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India Focus

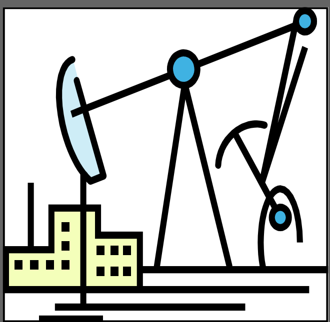
this issue

GREETINGS FOR A JOYOUS & WONDERFUL NEW YEAR 2013!!!

SNAPSHOT

Global crude oil price of Indian Basket declines to 108.55 US$/bbl on 28.12.2012

The international crude oil price for Indian Basket as computed/published today by the Petroleum Planning and Analysis Cell (PPAC) under the Ministry of Petroleum and Natural Gas went down at US$ 108.55/barrel (bbl) on 28.12.2012. This was lower than the price of US$ 108.71/ bbl prevailing on the previous trading day of 27.12.2012.



In rupee terms also, the crude oil price went down to Rs 5953.97/bbl on 28.12.2012 from Rs 5962.74/bbl on 27.12.2012. This was due to fall in price in dollar terms. Rupee dollar-exchange rate on 28.12.2012 at Rs 54.85/ US$ was same as prevalent on previous trading day of 27.12.2012.

(Continued on Page 13)

TOP NEWS » *ECONOMY*

India, ASEAN finalise FTA in services, investments

New Delhi, December 20, 2012 , PTI

India and the Association of Southeast Asian Nations (ASEAN) finalised the much-awaited free trade agreement (FTA) in services and investments. This move is likely to boost trade to $100 billion by 2015.

Prime Minister Manmohan Singh at the plenary session of ASEAN-India Commemorative Summit in New Delhi .

“It gives me great pleasure to see that our commemorative summit on Thursday coincides with the conclusion of negotiations for the FTA in services and investments. This represents a valuable milestone in our relationship. I am confident it will boost our economic ties in much the same way the FTA in goods has done,’’ Prime Minister Manmohan Singh said here while addressing the summit on the inaugural day.After operationalising FTA in goods last year, both sides were engaged in widening the base of the pact by including services and investments.

Prime Minister of Singapore Mr. Lee Hsien Loong visits India to attend the ASEAN-India Commemorative Summit in New Delhi.
(Photo Courtesy, MEA, Govt of India)

At present, trade between India and ASEAN stands at $80 billion. Dr. Singh said that following the implementation of FTA in goods, trade grew by 41 per cent in 2011-12. “Two-way flows in investments have also grown rapidly to reach $43 billion over the past decade. As ASEAN investments into India have multiplied, ASEAN countries too have emerged as major destinations for Indian companies. From energy resources to farm products, from materials to machinery, and from electronics to information technology, Indian and ASEAN companies are forging new partnerships of trade and investment,’’ he remarked. Commerce and Industry (cont.. Pg2)

Minister Anand Sharma said it was a matter of great satisfaction that India and ASEAN had been able to conclude the services and investments agreement.

Regional fillip

"We have been able to reach an agreement well ahead of the commemorative summit as had been directed by our leaders during the ASEAN summit in Cambodia recently. This will pave the way for larger economic integration in the region and give a fillip to regional economic partnership in the South Asia Region," he added.

Besides FTA with ASEAN, India is negotiating similar market opening pacts with members of the grouping. India has already implemented FTA with Singapore and Malaysia and is negotiating with Indonesia and Thailand in this regard. The FTA would also pave the way for discussions on a regional comprehensive economic partnership (RCEP) that ASEAN plans to seal with its six key trade partners, which include India. India had been demanding that ASEAN open up its service sector further, including steps to cover independent professional services and contractual service suppliers at all levels. It is learnt that after a tough round of negotiations on Wednesday, India agreed to drop its request for independent professional services and as a trade-off, ASEAN dropped its request for prudential measures in financial services. The final legal documents on services and investment pact is likely to be given a further shape by February, 2013, and the signing could take place in August next year during a consultation between ASEAN economic ministers and Mr. Sharma in Brunei Darussalam.

ASEAN and six partners — Australia, China, India, Japan, South Korea and New Zealand — will start first-round talks on the RCEP next year, which are expected to form the world's economic bloc in 2015.

ECONOMY

Growth rate to improve in second half of FY13: Montek

PTI, New Delhi, December 20, 2012

The government is doing a lot to push growth but the impact of its efforts will be felt in the second half of the fiscal when the expansion rate will show some improvement, Planning Commission Deputy Chairman Montek Singh Ahluwalia said on Thursday.

"We are doing a lot. The impact will be felt in the second half. Our expectations are that in the second half of the current year the growth rate will improve," Mr. Ahluwalia told *PTI* on the sidelines of an event in New Delhi. He was replying to a question whether the government was doing enough to support growth in the economy. He said as per the projection of the Finance Ministry the growth rate in the second half of the current fiscal may be near about 6 per cent, up from the first half of 5.4 per cent.

