mudra is our innovation of funding the unfunded," the prime minister said.

"Millions of common men and women in this country, who run small businesses, have almost remained outside the net of formal institutional finance, in spite of their large contributions to the economy," he said at the event, attended, among others by Finance Minister Arun Jaitley.

Source: Indo-Asian News Service

Reserve Bank leaves policy rates, reserve ratios unchanged

The Reserve Bank of India (RBI) on April 7 made it clear that it will cut interest rates further only if it sees more robust containment of prices and commercial banks lowering the cost of housing, auto and corporate loans.

RBI Governor Raghuram Rajan, who conducted the first bi-monthly review of the monetary policy for the current fiscal year, decided to retain the repurchase rate, the reverse repurchase rate, the cash reserve ratio and the statutory ratio at existing levels.



He also projected a 7.8 percent growth for the current fiscal year, subject to a normal monsoon - over which the RBI was worried - as also an inflation rate of 5.8 percent by the end of the year, after easing to around 4 percent by August.

Source: Indo-Asian News Service

Jaitley promises better as Moody's turns positive on India

Sixteen months after it warned of a downgrade, ratings agency Moody's on Thursday raised its outlook on India to positive, hoping for further steps from the Narendra Modi government to push growth. The finance ministry said this was significant and promised more.

"India has grown faster than similarly-rated peers over the last decade due to favourable demographics, economic diversity, as well as high savings and investment rates," Moody's Investors Service said, adding this will keep the country's economic expansion on track.

"Moody's decision to revise the ratings outlook to positive from stable is based on its view that there is an increasing probability that actions by policy-makers will enhance the country's economic strength and, in turn, the sovereign's financial strength over coming years."

Source: Indo-Asian News Service



India, Canada ink uranium deal

Turning a new chapter in its relationship with Canada, India on April 15 clinched a multi-million-dollar deal for uranium to power its civilian nuclear programme for five years and also inked 13 agreements on skill development as Prime Minister Narendra Modi after talks with Prime Minister Stephen Harper sought Canada's "cooperation and investment in every area of India's national development priority".



Modi said Canada has the potential to be a partner in India's economic transformation and assured a "new environment in India, which is open, predictable, stable and easy to do business in".

The highlight of the agreements was the \$350-million uranium deal that was signed by Cameco and the Atomic Energy Commission of India in the presence of Modi and Harper. It marked a new chapter in India's ties with Canada, which had imposed sanctions on India after its nuclear tests.

Source: Indo-Asian News Service

Modi seeks strong partnership between Indian Lion, German Eagle

Prime Minister Narendra Modi on April 14 wooed German business, assuring an open and stable environment in India to give a fillip to his 'Make in India' initiative, and said there could be a strong partnership between India's Lion and Germany's Eagle.



Modi also pushed for UNSC permanent membership for both countries, saying they have “earned the right”.

Addressing the media after talks with German Chancellor Angela Merkel, he said “I believe that there will be a strong partnership between the King of the Earth, Lion and the King of the Skies, the Eagle.”

“My objective of coming to Germany was not only to invite the German industry to India, but to assure them that they would find an open and stable environment, which would be easy to do business in; and that they will have my full support to invest and work in India,” he said.

Source: Indo-Asian News Service

India is better country today for foreign investors: Modi

Prime Minister Narendra Modi, who has invited global companies to invest in India, continued his pitch at the grand industrial fair here on April 13, this time listing what exactly makes the country an attractive destination.

Inaugurating the India Pavilion and a business summit at Hannover Messe with German Chancellor Angela Merkel, Modi said the 10 months of his government has put an end to the retrospective tax regime, eased the regulatory environment, fast-tracked approvals and encouraged innovation and entrepreneurship.



“All this is a historic opportunity for German companies. You would already be knowing the direction of my government and the steps we are taking. We have committed ourselves for creating and improving the business environment.

“I can assure you that once you decide to be in India, we are confident to make you comfortable.

“You will be able to see for yourself the winds of change in India. We are very keen to develop the sectors where you are strong. We need your involvement. The scope and potential, the breadth and length of infrastructure and related developments is very huge in India.”

India is the partner country this year at the world’s largest industrial fair here.

“Indo-German partnership should and will flourish. Participation at Hannover Messe will be beneficial for both sides,” the prime minister said.

