



## AMBASSADOR'S MESSAGE

### **iHola!**

It gives me much pleasure in launching this Mission's monthly news journal, for readers in Mexico, as well as in Guatemala and Belize to whom, too, this Mission is accredited.

The journal will cover news and developments during the month on India's relations with these countries, on India - political, economic, commercial, technological, academic, cultural, sports, and others of general interest, and relevant information pertaining to this Mission and its activities.

India and Mexico, despite being located at the two ends of the globe, have much in common, by way of similarities of history, cultural heritage, geographical features, mindsets, attitudes and values, and their bilateral relations are characterised by strengthening bonds of friendship, growing cooperation, expanding commercial & economic ties, and regular active consultations, all underpinned by mutual empathy and understanding. India's relations with Guatemala and Belize, as representative countries of Central America, are similarly close.

Yet, the constraints of the physical distance, though eroded now, remain to be reckoned with, particularly for people-to-people contacts. The numbers of tourists and other travellers in both directions are growing rapidly, but are still small for our populous countries. There is still a fairly wide information gap, posing a major obstacle for further strengthening and expanding of these friendly ties to their potential.

This new initiative, the India News, is another step towards bridging the gap.

The first issue of India News is being sent out as hard copies. We propose to also provide India News by e-mail to save time and environment. India News issues, current and past, can also be seen on the Mission's website: [www.indembassy.org](http://www.indembassy.org).

With this first issue I convey my warm friendly greetings to you all, and thank you for your interest. I would much welcome and appreciate your valuable comments and suggestions.

Please let your colleagues, friends and families know about India News. We would include all those in our mailing list who evince interest.

I further request for your preference to receive: hard copy (default option), or by e-mail, or you would rather check it out for yourself on our website.

### **Saludos!**

**Dinesh Kumar Jain**

**1st May, 2009**

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### **PM Thanks President Calderon**

Prime Minister Dr. Manmohan Singh addressed a letter to President Felipe Calderon to thank him for his message of good wishes for his recovery from medical treatment (open heart surgery). He wrote, "I deeply appreciate the warm sentiments that you have expressed which I greatly value".

### **"India-Mexico Ready for a Quantum Jump"**

On April 23, India-Mexico Business Council (IMBC) organized a luncheon meeting, at 'Club 51', Torre Mayor, to welcome India's recently arrived Ambassador to Mexico, Dinesh Kumar Jain. The event was well-attended by the IMBC members, a sizeable representation of Mexican business and industry, and representatives of the Federal Government (SRE and Secretaria de Economia), governments of the States of Mexico, Guerrero, and Tamaulipas, and the media. Welcoming Amb. Jain, Sr. Jose Luis Uriegas, IMBC President, noted the dynamism in bilateral trade, which had grown 8 times since 2000 to reach US \$ 2.9 billion in 2008. He emphasized that Mexico had a growing interest in exploring new business opportunities in India, in areas of energy, chemicals, pharmaceuticals, automobiles, textiles, processed food, infrastructure, mining, and IT etc. He said that Indian investments in Mexico, especially in steel, pharmaceuticals, chemicals and IT sectors, had grown significantly in recent years to cross the US\$ 3.5 billion last year. There was immense potential for the growth of bilateral trade and IMBC was committed to support the business communities of Mexico and India in this mutually beneficial endeavour. Mr. Uriegas gratefully acknowledged the support and cooperation of the Embassy in its efforts to promote bilateral trade.

In his address, Amb. Jain complimented IMBC for its significant successes, in pursuance to the unbounded scope to promote realisation of the great potential between India and Mexico, in business, trade, investment and various other forms of economic cooperation, for mutual benefit of both our countries and peoples, and in particular Mr. Uriegas and his talented and energetic collaborators in the Chamber. He recalled his meeting with President Calderon when he presented his Credentials recently, that he has verily a great sense of privilege and honour in representing India as her Ambassador to this great country, a nation of rich history, diverse culture, a multi-layered civilization woven into one beautiful tapestry, and of salubrious climate, myriad-faceted geography and a colourful variegated landscape, a country of laudable economic, technological, social and cultural achievements, the largest and the leading representative country of the Spanish speaking Latin world, and the land of pyramids of Chichen Itza and Teotihuacan, sun-soaked sandy beaches of Cancun and Acapulco, and, surely not least, of Mariachi, tequila, and an incredible cuisine – even without its chilli-induced spicy tanginess. His task was much simplified by the numerous commonalities and similarities between the two countries, right across the board, be it history's antiquity and experiences, cultural diverse richness and bonds, political beliefs and practices, or challenges of economic development and inclusiveness, and much mutual understanding and empathy, underlined by abundant spontaneous goodwill and friendliness. In today's era of globalisation, information implosion, and ever new technologies shrinking the globe, even the vast geographical distance between the two was easily overwhelmed by mutual natural affinities, commonalities and promise. There is no greater testimony to this than the two recent State visits exchanged in quick succession, according high mutual priority. Each President in Ambassador's recent calls on them had recalled the other with love, affection and high regard, and their visits with cherished memories. The two countries had already embarked on a common journey to strengthen, deepen and expand their bilateral friendly relationship, and the trajectory is headed only one way - up and up.

Reviewing the coordinates of the present state of the bilateral economic and commercial relationship, Ambassador noted that both countries were trillion-dollar economies, each has a global exposure of about half-a-trillion in trade and related activities. India is the 4<sup>th</sup> largest economy in the world on PPP basis, accelerating to over 8% and 9% growth rates consistently in recent years, and expecting a growth of 7% even in 2008-09 in the face of the global economic crisis. Investment flows into and from India in recent years have been among the largest globally. Indian market today is among the largest and growing, with over 300-million strong Indian middle class underpinning it. On its part, Mexico is the largest trading country in Latin America, and the only one member of both NAFTA and OECD. Their bilateral trade was already US\$ 3 b in 2008. Investments in Mexico, by over 20 Indian companies, are about 1.5 b dollars. Both are regarded among the world's more prominent "emerging economies", as among BRIC-M. A rapidly growing number of their nationals were travelling to the other country, for business and pleasure. The two governments, in the vanguard of this process, have done their bit by installing the required institutional framework, including an investment protection agreement and a double taxation treaty. With a view to facilitating and expediting visas, especially for business travel, Ambassador extended his promise to all resident Mexicans to issue visa the same day as of application.