"The Finance Ministry has just come up with an estimate for the year as the whole at 5.7 to 5.9 per cent. Well that means that they think in the second half...it will go to may be something like 6 per cent or little about six per cent in order to generate the growth," he said.

In its Mid-Year Economic Analysis presented in the Parliament earlier this week, the government lowered the growth projection for 2012-13 to 5.7-5.9 per cent from 7.6 per cent estimated earlier.

The projection is at the lowest in a decade. In 2002-03, the economy had expanded by a mere 4 per cent. The economic growth rate during 2011-12 had slipped to the nine-year low of 6.5 per cent because of slowing demand both globally and locally. To propel growth and boost investment, the government announced host of measures in September and afterwards, including allowing Foreign Direct Investment up to 51 per cent in multi-brand retail, opening up of the domestic aviation sector for foreign carriers as well allowing foreign players in the domestic insurance sector.

Restricting fiscal deficit to 5.3% 'doable': P Chidambaram

PTI : New Delhi, Thu Dec 20 2012, 13:54 hrs

Finance Minister P Chidambaram today said that restricting the fiscal deficit to 5.3 per cent of GDP in the current fiscal is "doable".

"...in my considered view it is doable," he said during Question Hour in Rajya Sabha.

The Finance Minister said despite the temporary deviation from stringent fiscal consolidation targets necessitated by global financial crisis, the fiscal policy is being steered rapidly back to the path of prudence. The government had originally targeted to bring fiscal deficit to 5.1 per cent in the current financial year, but revised it to 5.3 per cent. It was 5.9 per cent in 2011-12.

Referring to recently unveiled fiscal roadmap, Chidambaram also said he was optimistic that "we can achieve this". As per the recent fiscal consolidation roadmap, government plans to bring down the fiscal deficit to 4.8 per cent in the next fiscal, 4.2 per cent in 2014-15, 3.6 per cent in 2015-16 and to three per cent in 2016-17.

The government has taken various steps towards expenditure reforms with a view to improving macroeconomic environment, he said.

It endeavours to restrict central subsidies bill in 2012-13, Chidambaram said, but added that some subsidy needs to be given towards food, fuel and fertiliser. "...some subsidy has to be given for food, fuel and fertiliser...," he said, adding, the level of subsidy is determined by the economic situation.

The outgo on food, fuel and fertiliser subsidies in 2012-13 is pegged at over Rs 1.79 lakh crore. The government also got Parliament's nod for an additional Rs 28,500 crore towards petroleum subsidy in the supplementary grants.

The government has increased price of subsidised diesel and also capped the supply of subsidised LPG cylinders. Chidambaram said government's emphasis is on eliminating effective revenue deficit by 2014-15 and generating adequate surplus thereafter.

"This would also help augment resources for financing investment and capital expenditure, including grants for creation of capital assets," he said.

He also said that to mitigate the adverse effects of petroleum price rise, rise in prices of other commodities and the huge crisis in global financial system during 2008-09, government had to explore suitable fiscal as well as policy options. The government had given three fiscal stimulus packages to cushion the impact of global slowdown.

Chidambaram, however, said the concessions were not to any particular section of people, but measures targeted at revival of economy through sector specific measures.

FM Optimistic on Growth of Economy

Press Information Bureau, Govt of India

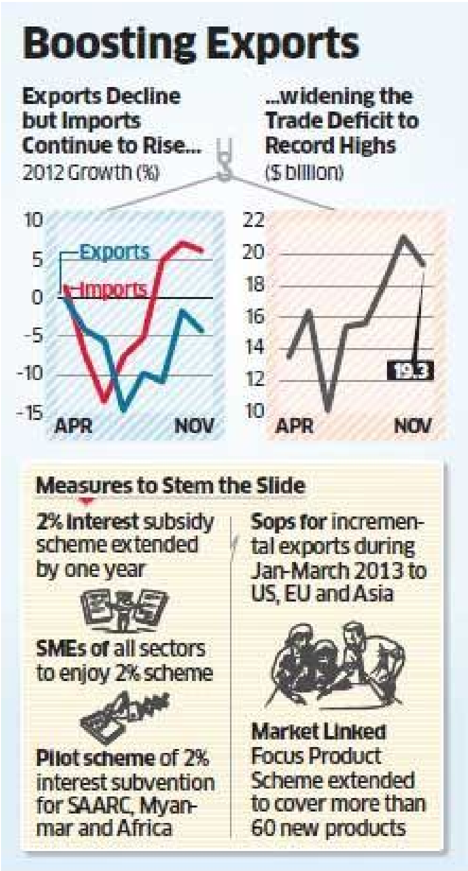
The Union Finance Minister Shri P. Chidambaram has expressed optimism that the Indian economy will continue to grow at a healthy rate even as the global economies face recession. This, he said, is because our economy has strong fundamentals and factors such as high savings rate, growing services sector, a large middle class which continues to create demand and technical and qualified manpower and the youth. FM was speaking at the National Development Council meeting in New Delhi.