Hannover Messe, which exists since 1947, normally has around 6,000 exhibitors and about 200,000 visitors over a one week period.

At the inaugural, India showcased its ‘Make In India’ prowess, which left the German chancellor rather impressed.

"I've never seen a vibrant show like this. It brought alive India's civilization, culture and technology," Merkel told Modi as they walked around the India Pavilion.

Germany is the eighth-largest foreign direct investor in India. German FDI in India during the period 1991-2014 was valued at \$7.57 billion.

Germany is also India's largest trading partner in the European Union, with bilateral trade amounting to some 16 billion Euros in 2014.

Source: Indo-Asian News Service

World Bank pegs India's growth at 8 percent next fiscal

The World Bank has forecast India's growth accelerating to 8 percent in the next fiscal and said the country is well-placed in a region that has not only logged the highest economic expansion but would benefit the most from cheaper oil bill.

According to the bank's South Asia Economic Focus report, which is released twice a year, the exports sector in the region remains a cause for worry, even as the lower oil import bill should trigger a complete revamp of fuel subsidy regime. The new projections come soon after host of agencies and organisations expressing renewed confidence on the Indian economy. International credit rating major Moody's revised India's sovereign ratings outlook to positive from stable, while Fitch reaffirmed its stable outlook on India.



The think-tank of rich nations, the Organisation for Economic Cooperation and Development (OECD), also endorsed high growth prospects for India. Similarly, the Asian Development Bank (ADB) has also projected the country's growth at 7.8 percent in 2015-16 and at 8.2 percent in 2016-17.

Source: Indo-Asian News Service

India assures foreign investors of a modern tax regime

India's Finance Minister Arun Jaitley has assured foreign investors that the government of Prime Minister Narendra Modi was working on a more modern tax regime as part of ongoing reforms to increase investment and reduce regulations to realise double-digit growth.



"In order to realise double-digit growth we need to undertake a number of reforms to increase investment and reduce burdensome regulations. Key among them are taxes," Jaitley said in a speech at the Peterson Institute for International Economics in Washington.

Spelling out a tax vision for India at the leading think tank on international economic issues, Jaitley said he believed that with the reforms underway in India, “we are well on our way to having one of the more modern tax systems in the world.” Noting that India, “one of the bright spots in the economy”, is attracting the attention of investors and policymakers around the world because of its rising growth prospects, he acknowledged investors’ concerns about tax related issues. Outlining various reforms undertaken by the Modi government, Jaitley said, “Fundamentally we have restored faith in government and its ability to push the Indian economy toward the path of sustained double-digit growth.”

Source: Indo-Asian News Service

Modi pitches for Canadian investment, connects with diaspora

Prime Minister Narendra Modi on April 16 pitched for investments for India as he met Canadian bankers and pension fund managers, winding up his three-nation tour before flying back home on April 17.

The Canadian businesspeople conveyed to Modi that demand to do business with India has gone up exponentially and India was now on top of their list.

Canada is the last leg of Modi’s three-nation tour, during which he has pushed the ambitious “Make in India” initiative and signed several agreements, including a deal on the supply of uranium to power India’s civilian nuclear programme. In the Canadian capital Ottawa, India’s National Skill Development Corporation (NSDC) on Wednesday signed 13 memoranda of understanding with 12 Canadian educational institutions, including nine colleges, NSDC said in a statement.

Source: Indo-Asian News Service

Now Moody’s, Economist project higher growth for India

The bullish projections for the Indian economy continue. A week after it revised its outlook on India to positive from stable, global ratings major Moody’s pegged the country’s growth at 7.5 percent for 2015, while the Economist Intelligence Unit said a 7.1 percent expansion will be sustained over the next four years.

“India’s economy is on a cyclical upswing. Forward looking indicators suggest domestic demand is gathering momentum,” said Faraz Syed, associate economist, Moody’s Analytics, on Friday.

According to the ratings agency, low inflation rate has enabled the Reserve Bank of India (RBI) to cut interest rates by 50 basis points in early 2015 which has helped in easing pressure on the private sector. “Lower rates as well as the government’s infrastructure and disinvestment programs should provide a boost to domestic-oriented industries,” said Syed.



The RBI had cut its repurchase rate by 25 basis points on January 15 and on March 4.