The two already had the springboard for a leap, a quantum jump, in their relations. The synergies and complementarities existed between them in several promising areas, such as food processing, mining, pharmaceuticals, information technology, energy including bio-fuels and renewable energies like solar and wind energy, automobiles and auto parts, textiles and textile machinery, telecom, housing, trade in services including IT, tourism, health, and education, and the film industry. He said he had no doubt that Mexican business community and entrepreneurs, justly famous for their spirit of enterprise and business acumen, for their global vision and approach, and long-term, far-sighted, strategic thinking, be upto it to take advantage from the potentialities and opportunities, in partnership with their Indian counterparts, who might be found not very different in their spirit and approach.

In concluding Amb.Jain emphasised the imperative need to mount a concerted awareness campaign, about Mexico in India and about India in Mexico, to bridge the information gap, so that the two peoples, mindful of their common stakes in today's global realities, advance their bilateral cooperation, and be able to celebrate proudly their cultural and historical affinities.

### **India at Ollin Kan Festival**

An India Week (April 20-26) was celebrated at the 6th edition of the famous Ollin Kan Cultural Festival in Mexico City. At its inauguration, held at Casa Frissac in Tlalpan District, Amb.Jain complimented Maestro Jose Luis Cruz, Director General of the Festival, for his novel and inspired concept, and expressed his happiness at the opportunity of display the folk cultural traditions of India, in a city with immense richness of its own multi-faceted culture, cultural maturity and civilisational depth. He also hoped that Ollin Kan would in one of the coming years soon would want to repeat its India-focussed presentation, with adequate time to plan and prepare for that, to make a more extensive contribution to its success, not to mention a more representative mix of Indian culture. Sr.Edmundo Font, former Ambassador of Mexico to India, also addressed the gathering, recounting the richness and variety of his experiences in India. The occasion concluded with José Diaz Infante Núñez's photographic exhibition on India, **Días de Noche**.

### **"No Magic Formula for India's Robust Growth"**

In an interview with ABC Radio on April 1, Amb.Jain said that India had no magic formula for its robust economic growth in the last two decades, emphasising that it

was essentially due to Indian people's hard work, entrepreneurship and innate business acumen, aided by government's policies and reforms, the globalisation process, and the information implosion. Responding to a question about the upcoming G-20 Summit at London, Amb.Jain expressed confidence that the G-20 leaders would take all necessary measures to address the current economic crisis. He cautioned against resorting to protectionism, including in the financial sector, and underlined the need for restructuring of the Bretton Woods institutions to reflect today's changed reality.

On India's foreign policy, Amb.Jain said that for the most primary objective of eradication of poverty, in an inclusive manner, his country's foreign policy had focussed on promotion of peace and friendly relations in the world, and particularly in India's neighbourhood, so as to ensure a conducive environment for India to pursue her development process, and that India's policy of peace and co-existence had been shaped by her long-held traditions of non-violence, secularism, pluralism, inclusiveness and tolerance, which were given a more definitive shape and orientation by her leaders like Mahatma Gandhi and Jawaharlal Nehru. On India-Mexico relations, he said that the relationship was on an upswing following the recent reciprocal Presidential visits.

#### **India's next High Commissioner to Belize**

H.E.Mr.Dinesh Kumar Jain, India's Ambassador to Mexico, has been concurrently accredited as India's next High Commissioner to Belize, with residence in Mexico.

#### **PM Addresses the G-20 Summit**

Prime Minister Dr. Manmohan Singh, in London to attend the G-20 second Summit meeting, aimed at addressing the global financial crisis, alongwith President Felipe Calderon of Mexico, and other leaders of the world's largest and most influential economies, attended a dinner hosted by British Prime Minister Gordon Brown on the Summit eve, where he and President Barack Obama of the US were the two leaders invited to address the Group. PM thanked PM Brown, and welcomed President Obama to his first meeting of this Group. Some of his other remarks follow:

**Economic Crisis:** The downturn is much deeper than we thought when we met in Washington D.C. in November last year, and the prospects of a recovery have receded to 2010 at best. This is the worst recession in sixty years. A global crisis requires global solutions. We have made considerable progress in several areas, but I believe much more needs to be done. As we deal with the immediate problems, we must also be careful not to sacrifice the gains of openness of trade, direct investment and immigration. It will be a test of the leadership of the G-20 whether we can craft a strategy that meets all these objectives. There can be no doubt that restoration of the banking system in the industrialized countries to full functionality is a precondition for successful revival of the global economy. It is a task that will require commitment of resources on an unprecedented scale.

**India's Response:** We in India have been fortunate in having weathered the global downturn better than many others. Our growth rate, which was close to 9% in the previous 5 years, will fall below 7% in 2008-09. Like other countries, we have made aggressive use of both monetary and fiscal policy, with a total fiscal stimulus or expansion of the fiscal deficit above the planned level of almost 4 percentage points of GDP in 2008-09. We hope to be able to achieve a similar growth rate in 2009-10, with continuing reliance on monetary and fiscal policy. Effective regulation of the banking system has gained us much more than any additional strain imposed by temporary fiscal expansion.

**Developing Countries:** They have seen a collapse in world trade, with an unprecedented decline of almost 9 per cent in trade volume in 2009. We must ensure that countries hurt by the massive withdrawal of private capital that has

taken place are able to rely upon an increased flow of resources from the international financial institutions. There are several steps we can take which will demonstrate our willingness to help. We must declare our resolve to increase the resources available with the IMF substantially, by around \$ 500 billion over the next two years. We should also signal that these are interim steps pending an increase in Fund quotas. The next quota review, normally due in 2013, should be advanced as much as possible, and we should aim at a doubling of IMF quotas at the very least. We should also signal that the conditions associated with use of Fund resources are made more appropriate and flexible. We should also agree on a fresh allocation of SDRs of around \$250 billion. We support the sale of a part of the Fund's gold to support concessional lending to low income countries through the Fund's concessional windows. The World Bank should also expand its lending in the next two to three years in a manner which helps to fill the gap left by the withdrawal of private capital flows. To perform this role, the Bank's present single borrower limits need to be urgently reviewed. Its debt to capital ratio also needs to be made more liberal.

**Protectionism:** An issue of vital concern to developing countries is the rise of protectionist sentiment in the industrialized world. It will be a test of leadership whether we can persuade the public that we must not repeat past mistakes. I hope the Summit communiqué will contain firm commitment of our intentions to keep our markets open.