FM said that it was imperative to contain the fiscal deficit by augmenting resources and controlling expenditure. He said that some measures may cause immediate pain but this was necessary to ensure that the fiscal deficit came down to 3% in the next three years. Steps were also being taken to contain the Current Account Deficit (CAD). He said that there was need to control gold imports which contributed US $ 64 billion to the CAD. Shri Chidambaram lauded the States for containing the fiscal deficit to 2.1% of the GDP and also for generating revenue surplus of 0.75%. He urged all States to adopt the Direct Benefit Transfer scheme as it provided a technology enabled platform to transfer benefits in an efficient manner directly to the people. He said that in the initial phase subsidies relating to petroleum, food and fertilizer would not be distributed through this scheme and only those schemes which are amenable will be taken up. The Direct Benefit Transfer will be a game changer and it will be a transform the way in which subsidies are managed.

Government gives more sops to exporters, interest subsidy extended

27 Dec, 2012, ET Bureau

NEW DELHI: The incentives include extension of the 2% interest subsidy available to certain sectors by one more financial year, until the end of March 2014, and expanding coverage to a few engineering sub-sectors to make exports more competitive.



Besides, all small and medium enterprises, irrespective of sectors, will get this subsidy, an incentive that the government hopes will help push exports by the end of the current fiscal.

"With these incentives, we will be able to give a push to exports in the last quarter of this fiscal. The objective is to stabilise the situation and move from negative territory to positive and keep the trade deficit in control," Commerce and Industry Minister Shri Anand Sharma said, even as he admitted that the target of $360 billion for exports in the current fiscal is likely to be missed. India's exports contracted 5.95% to $189.2 billion during April-November, contributing significantly to the high trade deficit of nearly $130 billion. "Our export performance has also to be viewed in the backdrop of the global slowdown, particularly the developments in Europe," the minister said.

The sectors covered under the interest subsidy scheme include handicrafts, carpets, handloom, readymade garments, processed agriculture products, sports goods and toys.

The government also announced additional incentives for incremental exports to the US, European Union and Asian countries, besides adding New Zealand, Cayman Islands, Latvia, Lithuania and Bulgaria to its 'focus market scheme'.

The scheme aims to make exports more competitive in certain overseas markets by offsetting high freight costs.

Sharma also announced a pilot scheme of 2% interest subsidy for project exports through Exim Bank for countries in the SAARC region, Africa and Myanmar to spur exports to new markets. These incentives are in addition to the annual supplement of the foreign trade policy announced in June.

Welcoming the proposals, A Sakthivel, chairman of the Apparel Export Promotion Council, said, "It will help in boosting the exports to non-traditional markets and help in product diversification drive."

BANKING/FINANCE

Banking Bill paves way for new banks, foreign investment

Business Standard: December 19, 2012

The government on Tuesday cleared the decks for the Reserve Bank of India (RBI) to initiate the process to issue new banking licences and widened the window for infusion of capital into the banking sector. The Lok Sabha cleared the

Banking Laws (Amendment) Bill, 2011, after Finance Minister P Chidambaram agreed to drop the contentious proposal on allowing banks to do futures trading. He also clarified status quo would be maintained on the jurisdictions of RBI and the Competition Commission of India (CCI) in the banking sector.

“Since it is important that the Bill is passed, I am dropping the controversial clauses.” While the central bank would regulate the banking sector, the competition watchdog would look at anti-competitive practices, Chidambaram said. Most provisions in the Bill are to strengthen RBI. In Parliamentary democracy, give and take was required and rest of the Bill was important as RBI was awaiting more powers, the finance minister added. Changes to the Bill would pave the way for RBI to issue new bank licences. The central bank had been insisting the enabling legislation be put in place before applications were invited for new bank licences.

As the Bill has provisions to increase investors' voting rights in private banks to 26 per cent from the current 10 per cent, it is expected to bring in more foreign investment in the banking sector. In case of public sector banks, voting rights have been enhanced from one per cent to 10 per cent. The Bill was passed by voice vote after the amendments proposed by the Left parties were rejected by the House. The Bill would now be taken up in the Rajya Sabha.

The insurance Bill, which seeks to raise the cap on foreign direct investment in insurance firms to 49 per cent from the present 26 per cent, would not be taken up for consideration in the ongoing session of Parliament, Chidambaram told reporters after the passage of the Banking Bill. Earlier, during the discussion on the Banking Bill, he highlighted the need for consolidation in the banking sector so that India could have two- three large public sector banks that could compete globally. He also said about 6,000 new bank branches would be opened and that banks planned to recruit around 84,000 people this year. He reiterated the government was committed to infusing Rs 15,000 crore into public sector banks in the current financial year and more next year. Capital might be infused now through rights issues and bonus shares.

FDI in services sector up 5% in April-Oct

PTI : New Delhi, Tue Dec 25 2012, 16:33 hrs

India's foreign direct investment (FDI) inflows into the services sector increased by a mere 5 per cent to USD 3.6 billion during the April-October period of this fiscal, according to the latest data of industry ministry.