However, RBI Governor Raghuram Rajan, who conducted the first bi-monthly review of the monetary policy for the current fiscal year on April 7, decided to retain the policy rates.

The RBI made it clear that it will cut interest rates further only if it sees more robust containment of prices and commercial banks lowering the cost of housing, auto and corporate loans.

“Since most banks didn’t reduce their lending rates until recently, the full impact of the rate cuts will probably be felt in the second half of 2015. Thus, consumer spending likely will get a bigger boost later this year,” Syed said.

Rajan has projected a 7.8 percent growth for the current fiscal year, subject to a normal monsoon.

The Economist Intelligence Unit’s (EIU) latest global forecast has pegged India’s growth annual growth to clock 7.1 percent over the next four years. It said that the Indian economy is strengthening, off the back of lower oil prices, which has eased structural problems with high inflation.

Source: Indo-Asian News Service

India to see investment, consumption powered growth: IMF

Growth is expected to pick up in India due to increased investment and consumption but the country needs to tackle land acquisition issues and poor bank credit growth for it to live up to the expectations of being the ‘new bright spot’ in Asia, the International Monetary Fund (IMF) said on April 17.

India’s growth is likely to strengthen to 7.5% in 2015 and 2016 (from 7.2% in 2014), benefitting from recent policy reform announcements and lower oil prices (India, being a net oil importer), Changyong Rhee, IMF’s director of the Asia Pacific department said. He added that early implementation of the reforms will reinforce confidence and increase potential growth.

Source: The Financial Express



Brocade investing \$300 million in India for tech innovations

US-based networking products’ major Brocade Communications Systems on April 15 announced an additional investment of \$300 million (Rs.1,870 crore) in India over the next five years for innovations in the technology hub here.

“We will invest \$300 million in India over the next five years for new IP-based (intellectual property) innovations in networking space from our new development centre here,” Brocade CEO Lloyd Carney told reporters.



The networking solutions of the \$2.23-billion Silicon Valley firm help global telcos and enterprises provide a range of communication services worldwide.

“We will also showcase proofs-of-concept and pilot projects for customers and partners at the centre, where networking innovations will be developed based on the new IP architecture,” Carney said on the occasion.

Asserting that India was the ideal test bed for the new IP architecture, as enterprises and services providers were receptive to open standards, Carney said his customers were well-positioned to leap directly to the new IP technologies over proprietary, legacy networking equipment.

“Besides developing next-generation networking solutions, this centre will, with our partners, networking industry and thought leaders across the country, offer our products to new verticals such as banking and finance, education, media and state-run enterprises,” Carney added.

Source: Indo-Asian News Service

Dubai delegation visits India to boost India-UAE ties

Aiming to strengthen trade partnership between India and the UAE, a high-profile delegation from Dubai visited Mumbai to explore and identify new investment opportunities to boost economic ties between the two nations.

The delegation from Dubai International Financial Centre (DIFC), a federal financial free zone, conducted a series of presentations and discussions in the city with the objective of introducing and elaborating on Dubai’s potential as a competitive business destination.



“The historic economic cooperation between the UAE and India serves as a strong foundation for our two countries to strengthen ties in areas of mutual interest,” said Shah, Chief Strategy and Business Development Officer of DIFC Authority.

Source: Press Trust of India

Google, Facebook, Twitter to gain from growth of eCommerce in India: UBS

Logistics infrastructure constraints and low credit card penetration have been unable to slow the rising pace of eCommerce in India. According to reports, the Internet & Mobile Association of India (IAMAI) estimates the Indian eCommerce market to be currently worth \$16 billion.



Source: Business Standard

Four Indians among Time's most influential people

Prime Minister Narendra Modi and three others of Indian origin figure in the Time magazine's list of 100 most influential people in the world.

Besides Modi, others are Microsoft CEO Satya Nadella, ICICI CEO Chanda Kochhar and India's foremost mental health expert professor Vikram Patel.



Patel, who teaches at the London School of Hygiene and Tropical Medicine in the UK and heads an organization, Sangath, in Goa, has done seminal research on suicides in India.

Reacting to the achievement, he hoped that the Indian government would wake up to the serious shortage of programmes and experts to deal with mental health problems.