**Reform of the Global Financial System:** The world has changed greatly since the multilateral institutions were established and the role of these institutions needs to be redefined and their mandate suitably revised. The representation of the developing and emerging market countries in the decision making levels of these institutions also needs to be improved. Better representation is essential if the institutions are to have the legitimacy they need to play their role in an increasingly integrated world in which actions taken in one country affect many other countries. These are longer term issues of institutional reform which we must address once the immediate priorities of crisis management are handled.

(Most of his proposals were accepted by the Summit, the next day.)

Following the Summit, PM addressed a press conference, on April 2. Excerpts follow:

"The purpose of this Summit meeting was to take forward the search for solutions to the economic crisis facing the global economy today. The world is going through the worst recession since the Great Depression. We (India) have fared much better than others though we are also affected. This is a global crisis requiring global solutions. There was agreement that credit flows to developing countries also must be restored. There was also agreement that we must tackle the crisis in a way which does not create other problems for the future. For instance, protectionism or restrictions on the free flow of trade and persons would be counterproductive. Nor can development be halted or sacrificed in the search for solutions to the financial crisis. Hence the need for special attention to the needs of developing countries... I am happy to say that the G-20 agreed to expand the resources of the IMF and the ADB and to also bring forward the quota review in the IMF. The leaders have also agreed to a fresh issue of SDRs. Together they involve a massive provision of \$ 1.1 trillion to emerging market economies... This meeting has shown the utility of the G-20 Leaders' process, and we look forward to the early implementation of what has been agreed today. PM also said that he was pleased about the fact that India would now be a member of the Financial Stability Forum as well as the Basle Committee on banking supervision, two key standard setting bodies. Asked whether G-20 was likely to replace G-8 as the foremost group, Singh said if G-20 could come up with credible answers to the world's problems, it could certainly emerge as a group that would count".

**PM: India a Better Nation Today**

The following are some excerpts from an Interview of PM Dr. Manmohan Singh with The Financial Times:

**G20 Response:** We should not look for complete agreement in everything. The fact that G-20 Leaders are meeting after six months to focus on the global crisis suggests a shared sense of urgency and commonality of purpose which itself is bound to lead to more concerted, albeit, national responses. I think governments recognize that they have to intervene actively to restart the growth process... There is also agreement that the international community should take special steps to counter the effects of the crisis in emerging markets.

**Doha Development Round:** There is no truth in the charge that India is responsible for the deadlock in the Doha Round. I have repeatedly stated that India has a strategic stake in the successful functioning of the multilateral trading system and in a positive outcome of the Doha Round. We took on onerous obligations in the 1990s to bring the WTO into existence. We played an active role in launching the Doha Development Round. We want the developmental objectives of this Round to be addressed in any final deal. There were many areas of difference between different groups of countries, including differences between the US and the Europe. In our case the differences related to sensitive issues affecting the livelihood of small and vulnerable farmers. I should add that while public attention focusses on points of disagreement, we should remember that a great deal of work has been done to narrow differences.

**Terror Threats:** The attacks on Mumbai were planned and acted upon in Pakistani territory is now admitted by everybody, including the intelligence agencies of developed countries. That is living proof that despite many promises made by Pakistan since 2004 to my predecessor and to me that Pakistan will not be allowed to be used to undertake acts of terror against India, in practice no effective action has been taken to control terror. In the past, it has been our experience that there are elements in the armed forces of Pakistan, some segments of the ISI involved in perpetrating acts of terror, particularly the attack on the Indian embassy in Kabul. We have been told that the ISI in Pakistan has a different mindset. I hope that is right. The world has a responsibility that Pakistan lives up to the promise that it will not allow its territory to be used to promote acts of terror directed against India.

**US Strategy on Afghanistan/Pakistan:** We would like both Afghanistan and Pakistan to be free of the hold of terrorist elements. I have not studied the Obama plan. We are victims of terrorism and we hope that whatever the world community plans to do they will pay adequate attention that terrorism ceases to be a problem in Afghanistan as well as Pakistan. We all know the epicenter of terrorism in the world today is Pakistan. The world community has to come to grips with this harsh reality.

**Climate Change:** India currently has one of the lowest per capita emissions among large major economies including major emerging economies at 1.8 tonne of CO2 per annum. The US figure is over 20 tonne. Even in total volume terms, India's emissions constitute only 4 percent of the global figure whereas the US and China are responsible for over 20 percent each. This is the result of India consciously pursuing a path of sustainable development and reducing the energy intensity and therefore the carbon intensity of its growth. Over the past decade our economy has grown by 9 percent per annum while energy use has increased by 4 percent per annum. As one of the countries likely to be impacted most by climate change, India has every reason to contribute to an effective global response to this challenge. India is engaged actively in the negotiations under the UNFCCC to ensure an ambitious but also a fair and equitable outcome at Copenhagen.

**Emergent India:** I think we have made strides in the past decade or two and the world is taking notice of what India is doing. I cannot claim that we have solutions to all our problems. But we have shown that it is possible for a pluralistic and diverse society to grow and flourish in an open democratic framework. The Indian experience is important for the world. I have great faith in the creativity and

imagination of our people to address the challenges that confront us and this can be seen in our growing soft power that is making an impact on the world. India is deeply conscious of its role in the international arena and we have been seeking a restructuring and reform of the global polity that will allow us to play a commensurate role. I can say with pride that Indians have made sacrifices beyond their borders for the good of the world. Our contribution to UN Peacekeeping Forces is recognized around the world. Indian Navy personnel were involved in tsunami relief in the Indian Ocean region. They risk their lives to protect merchant vessels from pirates in the Indian Ocean region and in South China Seas.

**Achievements:** Our Government has been able to increase the trajectory of India's economic growth rate to a new high of close to 9.0 per cent while at the same time ensuring that our growth process is more socially and regionally inclusive. We have increased the income of our farming community by ensuring they get better prices. We have increased employment in urban and rural areas, and created the first ever 'rural employment guarantee' programme in the world. There has been unprecedented capacity expansion in education. We have taken important initiatives in the area of foreign policy, including a landmark nuclear deal that has dismantled a decades old technology denial regime. It will give a big boost to our energy security and clean energy development programme. I think overall we have much to show both at home and abroad to say that India is a better place and a better nation today than five years ago.