The financial and non-financial services sector had attracted FDI worth USD 3.42 billion during the same period last year.

As far as overall FDI inflows are concerned, they declined by about 27 per during the first seven months of the current financial year to USD 14.78 billion, from USD 20.29 billion in the year-ago period.

In 2011-12, foreign investment in the services sector, which contributes over 50 per cent in India's GDP, rose to USD 5.21 billion from USD 3.29 billion in 2010-11.

The other sectors which have received high level of FDI during the first seven months of current fiscal include hotel and tourism (USD 3.11 billion), metallurgy (USD 1.21 billion), construction (USD 691 million) and automobile (USD 743 million).

Country wise, high levels of FDI came during the period from Mauritius (USD 6.75 billion), Japan (USD 1.52 billion), Singapore (USD 1.24 billion) the Netherlands (USD 1.05 billion) and the UK (USD 611 million), the Department of Industrial Policy & Promotion (DIPP) data showed.

The government is making sustained efforts, including involving stakeholders in policy formation, to make the investment regime more attractive and investor friendly, it said.

It has already allowed FDI in multi-brand retail sector besides hiking the cap to 100 per cent in the single brand retailing.

Foreign investments are considered crucial for India, which needs around USD 1 trillion in the next five years to overhaul its infrastructure sector such as ports, airports and highways to boost growth.

Decline in foreign investments could affect the country's balance of payments (BoP) situation and also impact the rupee.

Government Reviews Foreign investment Policy for Assets Reconstruction Sector; Ceiling for FDI in ARCs increased from 49% to 74%

Press Information Bureau, Govt of India

The Central Government had permitted Foreign Direct Investment (FDI) in the equity capital of Asset Reconstruction Company (ARCs) upto 49% vide Press Release dated 08.11.2005. Further, on 09.11.2005, the Government permitted the Foreign Institutional Investors (FIIs) registered with the Securities and Exchange Board of India (SEBI) to invest in Security Receipts (SRs) issued by ARCs upto 49% of each tranche of scheme of SRs. The ceilings of FDI and FII have been reviewed in consultation with the stakeholders and the sector regulators. Accordingly, the Government has decided that –

i. The ceiling for FDI in ARCs has been increased from 49% to 74% subject to the condition that no sponsor may hold more than 50% of the shareholding in an ARC either by way of FDI or by routing through an FII. The foreign investment in ARCs would need to comply with the FDI policy in terms of entry route conditionality and sectoral caps.
ii. The foreign investment limit of 74% in ARC would be a combined limit of FDI and FII. Hence, the prohibition on investment by FII in ARCs will be removed. The total shareholding of an individual FII shall not exceed 10% of the total paid-up capital.
iii. The limit of FII investment in SRs may be enhanced from 49% to 74%. Further, the individual limit of 10% for investment of a single FII in each tranche of SRs issued by ARCs may be dispensed with. Such investment should be within the FII limit on corporate bonds prescribed from time to time, and sectoral caps under the extant FDI Regulations should be complied with.

The necessary notification / circular under FEMA are being brought out separately by the Reserve Bank of India. The necessary notification under SEBI (FII) Regulations is being brought out separately by the Securities and Exchange Board of India.

Nod for 12 foreign investment plans of Rs 800 cr

The Hindu Business Line: December 27, 2012

New Delhi: The Foreign Investment Promotion Board (FIPB) has rejected Mahindra and Mahindra's proposal to form a defence joint venture with Israel's Rafael Advanced Defence System even as it approved 12 other foreign direct investment proposals worth Rs 802 crore.

Among the key proposals that received the Government's green signal is the Rs 300-crore bid by Ratnakar Bank for foreign equity infusion.

The proposal of Swedish furniture major IKEA has been recommended for consideration by the Cabinet Committee on Economic Affairs, an official release said. After the investment board's clearance, FDI proposals of over Rs 1,200 crore still need clearance by the Cabinet committee.

Taqa Jyoti Energy Ventures has received the Government's approval to bring in foreign investment of Rs 252 crore while Hyderabad-based Mylan Laboratories can also go ahead with its Rs 173-crore proposal to acquire an existing pharmaceutical manufacturing facility.

The statement said along with M&M, FDI proposals of Coimbatore-based Ampo Valves India and Mumbai-based Berggruen Real Estates have been rejected. Commodity exchange MCX's application for post facto approval of foreign investment was withdrawn from the investment board's agenda. The exchange had sought approval of investment received before the issuance of Department of Industrial Policy and Promotion's Press Note 2 of 2008 that gave guidelines for foreign investment in commodity exchanges .