Source: The Times of India

Report on net neutrality by mid-May: Prasad

Amid a huge hue and cry in social media over net neutrality, Communications and IT Minister Ravi Shankar Prasad said on April 13 that a panel examining the issue will submit its report by the second week of May to help the government take a comprehensive decision on the contentious issue.

Net neutrality means that governments and internet service providers should treat all data on the internet equally - therefore, not charging users, content, platform, site, application or mode of communication differentially.



Prasad told media persons here that since internet is created by human beings, the common man should be having access to it without any discrimination.

The entire process of a committee of experts going into the pros and cons of the issue will benefit the government in making comprehensive decisions, he said.

"This is the reason we are doing it independent of TRAI (Telecom Regulatory Authority of India)," Prasad added.

The six-member panel, which will conduct the study and submit its report, has been set up the department of telecommunications (DoT).

Source: Indo-Asian News Service

India builds first smart city in Gujarat

India's push to accommodate a booming urban population and attract investment rests in large part with dozens of "smart" cities like the one being built on the dusty banks of the Sabarmati river in western India.

So far, it boasts modern underground infrastructure, two office blocks and not much else.

The plan, however, is for a meticulously planned metropolis complete with gleaming towers, drinking water on tap, automated waste collection and a dedicated power supply – luxuries to many Indians.



With an urban population set to rise by more than 400 million people to 814 million by 2050, India faces the kind of mass urbanisation only seen before in China, and many of its biggest cities are already bursting at the seams.

Ahead of his election last May, Prime Minister Narendra Modi promised 100 so-called smart cities by 2022 to help meet the rush.

At a cost of about \$1 trillion, according to estimates from consultants KPMG, the plan is also crucial to Modi's ambition of attracting investment while providing jobs for the million or more Indians who join the workforce every month.

His grand scheme, still a nebulous concept involving quality communications and infrastructure, is beginning to take shape outside Gandhinagar, capital of the state of Gujarat, with the first "smart" city the government hopes will provide a model for India's urban future.

Source: Reuters

Foreign companies see turnaround in India: CII DG Chandrajit Banerjee

Foreign companies see a "lot of turnaround" in India and a "lot of positive attitude" is building towards it, according to the Confederation of Indian Industry (CII) which held interactions with their counterparts of Germany and France over the last few days.

CII Director General Chandrajit Banerjee said the process of clearances in India has been streamlined and predictability has been brought about in taxes, setting the positive tone for foreign investments.



“We are seeing a positive attitude towards India. People are seeing a lot of turnaround stories. People are talking about how quickly they have been getting permissions and being facilitated to move fast on the ground in India,” he told PTI.

He based his observation on the interactions he and other Indian business leaders had with their counterparts in Germany and France, alongside the visit of Prime Minister Narendra Modi to these two countries.

Source: Press Trust of India

Success in 21st century will depend on innovation: Pranab

President Pranab Mukherjee said on April 17 that success in the 21st century will increasingly depend on innovation and competitive use of knowledge, and the IIMs should assume greater responsibility to mitigate problems concerning the society.



Speaking at the fourth annual convocation of Indian Institute of Management (IIMs), Raipur, the president said that education enriches lives, advances thinking, propagates new thought and enhances human capacity.

Given that knowledge will spur growth in the future, he said, “it is essential that we prepare a large pool of skilled and capable manpower who can drive rapid economic growth of our country and enable us to deal with poverty, deprivation and backwardness”.

He said that most prosperous nations and societies have built their economic success on “the foundation of a sound education system and rich culture of research”.

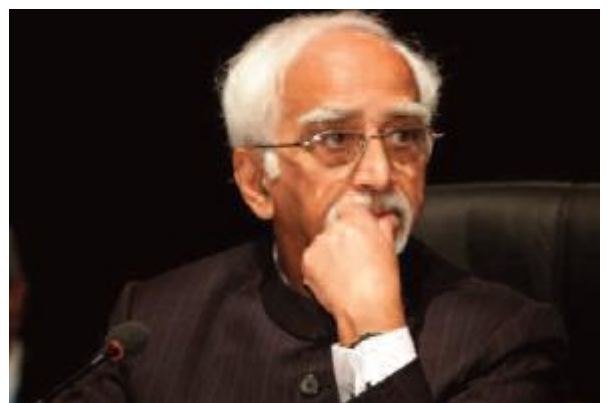
The president said success in the 21st century “will be increasingly dependent on innovation and the competitive use of knowledge”.