**No intention to borrow from IMF:** India was willing to increase its contribution to the International Monetary Fund (IMF) but did not intend to borrow any money from the multilateral lending agency. PM was responding to a question whether India, like Mexico, was planning to withdraw funds from the new facility approved at the G-20 Summit. India, he added, had foreign exchange reserves of about US \$250 billion.

### **Pakistani Terrorists/Trial**

A secret, determined global effort by India to track down those involved in the November 26 Mumbai terrorist attacks has led to the detention in Spain of Shahid Jamil Riaz of Lashkar-e-Tayyeba (LeT). Riaz's arrest will further strengthen the 26/11 case trial, which began in a special court inside a high-security jail in Mumbai, with, Ajmal Kasab, the only surviving perpetrators of the 26/11 carnage, which left 173 dead and more than 300 injured, being on trial. Riaz was a key LeT operative who handled financial transactions and was among the core group of 26/11 conspirators. Riaz will be brought to India to be officially charged and arrested.

### **"Terror biggest problem of South Asia"**

Following the attack on a police academy in Pakistan, India's Foreign Minister Pranab Mukherjee expressed Government of India's solidarity with Pakistan and said, "Terrorism is the biggest problem facing the world today and the attack on Pakistan once again proves just that. Terrorism has turned into the biggest problem of south Asia and the whole world. It is a challenge for us and I hope the Pakistani government will be able to cope with the situation, using its own infrastructure". Foreign Secretary Shiv Shankar Menon said India was "deeply saddened and shocked" over the attack. Welcoming US President Barack Obama's new Afghanistan-Pakistan policy, he said, "We welcome a clear will to control terrorism in the region and its roots in Pakistan. India has direct stakes in the success of the international effort".

### **Manmohan-Obama First Meeting**

Prime Minister Manmohan Singh had his first substantive meeting with President Barack Obama on the sidelines of the G-20 Summit during which he told the American leader that India would like to carry forward the Indo-US strategic

relationship that had developed during the last five years. During their talks, Obama hailed India's "high stature" because it had "unleashed economic forces", and said a lot of it had to do with the wisdom of Dr Singh. PM while conveying the greetings of President Pratibha Patil and people of India, said that India and the US share "same dreams and same vision" and the two countries will like to work together to realize those dreams. Apart from the global financial crisis, the two leaders discussed the entire array of bilateral, regional and global issues, including terrorism, energy security, climate change, and the situation in Pakistan and Afghanistan.

### **President's Visits to Spain, Poland**

President Pratibha Patil, along with a large business delegation, paid a state visit to Spain from April 20-22, first Indian Presidential visit to Spain. President held wide ranging talks with Spanish King Juan Carlos and Prime Minister Jose Luis Rodriguez Zapatero. Quoting the Spanish Prime Minister as saying that "Spain has to now conquer India", Secretary in Ministry of External Affairs, Nalin Surie, said it showed the importance and the willingness on the part of both India and Spain to qualitatively enhance the relationship. Both sides agreed that they should formulate comprehensive bilateral strategy against terrorism. Spain, like India, is a victim of terrorism. Three agreements pertaining to tourism, renewable energy and agriculture were signed during the visit.

President followed with her state visit to Poland from, April 23-26, to boost bilateral relations. She held wide ranging talks with President Kaczynski and Prime Minister Donald Tusk. The two sides agreed to cooperate in areas of information technology, biotechnology, pharmaceuticals, healthcare, tourism and the ongoing areas of defence, mining, education and culture among others. Both sides renewed their commitment and determination to fight terrorism. Two agreements dealing with Tourism and Health and Medicine were signed during the visit.

### **India to Promote Understanding**

Mr. Anand Sharma, Minister of State for External Affairs and Information & Broadcasting, representing India at the Second Forum of the UN Alliance of Civilizations, held in Istanbul from April 6-7, stated that India supports all sincere efforts to promote inter-religious and inter-cultural understanding. He underscored the need to create an enabling environment for dialogue and understanding between cultures and civilizations in a spirit of tolerance, harmony and mutual respect, particularly today when the international economic crisis may fuel further tensions. He highlighted India's tradition of inclusiveness, tolerance and pluralism which has enabled hundreds of millions of Indians to live in peace and harmony in a multi-cultural, multi-ethnic and multi-religious environment, and underscored the need to combat the scourge of extremism and terrorism and called for a joint effort to tackle this menace. The meeting in was attended by 84 countries and 16 International Organizations including several Heads of State, Government and Foreign Ministers.

### **India on Climate Change**

Addressing the media during the UNFCCC Climate Change Talks at Bonn, on April 7, Shyam Saran, Special Envoy of the Prime Minister affirmed categorically that India, as also other developing countries, have a vital stake in the successful conclusion of these multilateral negotiations and the response had to be collaborative. Further excerpts follow: "We believe that the UNFCCC represents an international consensus arrived at after very protracted and complex negotiations. The Copenhagen outcome should be able to demonstrate clearly and unambiguously, that each of the decisions that it takes, conforms to the enhanced implementation of the specific provisions of the Convention as elaborated in the Bali Action Plan...

not only must the outcome at Copenhagen be ambitious, it must also be equitable. The stress we lay on this consensus principle is sometimes misinterpreted as an avoidance of our own responsibility to contribute to tackling the challenge of climate change. As a developing country, we do have a responsibility, which is to pursue ecologically sustainable development. We take our responsibilities very seriously and this is evident from the fact that in the past decade, we have delivered 9% annual growth in our GDP with only 4% annual increase in our energy use... To ensure that climate change is one of the top priority items on our national agenda, the Prime Minister has set up, under his own Chairmanship, a multi-sectoral and multi-disciplinary Council on Climate Change. It is under the guidance of this Council that India has adopted an ambitious and comprehensive National Action Plan on Climate Change with 8 National Missions covering both mitigation and adaptation and has a significant R&D and technology development component. With the implementation of these National Missions, India would have significantly enhanced its own sustainable development strategies... We are participating actively and constructively in the ongoing multilateral negotiations. We are encouraged that our proposal to set up a network of Climate Innovation Centres to accelerate the development, dissemination and transfer of key climate relevant technologies, has received broad support from both developed and developing countries... We have only a few months left in which we must come up with concrete and significant decisions to be adopted by the 15th COP. The progress achieved so far has been disappointing from our perspective. Nevertheless, we are optimistic that sooner rather than later, a sense of shared challenge and a collaborative spirit will inform our subsequent deliberations as we write the final and decisive chapter of what could become an epic and historic journey towards Copenhagen.