BUSINESS NEWS

Government to Develop 54 Cities as Solar Cities

Press Information Bureau: December 18, 2012

New Delhi: The Minister of New and Renewable Energy, DR. Farooq Abdullah informed Rajya Sabha today that in-Principle, approval has been given to 54 cities for developing as Solar Cities. The draft Master Plans have been prepared for 28 cities, out of which 8 Master Plans have been approved by his Ministry for implementation. So far, an amount of Rs.19.23 crore has been sanctioned for preparation of Master Plans, Solar City Cells and Promotional Activities for 41 cities, out of which Rs. 4.22 crore has been released. Further, an amount of Rs.11.98 crore has been sanctioned for execution of renewable energy projects in 5 cities, out of which Rs.3.87 crore has been released. The minister further informed that the criteria set by the Ministry for the identification of cities include a city population between 50,000 to 50 lakh (with relaxation given to special category States including North-East States), initiatives and regulatory measures already taken along with a high level of commitment in promoting energy efficiency and renewable energy. So far, an amount of Rs.19.23 crore has been sanctioned for preparation of Master Plans, Solar City Cells and Promotional Activities for 41 cities, out of which Rs. 4.22 crore has been released. Further, an amount of Rs.11.98 crore has been sanctioned for execution of renewable energy projects in 5 cities, out of which Rs.3.87 crore has been released for utilization by the concerned State Nodal Agencies/ Municipal Corporations.

So far, the Master Plans for 8 cities namely Agra, Moradabad from Uttar Pradesh, Thane &Kalyan-Dombivli from Maharashtra, Indore from Madhya Pradesh, Kohima from Nagaland, Aizawl from Mizoramand Chandigarh have been finalized and the development of projects is in progress.

Plan panel sets $100 billion target for pharma sector by 2020

25 Dec, 2012, 07.10PM IST, PTI

The Planning Commission has set a target for the Indian pharmaceutical industry to reach $ 100 billion by 2020 and account for 5 per cent share of the global drug industry in the next five years.

According to the final draft for 12th Five Year Plan (2012-17) by the panel, the objective of the sector will be to cross the $ 60 billion mark in 2017, which will be 5 per cent of global pharma industry. "By 2020, the (pharma) sector should be at $ 100 billion," it said. Currently, the Indian pharmaceutical industry is valued at $ 22 billion and is the third largest in terms of volume and 13th in terms of value globally. According to the draft plan, the exports of pharma products should rise to Rs 1.3 lakh crore by the end of the 12th Five Year Plan.

"The sector should employ 15 lakh people by 2015, 18.98 lakh by 2018 and 24.64 lakh people by 2022," it added.

According to the draft plan, which will be submitted to National Development Council (NDC) tomorrow, all the Central Public Sector Undertakings (CPSUs) involved in production of pharmaceutical products should be self-sustaining by 2020.

In order to achieve the target, the Planning Commission has recommended various steps which include capacity building of private sector to meet WHO-GMP (World Health Organization- Good Manufacturing Practice) standards and other international manufacturing requirements.

The other recommendations include developing a common infrastructure in drug discovery and development such as manufacturing, distribution, exports and medical devices.

Aurobindo Pharma gets USFDA nod for anti-infections drug

The Hindu Business Line: December 28, 2012

Aurobindo Pharma Ltd has received final approvals from the US Food & Drug Administration (USFDA) to manufacture and market Nafcillin injections.

Nafcillin for injection is a sterile semisynthetic penicillin (SSP) used in the treatment of infections caused by penicillinase-producing staphylococci which have demonstrated susceptibility to the drug. It may be used to initiate therapy in suspected cases of resistant staphylococcal infections prior to the availability of susceptibility test results.

Notifications

Press Information Bureau

Aadhaar based Direct Cash Transfers - Rollout to begin from 1 January 2013 in 51 districts, Half the country to be covered by 1.4.2013

Details available at : http://pib.nic.in/newsite/PrintRelease.aspx?relid=88967

Reserve Bank of India

Core Investment Companies - Overseas Investment (Reserve Bank) Directions, 2012

Details available at : http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7732&Mode=0

Draft report of the Expert Committee on retrospective amendments relating to indirect transfer on no-resident taxation.

Income Tax Department

Details available at : http://incometaxindia.gov.in/home.asp

I. Notification regarding imposition of definitive anti-dumping duty on imports of digital offset printing plates

Central Board of Excise and Customs

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-add2012/csadd-51-2012_eng.htm

II. Notification seeking to impose customs duty on skimmed milk powder by amending notification No. 12/12- Cus dt 17/3/2012

Details available at :

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-tarr2012/cs59-2012.htm

III. Notification seeking to provide duty exemption to ASTRA by amending notification No. 39/96-cus dt. 23/7/1996

Details available at :

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2012/cs-tarr2012/cs58-2012.htm

Voting Rights to Non-Resident Indians

In response to common queries regarding voting rights of overseas Indians, it is clarified that every Indian citizen staying in a foreign country, who has attained the age of 18 years as on first January of the year, and is otherwise eligible to be registered as a voter, can make an application in Form 6A for being registered as a voter in the roll of the part/polling area of the constituency where he is ordinarily resident.

2. A Non-Resident citizen of India, who is not included in the electoral roll, and who is absenting from his place of ordinary residence in India owing to his employment, education or otherwise is eligible to be registered as a voter in the constituency in which his place of residence in India as mentioned in his passport is located.