Source: Indo-Asian News Service

Bridge gap in skills for double-digit growth: Ansari

India has to bridge the gap in skilling its youth to enable the economy grow in double digits, Vice-President Hamid Ansari said on April 17.

“We have to focus on closing the gap of skilling the youth to attain a double digit growth in the coming years,” Ansari said at a conference on ‘Skilling India for Global Competitiveness’, organised by the PHD Chamber of Commerce and Industry here.



Calling for new policy initiatives to impart a new set of skills to the work force, Ansari said though a national skilling agenda was in place, it had to be tweaked for inducting right skills.

“When global integration is becoming faster, skills would play a critical role. We need a proactive approach for pursuing skills to make up for the lost time, as we have been only talking about skilling the work force,” he said in the valedictory address.

Source: Indo-Asian News Service

Hong Kong emerges as new hotspot for Indian exports

At a time when the World Trade Organisation has downgraded the global trade forecast from 4% to 3.3% for 2015, exports to Hong Kong could play a key role in fulfilling India’s ambitious aim to double outbound shipments to \$900 billion over the next five years.

With nearly 25 years since India unveiled the Look East policy for building strategic and economic relations with its neighbours, Hong Kong has emerged as the next big opportunity for exports. It is now not merely an entrepot or trade centre, but a consumer as well.

According to the commerce ministry, the country has jumped two ranks up in just five years, and is now the third largest market for Indian exports, after the US and UAE. Exports to Hong Kong jumped to \$10.96 billion in April 2014- January 2015 from \$6.65 billion in 2008-09.

Source: Hindustan Times



Aim to save 200 bn units of electricity in five years: Goyal

The government aims to bring down transmission losses to save 200 billion units, or 10 percent of the power consumption achieved, in the next five years, Power Minister Piyush Goyal said on April 13.

“As we increase our energy consumption from one trillion units to 2 trillion units, we will be looking at a saving of 200 billion units by bringing down transmission losses,” Goyal said at a conference here on India’s energy outlook, jointly organised by the Paris-based International Energy Agency and NITI Aayog, with support from energy think-tank TERI.

Goyal, who is also the minister of new and renewable energy, said the government also plans to scale up the contribution of renewable energy.



“We are looking at scaling up share of renewable energy to 15 percent of 2 trillion units envisaged in the next five years,” he said.

“As many as 60 billion units of renewable energy were produced last year. The effort is to scale it up to 300 billion units in the next 6-7 years, possibly advanced to five years,” Goyal added.

Source: Indo-Asian News Service

Clarks to double India sourcing to 15 m shoes

UK’s largest shoemaker Clarks plans to double the number of footwear sourced from India from 8 million to 15 million pairs. The company sources shoes worth \$700 million (Rs4,364 crore), which it plans to take to Rs10,000 crore in next three years. “In next 3-5 years, the target is to take it to 15 million pairs,” said S Ramprasad, CEO, Clarks Future Footwork.



Clarks sources shoes from Tamil Nadu factories. “These are large factories where there are Clarks’ sourcing lines,” said Ramprasad.

Clarks is not the only company to source products from here. India is a major sourcing destination for Adidas, Reebok, Nike and Puma, both for domestic and international operations.

Source: The Financial Express

Nestle-India to launch 145 new water, sanitation projects

Global food, nutrition and wellness giant Nestle will launch 145 new projects for better water and sanitation across various locations in the country this year.

Having spent around Rs.300 million (US\$ 4.70 million) last year under its 'Nestle in Society Initiatives' campaign, Nestle India plans to execute 145 new projects related to water and sanitation in 2015.



“The new projects will be in addition to the already ongoing projects under the Nestle in Society Initiatives. The current fiscal will witness almost a 50 percent increase in new projects compared to last year. In 2014, Nestle India added 100 new projects,” Sanjay Khajuria, senior vice president-corporate affairs, told IANS.

Source: Indo-Asian News Service

Indian seafood exports to the EU on the rise

Indian seafood exports to the European Union (EU) have been steadily growing from \$227 million in 2000-01 to \$805 million in 2011-12 and is expected to reach \$1.06 billion in 2014-15, according to Leena Nair, chairperson of Marine Products Export Development Authority of India (MPEDA).