#### **"India Well Placed to Weather the Slowdown"**

Ashok Chawla, Secretary, Department of Economic Affairs, in the Finance Ministry has said that in some sectors of the economy, such as cement and steel, there were clear signs of revival. He said that the affected sectors were those that were dependent on exports such as gems and jewellery and apparels.

Chairman and Managing Director, TVS Motor, and the new President of Confederation of Indian Industry (CII), Venu Srinivasan, has said that economy, infrastructure and governance were the three areas that needed immediate focus to bring the economy back to shape. He was optimistic about the recovery of Indian economy and believed that the economy should start picking up by October this year. Underlining that India was in a much better position compared to other countries, Srinivasan said that the economy had started showing signs of improvement in February.

RBI Deputy Governor, Rakesh Mohan, said that while there would be some moderation in growth in the immediate future due to uncertain global market conditions, India would return to its trend of 8%-plus growth rate as soon as global economy returned to normalcy. He said that despite the widening trade deficit, the current account deficit remained modest, largely due to high levels of private transfers and service sector exports. RBI and the government have been active in taking a range of measures to meet shortfalls in rupee as also foreign exchange liquidity. Among the countries surveyed by the Bank for International Settlements, the Indian foreign exchange market volumes have shown the fastest growth during 2004-07. Mohan said that the key to maintaining high growth with reasonable price stability, lied in rapid capacity additions through investments, productivity improvements, removal of infrastructure bottlenecks and amelioration of skill shortages.

The Fast Moving Consumer Goods (FMCG) sector maintained its double-digit growth for the quarter ending on March 31. India's FMCG sector is led by domestic growth and is not much affected by the global economic situation. According to the estimates, net profit grew at an average rate of 15% in the March quarter, whereas revenues increased by 14%.

### **"RBI Knows Banking Better..." , Nobel Laureate**

Nobel Laureate Joseph Stiglitz has complimented the Reserve Bank of India (RBI), India's central bank, for resisting pressures to deregulate the banking sector. Stiglitz, a professor at Columbia University, said one reason India was "one of the least dark spots" in the gloomy global economic scenario is that its central bank had resisted such moves. Stiglitz said India had largely averted a crisis that felled the United States because India's central bank did not act like its counterpart in the United States.

Former IMF Chief Michel Camdessus said that the Indian financial system seemed to have absorbed much less toxic assets as compared to a number of other countries. He emphasized that the Indian financial system was resisting the global economic crisis well and he saw no major concern for the Indian economy.

### **Top Recipient of Remittances**

India received remittances to the tune of US \$ 45 billion in 2008, consolidating its rank as the top recipient in the world, followed by China (US\$ 34), Mexico (US \$ 26), Philippines (US \$ 18) and Poland (US \$ 11). However remittances globally would decline by 5-8 % this year to US \$ 290 billion from last year's high of US \$ 305 billion, World Bank's Migration and Development Brief said. Even with this drop, remittances will outstrip private capital flows, expected to fall by half in 2009, and official development aid, typically around US \$ 100 billion.

### **Indian Equity Market**

According to Asian Development Bank (ADB), the Indian equity market's capitalization, at US\$ 598.3 billion, accounted for about one-tenth of the combined valuation of the entire emerging Asian region at the end of March 2009. ADB put India as the third biggest equity market in the region. In its best monthly performance in last 10 years, India's main stock index jumped more than 17 percent in April due to improved investor confidence. Foreign funds led the buying with more than US \$1.4 billion from April 1-27, the biggest inflow since October 2007. The improved performance was largely due to expectations that India's economy would pick up later this year.

### **Sharp Increase in FDI Inflows**

Despite the global economic crisis, foreign direct investment (FDI) in India increased sharply in 2008. The aggregate inflow of FDI more than doubled in 2008, up 113.3% 2008. Israel, Thailand, Saudi Arabia and South Africa, whose names did not appear in India's FDI list prior to economic liberalisation, have gone on to increase their stake steadily over the years. Separately, a survey by the Japan Bank of International Cooperation (JBIC) revealed that India was the second favourite investment destination for Japanese companies. Japanese FDI into India tripled to \$5.4 billion in 2008 from \$1.78 billion in the previous year. In January 2009, India attracted FDI worth US\$ 2.7 b, up 58.8%, and for April-January 2009 it was US\$ 23.8 billion, against US\$ 14.5 billion during the same period in previous year.

### **"A Good Investment Destination"**

In an interview with Economic Times, Christian Scherer, Vice-President in charge of strategy and future programmes of **Airbus**, said Airbus was working closely with its

customers in India, and it would continue to grow its supply base in India with focus on six key areas which include engineering, design, training and research. He said that their outsourcing volume would grow in excess of US \$1 billion in the next few years. Airbus currently employs 200 highly-skilled professionals at its design centre in Bangalore which will double to 400 in the next few years. He said that there was a bit of recession right now worldwide, but in India, there was a slowdown and not recession.

US-based **Sikorsky Aircraft Corporation**, a subsidiary of United Technologies Corp, and world leader in design, manufacture and service of helicopters, has entered the Indian market. The company aims at making India the hub to cater to the requirements of the South Asian market after forming a joint venture with the Tata Group to manufacture helicopter cabins in India.

Last year **Sony Corporation** announced its aim to double revenues from the BRIC countries (Brazil, Russia, India and China) to about US \$18.6 billion by 2011. Masaru Tamagawa, MD of Sony India, said that given the economic slowdown he believed that India would be better suited to help meet Sony's target. He added that China had high dependency on exports which were coming down drastically, in Brazil, a big exporter of food and raw material, the situation was tough since prices had come down, in Russia the credit crunch was making the business environment challenging, whereas India, though facing a certain degree of slowdown, was overall faring better, and the Indian market was still in a growth phase, and they were optimistic about the prospects. From Apr.-Dec.2008, Sony posted a growth of 25% in India.

Declaring that India remained one of its strategic and key markets, **Coca-Cola** reiterated its commitment to go ahead with a planned investment of US \$ 250 million over the next three years announced in 2008. Coca-Cola has so far invested US \$ 1 billion in its Indian operations. Coca-Cola gets bulk of its revenue from abroad and India led its international sales growth with 31 percent during the first quarter of this year.