3. In this regard, we would like to facilitate and encourage more NRIs to get their names registered on the electoral rolls. For proper acquaintance with the process and procedures, please visit the website of the Election Commission of India : www.eci.nic.in.

4. **Procedure for registration as a voter by Non-Resident Indians**

An application for the purpose is to be filed in the prescribed **Form 6A** before the Electoral Registration Officer (ERO) of the constituency within which the place of ordinary residence of the applicant in India as given in his/her valid passport falls. The application can be presented in person before the ERO or sent by post addressed to the ERO concerned, as per following details:

- The application sent by post must be accompanied by copy of the passport and all relevant documents mentioned in Form 6A duly attested by an officer of the Indian Mission in the country concerned.

- For application submitted in person before the ERO, the original passport should be produced for verification.

5. Form 6A can be downloaded from the link http://eci.nic.in/eci_main/nri/Form-6A.pdf of Election Commission of India. Form 6A is also available free of cost in the Mission and with the Authorised outsourcing agents. Postal addresses of all EROs are available on the website of Election Commission of India. The application is to be accompanied by one recent passport size coloured photograph (with light background and showing the full face of the applicant), photocopy of relevant pages of the passport of the applicant containing his/her photograph and all other particulars and photocopy of the pages of passport containing the valid visa.

6. After the enrolment, the voter will be able to cast vote in election in the constituency, if he/she is physically present in the polling station along with original passport on the day of poll.

7. Names of overseas electors are included in the relevant part of the electoral roll of the constituency where his place of residence in India as mentioned in his passport is located. Within the relevant part, a separate section for “Overseas Electors” is created in the roll and names of overseas electors are kept in this section.

For further details please refer to :
www.eci.nic.in
http://hcisingapore.gov.in/other-info-and-services/voting-right-to-nris/
http://eci.nic.in/eci_main/nri/Form-6A.pdf

FORTHCOMING EVENTS >>>> *INDIA*

Reverse Buyer Seller Meet for Rubber Products 2013(coincides with India Rubber Expo & Tyre Show 2013)

Date: 23-24 January, 2013
Venue: Mumbai, India
Organizer: CAPEXIL (formerly Chemicals & Allied Products Export Promotion Council)
Contact Person:
V.R. Chitalia (Director & Event Official – CAPEXIL) Email: capexilm@mtnl.net.in

Details: The Council proposes to invite potential buyers from Singapore to interact with Indian manufacturers for sourcing their product requirements from India. The Council will sponsor the to-and-fro economy excursion class airfare of the selected foreign delegates (home country-India-home country) along with hotel accommodation for 2 nights (i.e. on 22nd and 23rd January 2013).

Two-Day Reverse Buyer Seller Meet

Date: 1-2 February, 2013
Venue: Chennai, India
Organizer: Council for Leather Exports
Contact Person:
Mr. R. Ramesh Kumar (Executive Director– Council for Leather Exports) Email: cle@cleindia.com

Details: The objective for organizing the Reverse BSM by inviting potential overseas buyers is to promote the capabilities & developments of Indian Leather & Leather Products Industry as a major sourcing destination and facilitate B2B meetings between Indian Exporters and overseas buyers for sourcing leather products from India, establishing marketing tie-ups and exploring business collaborations and joint venture agreements. The Council would reimburse the cost of the economy class air ticket and two nights hotel stay for the interested buyers.

India Engineering Sourcing Show (IESS 2013)

Date: 14-16 March, 2013
Venue: Mumbai, India
Organizer: EEPC-India (set up by Ministry of Commerce, Govt of India)
Contact Person:
Mr. R. Maitra (Executive Director- EEPC India)

Tel. # + 91 11 2371 6071 / 2335 3353
Fax.# + 91 11 2331 0920 / 2373 6480
Email: ed@eepcindia.net Website: http://www.iesshow.in/

Details: “India Engineering Sourcing Show” is part of “India Show” and the main objective is to provide a platform for Indian organizations to showcase their strengths and capabilities to the global audience. The 1st edition of the India Engineering Sourcing Show was successfully organized during March 22-24, 2012, at Mumbai. 260 companies including foreign entities participated in IESS 2012 and 7000 professionals visited the show.

The focus sectors for IESS 2013 are as follows:

INDUSTRIAL MACHINERY & MACHINE TOOLS
INDUSTRIAL SUPPLY
INFRASTRUCTURE & PROJECTS
AUTOMOBILES & COMPONENTS
DEFENCE
ENERGY
INNOVATION

Provisional Results of Annual Survey of Industries 2010-2011

Provisional results of Annual Survey of Industries (ASI) 2010-11, conducted by Central Statistics Office and National Sample Survey Office under the Ministry of Statistics and Programme Implementation have been released. The survey provides information on factories registered under Factories Act, 1948 and Bidi and Cigar establishments registered under the Bidi and Cigar Workers (Conditions of Employment) Act, 1966. Field work for the survey was carried out during 2011-12 throughout the country with a reference period coinciding with the fiscal year 2010-2011. Total sample size for the survey was 61,573 which represented about 27% of the total population and was drawn adopting stratified circular systematic sampling procedure. The highlights of the provisional results are as follows:

Principal Aggregates – All India- Annexure-I presents the estimates for principal characteristics for all industries taken together at all-India level for 2010-11 with comparative estimates for the preceding five years.