Speaking at a luncheon event organised by the MPEDA on the sidelines of the Brussels seafood fair on April 22, she noted that among EU countries, Spain tops the list of importing Indian seafood products with \$188 million, followed by Belgium with \$187 million, Britain and Italy with \$128 million each and France with \$106 million.

"These are the four major buyers in the EU and trade with the EU has also been climbing up," said Nair. India exports today over 75,000 metric tonnes of shrimp to the EU and is the largest supplier of shrimp from non-European countries to the EU. Apart from shrimp, India is also one of the largest supplier of squid and cuttle fish to Europe, especially to Spain and Italy.

EU imported close to 44,000 MT of cuttle fish and 30,000 MT of squid from India this year.

Source: Indo-Asian News Service

Union Cabinet gives go ahead for shipping agreement with Jordan

The union cabinet on April 22 approved signing of a shipping agreement with Jordan.

"Recognising the significant mutual benefit that can be derived from cooperation in the area of shipping between India and Jordan, it has been decided to sign the agreement with a view to strengthening cooperation and to provide sustained mutual assistance and advice on merchant shipping and other related maritime matters," a release issued here said.



Signing of the agreement will help both countries in encouraging and facilitating development of their maritime relationship and cooperation in the task of enhancing and stimulating steady growth of maritime traffic.

The agreement will also help in exchange and training of staff and students from various maritime establishments, exchange of information necessary for accelerating and facilitating flow of commercial goods at sea and at ports, establishment of joint ventures in maritime transportation, shipbuilding and repairs,

maritime training, information technology, including development of simulators, port facilities and related activities, it added.

Source: Indo-Asian News Service

Godrej eyes sixfold increase in Africa business by 2020

The \$2.25-billion (Rs 13,500-crore) Godrej Group has prepared a blueprint to place itself among the top consumer goods companies in Africa, one of three markets it has identified as a growth driver.

The group's flagship company Godrej Consumer Products Limited proposes to increase its African turnover six times in five years from around Rs 1,200 crore (US\$ 188.05 million) now through aggressive acquisition of local brands. The endeavour is to increase its presence in personal and home care, segments where Godrej Consumer is strong in India.



Source: Business Standard

Daiichi exits Sun Pharma in India's largest bulk deal

In the largest bulk deal on Dalal Street, Japanese pharmaceuticals giant Daiichi Sankyo on April 22 sold its entire 8.9 per cent stake in Sun Pharmaceutical Industries for \$3.2 billion (about Rs 20,000 crore), at an average price of Rs 931.60 a share to a clutch of foreign institutional investors (FIIs) led by Goldman Sachs, the government of Singapore and Aranda Investments.



In April last year, Daiichi agreed to merge Ranbaxy with Sun Pharmaceuticals in an all-stock deal worth \$4 billion, which included Ranbaxy's debt of \$800 million. The merger made Sun Pharmaceuticals the world's fifth-largest speciality generic drugs company and the biggest Indian drug company, with a significant lead in market share.

Source: Business Standard

India among top five markets for Japanese auto majors

There's something about India as a market that's enticing the behemoths of automobiles. And they're coming in hordes.

The country now ranks among the top markets for Japanese automobile companies like Suzuki, Yamaha, Honda and Toyota among others.



Although thanks to Maruti Suzuki's market leadership in the car segment, India has been topping Suzuki's global markets both in terms of volumes as well as revenues, now the situation is being replicated by other Japanese biggies like Yamaha, Honda and Toyota as India moves up the global pecking order. The Indian market now ranks among the top five markets globally for almost all the top Japanese automobile brands.

Source: The Times of India

India to become fifth largest market in infrastructure projects

The Royal Institution of Chartered Surveyors, (RICS) research report says India is all set to become fifth largest market in the world in infrastructure projects, up from 5.3 per cent in 2015 to 9.8 per cent in 2030.

The report "Our Changing World: Let's be ready", calls for action in six areas support the profession and the sector in preparing for the challenges and opportunities. The report examines how global social and economic changes will require new skills, business models and responses to developing technologies over the next 15 years.



"Real estate and construction sector in India is continuously evolving at a rapid pace. All stakeholders of this profession need to come together to attract high quality talent in this sector - something which we see as being critical in meeting long term growth." Sachin Sandhir, Global MD - Emerging Business, RICS, said.

Source: The Times of India