France's **Carrefour**, the world's second-largest retailer, announced its plan to open its first cash-and-carry outlet in India later this year or early next year. Wal-Mart, the world's largest retailer, Britain's **Tesco** and **Marks & Spencer**, and Germany's **Metro AG** have already started operations in India. **Lerros**, a premium apparel brand of Germany, also plans to open at least 15 stores by the end of the current fiscal year, further investing around US\$15 m in India over the next five years. It already has seven stand-alone stores and 40 shop-in-shops in India.

U.S. investment bank, **Lazard Ltd**, is to launch a US \$100 million India-focused fund to buy minority stakes in mid-sized companies. Lazard India Growth Fund Trust will be registered as a venture capital fund, and its investment targets would include consumer services and retail, engineering, healthcare, power, food processing and telecoms. The investment bank already has a unit in India that runs merchant banking operations.

#### **Auto MNCs in India**

Germany's **Daimler Trucks** decided to invest US \$21.2 million for the remaining 40% in its Indian heavy truck joint venture. Underlining the importance of India, Daimler Trucks said it would invest more than 700 m Euro over four years to enter and eventually use the Indian subcontinent as a bridgehead to other emerging markets. Daimler plans to use its Indian low cost base to export a type of premium commercial vehicles tailored for emerging markets.

**Volkswagen's** President and MD, Joerge Mueller, said that the company was planning to enter India's small car market by 2010. Volkswagen opened its plant in Chakan near Pune in the western state of Maharashtra with an investment of more than US\$ 700 m. He said that there were plans to bring more models in India soon while aiming at a market share of 8%-10% in the coming years from the current 2%, and planned to strengthen its dealership network in the country. India has the world's fourth largest automobile industry.

Makers of luxury cars such **BMW, Skoda, Mercedes Benz** are increasingly looking at making India a sourcing hub for components, besides using more local components in cars for the Indian market. India is emerging as a major hub for auto components due to competitive pricing, high product quality and high degree of competitiveness in software and engineering. BMW is seeking its first direct sourcing deal with local vendors, and also plans to source engineering services and components that involve casting and forging from India for its worldwide ancillaries requirement. BMW currently sources horns for its 3- and 5-Series sedans and components such as handle bars and die casts for its motorbikes from India. Skoda Auto India, part of the Volkswagen group, is trying to increase localization for its small car, the Fabia, to offset cost pressures. Mercedes Benz India is servicing its operations in Japan, Germany and the US with products sourced from India. Mercedes recently decided to increase its staff at its Bangalore R&D centre by up to four-fold in the coming years. The centre employs currently around 200 engineers.

#### **Drugs Firms Ready for Swine Flu**

Pharmaceutical firms in India said they could quickly raise production of antiviral drugs if swine flu threatened India, or if other countries needed them. So far there had been no case of the swine flu in India. Following the avian flu in 2003, Swiss drugs-maker Roche Holding authorized drug companies in developing countries to manufacture an inexpensive generic form of its Tamiflu drug, called oseltamivir or Fluvir. Hyderabad-based **Hetero Drugs**, the only supplier in India licensed by Roche, said it could produce a monthly capacity of about 80 million doses of Fluvir within weeks.

#### **Indian Pharma Strides on**

India's drug retail industry continued its healthy growth by recording 13.3% higher sales, worth US\$ 560 m, in February over the same month last year. This marked the fourth straight month of higher drugs sales in India after the drug retail market contracted for the first time in many years by 1.2% in October 2008. Domestic pharma firm, **Cipla** continued to hold the top position in sales, followed by **Ranbaxy, GlaxoSmithKline, and Piramal Healthcare**.

Despite foreign exchange losses and currency fluctuations impacting profitability, leading Indian drugs companies were exceeding revenue growth targets set for financial year 2008-09. **Dr Reddy's Laboratories**, which had targeted 25% growth in revenues for 2008-09, recorded revenue growth of 25, 30 and 49% respectively in the first three quarters. **Sun Pharmaceutical Industries**, India's largest drug company in terms of market capitalization, grew at 18% in revenues for 2008-09. **Lupin Ltd**, another top-five Indian drug company, which was growing at over 30% in the last four years, maintained 38% growth in turnover and 49% growth in profits in the first nine months of 2008-09.

Globalization is taking Indian pharma industry towards better **environmental, health and safety (EHS)** performances. Several Indian companies are complying with EHS standards to boost their global image, widen their horizons and attract international players. Most Indian pharma companies like Ranbaxy Laboratories, Alembic, Dr Reddy's Laboratories, Cadila Pharmaceuticals, Zydus Cadila, Arch

Pharmalabs and USV, among others, have ensured a proper EHS management system and other environmental initiatives to attract additional business opportunities in the global arena.

Indian drug firm, **Sun Pharmaceutical**, said it has won an approval from the U.S. Food and Drug Administration (FDA) to sell a generic version of Xanodyne Pharmaceuticals' Roxicodone tablets. The generic, oxycodone hydrochloride tablets, are used as a painkiller. Indian pharmaceutical products are among the cheapest in the world, oftentimes one-tenth or still less than prevalent global prices, without compromise in quality, explaining their rapid worldwide successes. Separately, the US drug-maker **Pfizer**, and the Swiss drug-maker, **Novartis**, are seeking to boost their stakes in their Indian subsidiary companies.

In an indication of India's growing importance as a clinical trial destination, multinational pharmaceutical firms are queuing up for approvals to test their new drugs here. At least a dozen global firms, including **Roche, Pfizer and Astra Zeneca**, got a nod from the Drugs Controller General of India (DCGI) to conduct over 50 clinical trials on Indian volunteers. The global clinical research outsourcing market is projected to touch US \$23 billion by 2011, with consultancy firm KPMG estimating that India will corner 15% of this in two years. While the industry attributes this to the growing interest of pharma majors in emerging markets like India, some medical experts see "low cost" as the main attraction. India allowed concurrent clinical trials (of the same drug in different locations across the world) four years ago. DCGI got around 170 applications in 2006, 200 in 2007 and 350 in 2008. The applications cut across therapeutic areas and come from almost every significant global pharma firm.

**GE Healthcare** almost trebled its R&D facility space at its centre in Bangalore, including a US\$25-m 'simulated hospital' that will try out new medical innovations for the local and global markets. The eco-friendly LEED-certified facility, called GE Odyssey, will house 2,000 engineers. John Dineen, President and CEO, GE Healthcare, said that it was the biggest engineering lab for GE Healthcare, and the first of its kind in the world. GE has invested US\$150 m in the new lab and will be making an additional investment of US\$25 m. In the next 3 years, GE Healthcare aims to double the current India sales of US \$500 million, including exports.

