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News Feature

India overtakes China

Indian telecom operators added the highest number of new cellular users in the world in a single month in August.

With 5.9 million new mobile users, India has beaten China, which added 5.19 million new cellular users in the same period. Other countries in the top five include Russia with 3.6 million new mobile subscribers, Brazil with 2 million additions and the Philippines where 1.9 million new cellular subscribers were added in August.

<http://www.thehindubusinessline.com/2006/09/14/stories/2006091403470400.htm>

Overseas Investments

Dell to pump US\$ 60 million in two phases

Global computer major Dell Inc will invest US\$60 million in two phases in India following its decision to set up a manufacturing facility in Chennai.

The company signed a memorandum of understanding with the Tamil Nadu government today to set up a manufacturing unit on a 50 acre area in Sriperumbudur Hi-Tech Special Economic Zone, which also houses Flextronics, Foxcon and Motorola facilities.

http://www.business-standard.com/common/storypage_c.php?leftnm=10&autono=104779

Rail Europe to set up India arm

Rail Europe - a joint venture between the French and the Swiss national railways - which promotes rail tourism in Europe, is planning to set up a wholly- owned subsidiary in India.

The rail tour operator currently operates in the country through a liaison office. The move follows its increased focus on attracting Indian tourists both in the leisure and the business travel segments.

http://www.businessstandard.com/common/storypage_c.php?leftnm=10&autono=104487

GE picks HCL to set up development centres

General Electric Company (GE) has selected HCL Technologies to set up and operate global development centres (GDCs) in India and China over the next three years.

GE selected HCL as one of its partners after due diligence conducted by the GE team.

<http://www.thehindubusinessline.com/2006/09/12/stories/2006091203980100.htm>

Pharma delegation seeks US clinical research contracts

GUJARAT Inc's sojourn to the US has begun in earnest. The five-member pharma delegation being led by Pankaj Patel, chairman and managing director, Zydus Cadila will hold a series of meetings with various pharmaceuticals and contract research companies in the US soon.

<http://economictimes.indiatimes.com/articleshow/2001479.cms>

Trade News

Minimum value addition norm for jewellery exports cut

The Government has reduced the minimum value addition for jewellery exports from the country. This has apparently been done at the behest of trade and in the wake of increase in bullion prices.

The minimum value addition in the case of plain gold/platinum/silver jewellery has been pegged at 4 per cent, which is lower than the 4.5 per cent level specified earlier by the government.

<http://www.thehindubusinessline.com/2006/09/17/stories/2006091702770300.htm>

'Cotton yarn price increase may hurt textile exports'

The cascading effect of raw cotton and cotton yarn price increases seen in the recent weeks will have adverse effect on the country's textile exports, especially the home textile goods made from handloom sector, the Karur-based textile exporters fear.

<http://www.thehindubusinessline.com/2006/09/15/stories/2006091503091900.htm>

'Third-party exports eligible for DTA sale entitlement'

Export-oriented units are eligible to get domestic tariff area (DTA) sale entitlement on exports made through third parties, the Directorate-General of Foreign Trade (DGFT) has said.

This would imply that third-party exports could be counted for arriving at the 50 per cent entitlement available to EOUs for DTA sales. The foreign trade policy allows EOUs, other than those in gems and jewellery sector, to sell goods up to 50 per cent of f.o.b. value of exports in the DTA at a concessional duty.

<http://www.thehindubusinessline.com/2006/09/15/stories/2006091503660900.htm>

Sensitive items imports up by 11 pc in April-May

Sensitive items being monitored by the Commerce Ministry due to their adverse effect on local prices registered a high growth of 11 per cent growth during the first two months of the current fiscal at Rs 2,792 crore, against Rs 2,524 crore in April-May 2005.