Industry-wise and state-wise performances of few characteristics are given below:

Number of factories- Total number of estimated factories[1] is 2,11,660, which is 33.22% higher than that of the last year. Among the industries, highest number of factories is observed in 'Food products', which accounts for about 16.1% of the total factories in all industries followed by 'Other non-metallic mineral products' (11%) and 'Textiles' (8.8%). Among the states, highest number of factories is observed in Tamil Nadu (17.4%), followed by Maharashtra (13.2%), Andhra Pradesh (12.4%), Gujarat (10.1%) and Uttar Pradesh (6.5%).

Fixed Capital- At all India level, fixed capital in current prices has grown by 19% as against 28% in the last year. In constant prices (2004-05), the growth remains 12.5% in 2010-2011 as against 25% in the previous year. Highest fixed capital is observed in the 'Basic Metal' industry (21.7%), followed by 'Coke and Refined Petroleum Products' (9.6%). At state level, Gujarat has the highest fixed capital share (17%), followed by Maharashtra (14.5%), Andhra Pradesh (10%), Tamil Nadu (9.2%) and Odisha (7.1%).

Employment and Emoluments- Employment in terms of total persons engaged has increased by 7.8% at all India, over the previous year, whereas the emolument (compensation) to employees has increased by 24.8% in current prices and 18.1% in real terms. Among all industries, 'Food products' generated the highest employment (12.2%), followed by 'Textiles' (11.5%) , 'Basic metals' (8%), 'Other non-metallic mineral products' (7.3%) and 'Wearing apparel' (6.9%). In terms of emoluments or compensation to employees, 'Basic Metal' has the highest share (11.2%) followed by 'Machinery and equipments' (8.3%), 'Motor vehicles, trailers and semi-trailers' (8%), 'Food products' (7.7%) and 'Textiles' (7.6%). Among the states, top five positions in term of compensation have been occupied by Maharashtra (19.2%), Tamil Nadu (13.1%), Gujarat (10.6%), Andhra Pradesh (7.7%) and Karnataka (7.2%).

Provisional Results of Annual Survey of Industries 2010-2011

(Continued from preceding page)

Gross Value Added (GVA)- The gross value added has grown by 19.5% in current prices and 13.1% in constant (2004-05) prices. The corresponding growth in GVA in 2009-10 over 2008-09 was 14.1% and 11.6% respectively. By type of industry, the first three positions in terms of gross value addition have been occupied by 'Basic Metals' (12.2%), 'Coke and Refined Petroleum Products' (10.6%) and 'Chemicals and chemical products' (8.9%) respectively.

Structural Ratios and Technical Coefficients- A few structural ratios and technical coefficients derived from the macro level estimates of principal characteristics for the current and the preceding four years have been given in Annexure-II.

The survey results revealed that in 2010-11, a factory with an average investment of Rs. 760 Lakhs in fixed capital have provided gainful employment to 60 persons, produced goods and services at ex-factory prices worth Rs. 2,214 Lakhs and contributed by way of net value added by manufacture Rs. 337 Lakhs to the national income.

However, taking an employee as a unit of measurement, the survey revealed that an employee in the organized manufacturing sector during 2010-11 has, on an average, worked with a fixed capital stock of Rs.12,64,382, gave an output of Rs. 36,84,377 and contributed to the national income by way of net value added by manufacture Rs. 5,60,409. The corresponding averages in the preceding year were, respectively, Rs. 1,14,66,904, Rs. 31,65,721 and Rs. 4,02,779. The capital output ratio which is a measure of the capital required to produce one unit of net output (net value added) has decreased marginally from 2.28 in 2009-10 to 2.26 in 2010-11. The capital required to produce one unit of gross output has also marginally decreased from 0.36 in 2009-10 to 0.34 in 2010-11. Level of efficiency (ratio of net value added to gross output) has, however, slightly decreased from 0.16 to 0.15. While the average number of employee working per factory has decreased from 74 in 2009-10 to 60 in 2010-11, average emoluments per employee has, however, increased from Rs. 1,24,666 to Rs. 1,44,251 in current prices during the same period.