After acquiring two healthcare companies in India (Meditronics and Alpha X-Ray Techlogies), **Philips** is planning to make India one of its global production hubs for medical equipment. The company plans to invest substantially on upgrading the acquired manufacturing facilities and increasing their capacity, with plans to start shipping their products globally within 18-24 months. The initial focus will be on value-segment medical equipment. The company is planning to undertake more acquisitions in India to further strengthen its value-segment portfolio.

### **India 2nd in Medical Tourism**

India currently ranks second globally in medical tourism, after only Thailand. In 2007, Indian hospitals treated 450,000 patients from other countries. A two-year study by healthcare researchers, Deloitte, revealed there had always been an inflow of patients from neighbouring countries and West Asia, but now there was a significant rise in patients from the US, UK and Europe. Apart from cheaper treatment, other factors like India's clinical and paramedical talent, JCI accreditation of some hospitals, and international standards, have contributed to this success. Third-party intervention through health insurance has also given it a boost. While Thailand is more into cosmetic surgery, India focuses on cardiac, neurological or orthopedic problems. Treatment cost is the lowest in India, only 20% of the average cost incurred in US.

### **A Nano Diagnostic Device**

India's Bigtec has developed a hand-held diagnostic device that can be used in remote areas to diagnose infectious diseases quickly and in a cost-effective way. This nano device uses the polymerase chain reaction (PCR) method for carrying out the diagnostic tests for Hepatitis, Chikangunya and Dengue. This device has an in-built Bluetooth connectivity, which enables it to be connected all the time to a mobile phone of a doctor in a distant location, sending him all details of the test process and results. PCRs are currently done by big machines that require trained personnel, cost minimum US\$ 24,000, and take 4-6 hours to produce the test results. Bigtec has revolutionized this concept by shrinking the PCRs to a size just a little more than an average fixed line telephone instrument, to cost about US\$ 450, requires minimal training to handle it, produces test results in 12-15 minutes, and it should cost the patient just about US\$ 2.

### **World's Cheapest Car...& Hybrid Cars**

India's Tata Motors' *Nano*, by far the world's cheapest car, was launched for bookings on 1<sup>st</sup> April. The Nano, at 3.09 meter in length, is smaller than the smallest car in India (Maruti 800), but is 21 percent more spacious insides. It is capable of running 23.6 km on a liter of petrol, and its small turning radius of just 4 m makes it easy to handle, especially in small parking lots and on narrow roads. The current price of its standard version is about US\$ 2000.

Maruti Suzuki, India's largest car company by sales, is working on an ambitious plan to launch electric cars and compressed natural gas (CNG) variants for three or four models in the domestic market by 2010-2011. The plan is part of the company's broad strategy to develop small cars that run on alternative and multi-fuel technology. The company Chairman R C Bhargava, added, "We are working on multi-fuel variants and some models have been identified for CNG."

### **Energy Boost for India**

In a major boost to India's energy security, **Reliance Industries (RIL)** commenced natural gas production from its D-6 block in the Krishna-Godavari (KG) basin on the eastern coast. This will reduce India's trade deficit, cut the subsidy burden on fertilizers, and improve chances of oil multinationals investing in oil and gas exploration in Indian seas. The company started producing 2.5 m mscm/d of natural gas from the D-6 block and production will gradually increase to reach its peak of 80 m mscm/d within a year, which would double the country's gas production. The field would meet about one-sixth of India's total oil and gas consumption. The country's annual consumption of petroleum and natural gas is equivalent to 175 m tonne of crude oil. RIL's KG gas will reduce the country's import bill by US\$ 9 b annually during peak production at current prices. In 2007-08, the crude oil import bill was about \$68 b.

India launched its biggest-ever auction of oil and gas assets by offering 70 exploration blocks for investors. The offer included 24 deepwater blocks, 28 shallow water blocks and 18 on-land blocks throughout the country. India currently imports 70 percent of its crude oil needs and is keen to tap domestic reservoirs to reduce its oil reliance. The current blocks on offer are in Mumbai & Kerala-Konkan basin on the west coast, in the Andaman Islands offshore region in the east, in the Krishna Godavari basin, in the north-eastern states of Assam and Manipur, the eastern state of West Bengal, the central state of Madhya Pradesh, the western state of Gujarat, and one in the northern state of Haryana.

### **India Emerging Global Business Power**

A survey done by the Indian School of Business (ISB) and the Vale Columbia Center on Sustainable International Investment (VCCI) of Indian multinational enterprises

(MNEs) investing outside India, said that with foreign assets growing by more than 100% annually in recent years, MNEs were becoming significant investors in global business markets and India was rapidly staking a claim to being a true global business power. The survey identified 24 large multinationals and ranked them on the basis of their foreign assets. The leading company on the list was the state-controlled Oil and Natural Gas Corporation (ONGC), which accounted for 31% of the foreign assets on the list, followed by the conglomerate Tata Group, accounting for 27%.

Twenty Indian companies were included among the 100 New Global Challengers list released by Boston Consulting Group (BCG). Along with Tata Motors, Tata Steel, Tata Consultancy Services, Tata Communications and Tata Tea that are regulars since 2006, Tata Chemicals is listed for the first time in the report, along with Vijay Mallya's United Spirits and Anil Agarwal's Vedanta Resources. The list is prepared after studying 3,000 companies from Asia, Central and Eastern Europe, CIS, the Middle East and Latin America, based on their size and finances, among others.

### **India Top 12<sup>th</sup> Manufacturer**

In its International Yearbook of Industrial Statistics 2009, United Nations Industrial Development Organization (UNIDO) stated that India ranked among the top 12 producers of the world manufacturing value added (MVA). The growth rate of MVA output in India rose from 6.9% in 2000-2005 to 12.3% in 2005-2007. The share of MVA in India's GDP stood at 14.8% in 2006 compared to 13.8% in 2001. According to the UNIDO analysis based on 2007 figures, in textiles India ranked fourth, fifth in electrical machinery and apparatus, sixth in the basic metals category, seventh in chemicals & chemical products, 10th in leather, leather products, refined petroleum products and nuclear fuel; and 12th in machinery & equipment, and motor vehicles.