<http://www.thehindubusinessline.com/2006/09/12/stories/2006091202750900.htm>

Handicrafts sector for Rs 1,000-cr corpus fund to tap exports

The handicrafts sector seeks creation of a corpus of Rs 1,000-crore fund for focused export foray of its products for augmenting its share in world market from the extant two per cent to four per cent in the short to medium-term.

<http://www.thehindubusinessline.com/2006/09/12/stories/2006091202690900.htm>

Sectoral News

Market for high-complexity auto tasks to hit US\$ 3.5 billion by '20

The auto sector's quest for faster product development has led to global automakers offshoring virtual manufacturing to Indian players. Estimates peg its value at around US\$ 100 million.

Says Pawan Goenka, president-automotive division, M&M (which has tied up with Renault to roll out the Logan in India): "Using virtual engineering to cut validation and product development time is common. But using it to cut physical prototyping and testing is just about catching on."

<http://economictimes.indiatimes.com/articleshow/2000652.cms>

VCs take a fancy to biotech sector

The Indian biotechnology sector, which lagged behind that of China and Korea despite its high skill base owing to the absence of investment flow, is seeing increasing interest from institutional investors and investment bankers of late.

Several global and domestic investment institutions and banks such as 3i, APIDC, Axis Holdings, Chrys Capital, ICICI Venture, Kotak Mahindra, Nadathur Holdings, New Enterprise Associates, UTI Venture Funds, Yes Bank, among others have now earmarked investment options for this emerging industry.

http://www.businessstandard.com/common/storypage_c.php?leftnm=10&autono=104354

'Technology has transformed welding industry'

The week-long special course for welding inspectors organised by the Indian Welding Society (IWS), Southern Zone, concluded at the BHEL premises here on Saturday.

The Additional General Manager (Quality Control), BHEL, Mr S. Viswanathan, in his valedictory address said scientific and technological developments of the last decade have

transformed the welding industry. The present day welding industry needed highly educated people capable of operating sophisticated equipment and controlling complex process.

<http://www.thehindubusinessline.com/2006/09/13/stories/2006091303771900.htm>

Mining sector against giving captive iron ore mines to steel cos

The steel and mining industry's respective lobbying capacities are being put to test over the issue of iron ore exports and grant of captive mines to steel manufacturers.

Responding to the demand of curbing iron ore export and allocation of captive mines to steel manufacturers made by the Indian Steel Alliance (ISA), the Federation of Indian Mineral Industries (FIMI) has sought assured buyers in domestic market as that would gradually bring down exports.

<http://www.thehindubusinessline.com/2006/09/13/stories/2006091302860300.htm>

PFC to award two ultra mega power projects by Dec

Power Finance Corporation (PFC) today announced that two of the proposed ultra mega power projects coming up at Sasan and Mundra would be awarded by the end of December.

The boards of these two 4,000-MW projects have also been reconstituted incorporating representatives from state utilities and power procurers, Mr Shyam Wadhera, Director (Projects) of PFC and Chairman of both projects, told reporters here.

<http://www.thehindubusinessline.com/2006/09/12/stories/2006091203810300.htm>

News Roundup

57 M&As in Jan-Aug

New Delhi: The first eight months of 2006 has seen 57 mergers and acquisition (M&A) deals in the IT and ITES sector valued at over US\$ 1.73 billion as compared to 80 deals valued at US\$ 1.33 billion for the whole of the year 2005.

The deal value too has increased by 95 per cent on an annualised basis and the average deal size has almost doubled. The outbound cross border deal value has increased by close to 200 per cent on an annualised basis, says an M&A market report by Grant Thornton.

<http://www.thehindubusinessline.com/2006/09/12/stories/2006091202030400.htm>

India tops in bridging digital divide

It would be imperative for India to replicate the urban competitive model in its mobile telephony segment in the rural areas with a view to improving the country's ranking in the global digital opportunity index (DOI), according to LIRNEasia, a regional information and communication technology policy and regulation research and capacity-building organisation.

<http://www.thehindubusinessline.com/2006/09/18/stories/2006091802130200.htm>