[1] *Prior to ASI 2010-11, although the samples were drawn from domain of units with the statuses 'open', 'closed' and 'non-operative'; separate procedure was followed for estimating the "number of factories" and "number of factories in operation". While the units with the status code '1' (i.e., open) only were considered as surveyed cases for estimating the "number of factories in operation", the units with the status codes '1' and '2' (i.e., open and closed respectively) were considered as surveyed cases for estimating the "number of factories", and accordingly the multipliers (weights) were calculated. Now, all the units with codes '1', '2' and '3', that is, all units with 'open', 'closed' and 'NOP' statuses are similarly placed and are considered as surveyed cases for estimating the "number of factories" and multipliers (weights) were calculated accordingly. After deriving the estimates mentioned above, all the rates and ratios are derived for per "number of factories". The earlier method, if followed, will result in 8% growth in the number of units during 2010-11compared to 2009-10.*

Click here to see Annexures. **AD/DB** (PIB Release ID :91255)

FORTHCOMING EVENTS >>>> *SINGAPORE*

Buyer Seller Meet – Showcasing Opportunities in the Pharma Sector

Date: **Thursday, 17 January, 2013**
Venue: **Hotel Mandarin Oriental, Singapore**
Organizer: **High Commission of India, Singapore**
Details: The High Commission of India, would like to invite you to a Buyer Seller Meet organized by the High Commission in conjunction with PHARMEXCIL (Pharmaceutical Export Promotion Council of India) on Thursday, 17th January, 2013, from 11am to 1pm at Hotel Mandarin Oriental, Singapore. It is expected that a Trade/Industries delegation from India will be travelling to Singapore especially for this meet between 16-20 January, 2013.The event would serve as a platform for show-casing opportunities for trade and collaboration in the Pharma Sector between Indian & Singaporean companies. For participation, please contact the High Commission at fscom@hcisingapore.org **OR** ma@hcisisngapore.org

Interactive Session with Secretary (Steel) Government of India

Date: **Thursday, 17 January, 2013**
Venue: **Hotel Mandarin Oriental, Singapore**
Organizer: **High Commission of India, Singapore**
Interaction with select financial institutions in Singapore and Shri DRS Chaudhery, Secretary (Steel) on the state of play in the Steel Sector in India

TENDER NOTICES >>>> *INDIA*

Tender invitation for Hiring of 01 set each of MWD, SDMM, Drilling Jar along with Directional Drilling Services for Cauvery Basin, Rajahmundry Asset and Tripura Asset.

Oil and Natural Gas Corporation limited (ONGC), URL : https://etender.ongc.co.in

Closing Date : 2nd January, 2013

Crude Oil Prices- Continued from Page 1– Snapshot Section-

The table below gives details in this regard:

Particulars	Unit	Price on 28 December, 2012 (previous trading day i.e. 27.12.2012)	Last Fortnight December 01-15, 2012 (previous fortnight 16-30, November 2012)
Crude Oil (Indian Basket)	($/bbl)	**108.55** (108.71)	**106.85** (108.94)
	(Rs/bbl	**5953.97** (5962.74)	**5815.85** (6010.22)
Exchange Rate	(Rs/$)	**54.85** (54.85)	**54.43** (55.17)

RCJ/RKS –Daily Crude oil price- 31.12.2012 (PIB Release ID :91268)

India is world's biggest rice exporter in 2012: FAO

Business Standard: Dec 20, 2012

India has emerged as the world's biggest exporter of rice piping traditional leader Thailand by exporting almost nine million tonnes of rice in 2012, a latest report by the Food and Agriculture Organisation (FAO) said.

However, going forward in 2013, the trend might be difficult to sustain as Thailand is once again pushing to expand its exports by lowering rates in the international markets. India allowed its private traders to export rice in 2011 lifting a more than two year-long ban on exports. The move enabled private traders to push Indian rice in traditional as well as new markets at a price which was much lower than the prevailing rates, thereby leading to a surge in exports.

FAO also said India would have record exportable cereal surplus of almost 15.7 million tonnes in 2012-13, which will include 7.7 million tonnes of rice, about five million tonnes of wheat and three million tonnes of corn.

In the 2011-12 crop marketing season that ended in July, India had an all-time high wheat production of 94 million tonnes, rice output of 104 million tones.

Useful Links:

Government of India's website	www.india.gov.in
Ministry of External Affairs (ITP Division)	www.indiainbusiness.nic.in
High Commission of India	www.hcisingapore.gov.in
Investment Commission of India	http://investmentcommission.in
Department of Industrial Policy & Promotion	http://dipp.nic.in
Reserve Bank of India	www.*rbi*.org.in
Ministry of Corporate Affairs	www.mca.gov.in
Ministry of Commerce & Industry	http://commerce.nic.in
Ministry of Finance	http://finmin.nic.in
Matters relating to Excise & Customs	www.cbec.gov.in
Matters relating to Income tax	http://incometaxindia.gov.in
Directorate General of Foreign Trade	http://dgft.delhi.nic.in
National Centre for Trade Information	www.ncti-india.com
India Brand Equity Foundation	www.ibef.org
Industry/Trade Organizations	
Trade related Exhibition & Events	www.indiatradefair.com
Confederation of Indian Industry	www.cii.in
Federation of Indian Chambers of Commerce & Industry	www.ficci.com
Federation of Indian Export Organizations	www.fieo.com
EEPC India (Export Promotion Council)	www.eepcindia.org
Sourcing of Products	
www.indiamart.com	
www.indianyellowpages.com	
www.indianexporters.com	
www.tradeindia.com	

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