### **Vedanta Buys Stake in HudBay**

London-listed Indian mining group, Vedanta Resources, said it had bought 14.5 million shares, equivalent to 9.5 percent stake, in Canada's HudBay Minerals Inc. Vedanta is India's largest base metals miner. Vedanta has been aggressively expanding its base, and recently got approval from a U.S. bankruptcy judge to go ahead with its plan for its Sterlite to buy copper miner Asarco LLC for US \$1.7 billion.

### **More Indian Companies Moves Overseas**

India's **Jindal Steel and Power** will start mining iron ore at the vast reserve of El Mutun site in Bolivia from May 2009, where it plans to invest US \$2.1 billion in its operations. A 40-year contract signed in late 2007 gave Jindal the right to mine approximately half the area of El Mutun, which has estimated iron ore reserves of more than 40 billion tonne. As part of the project, Jindal is committed to develop by 2010 an integrated steel plant with an annual capacity of 1.7 million tonne. The project would give Bolivia up to \$200 million per year in taxes and profits.

**Reliance ADAG** is planning to acquire 51% stake in UK-based currency exchange and money transfer firm, No 1 Currency, to foray into the international forex business and to tap onto the 1.6 million NRI (non-resident Indians) population in the country for money remittance business. The deal will mark the first overseas acquisition of a foreign exchange company by an Indian firm. Edinburgh-based No 1 Currency operates close to 300 currency exchange outlets in the UK and is one of the fastest growing independent foreign currency specialists in the country. India's top biscuit maker, **Britannia Industries Ltd**, said it had signed a deal with its New Zealand partner to acquire the remaining 49 percent in a dairy products unit there. Britannia would buy the holding from Fonterra Brands, and make the Britannia New Zealand Foods Pvt. Ltd. a wholly owned subsidiary.

### **Sweden for Nuclear JVs**

After the US, Britain, Russia and Canada, now Sweden too is seeking to establish joint ventures with India in the field of nuclear power. A Swedish business delegation visited India to explore the business opportunities. Indian Government has set a target of 63,000 MW nuclear power by 2030 at an estimated development and generation cost of over US\$ 80 billion. Sweden is keen on back-end operations like nuclear water management (building storage and disposal facilities for spent nuclear fuel and radioactive waste from nuclear facilities) for which they see a market of around \$2 billion in India.

### **Low Carbon Economy**

India has a market value of US\$ 270.98 b in low-carbon and environmental goods and services (LCEGS). With a 6% share of the US\$ 4.32 tr global market, India is tied third with Japan. The US leads with a market share of 20.6%, followed by China with 13.5%. Asia is identified as the emerging epicentre of the low-carbon-economy sector. A low-carbon economy is one in which greenhouse gas emissions are reduced to levels that avoid escalating climate change.

### **Railways to Switch to CNG**

Indian Railways is developing technology to run trains on compressed natural gas (CNG) and has set up the Indian Railways Institute of Alternate Fuels to devise technology to tap into CNG and biofuels. Two research projects have already been commissioned by the railway ministry for using CNG not only run suburban trains, but also for long-distance trains. Some 200 diesel multiple units fitted with CNG engines have already begun trial runs. Initially, in the modified engines about half the diesel will be substituted with gas, which will gradually be increased to 70%. Switching over to CNG from diesel will help the railways cut costs. The railways spent almost US\$1.6 b on diesel last year, which it expects would go down by 60% once it makes the transition to CNG.

The UN climate change body approved an emission reduction project by Indian tyre cord maker, SRF Ltd, that will earn 1.78 m carbon credits for the firm. Under the project, SRF has installed a thermal oxidation system at its refrigerant gas manufacturing plant in the western State of Rajasthan to help cut emission of greenhouse gas HFC 23. One certified carbon credit is equivalent to one tonne of carbon dioxide emission.

### **Pachauri to Lead Climate & Energy Institute**

India's Rajendra K Pachauri will lead the newly established Yale Climate and Energy Institute (YCEI), which will support research and outreach, international collaboration, partnerships with business and industry, and green design efforts that can be implemented and tested within Yale and the surrounding regions. Nearly 100 Yale scientists, engineers, physicians, social scientists and policy experts have joined together to launch the enterprise. While accepting the position, Pachauri said that the Yale Climate and Energy Institute had enormous potential to fill the need for objective analysis of viable options.

### **Cheaper Alternative Energy**

India's Department of Science & Technology is planning a project to reduce the cost of production of alternative energy to promote the use of renewable energy and reduce dependency on the known energy sources. The project was initiated almost six months ago with a team of 55 researchers from different IITs across the country. The government is also evaluating the scope of developing a hybrid solution that is least dependant on transmission grid, and which can bring down to the cost of solar energy to 20 cents per kW/hour from about 30 cents per kW/hour,

with a minimal investment. The project would benefit such regions as do not have transmission lines.

#### **IT Firms Win Global Contracts**

**Xerox** Corp will pay US \$100 million over six years to outsource data-centre services to **HCL Technologies Ltd**, one of India's largest information technology service providers. As part of the deal, HCL will manage disaster-recovery preparation and consolidate Xerox's data centers in North America and Europe.

**Tata Consultancy Services** (TCS) won a contract worth US \$80 m to provide IT systems for several schemes managed by the UK-based **Child Maintenance and Enforcement Commission** (CSA). TCS will provide solutions related to case management, case assessment and payment calculations, automated scheduling of payments, financial and arrears management and enforcement.

#### **15.6 M New Mobile Users**

Indian mobile operators added a record 15.64 million customers in March. The mobile subscriber base in the world's fastest-growing wireless market rose by 50 percent, or more than 130 m, to 391.8 m in the 12 months ending in March 2009. India is the second-biggest market for wireless services, behind only China.

#### **Fish Genome Sequence**

Scientists at the Indian Institute of Genomics and Integrative Biology (IGIB) have sequenced the genome of a fish, which, because of its similarity to the human genome, holds several clues to identifying genes that cause diseases in human beings. Vinod Scaria, an IGIB scientist, said that the wild zebrafish strain analyzed was a first of its kind genome analysis in India.

#### **They Said It**

"We have been sourcing services and components out of India since 1998. On an average, we have grown the sourcing volume by about 10 per cent per year."

- **Wilfried Aulbur, Managing Director and CEO, Mercedes Benz India**

"...India has a much stronger and self-sufficient skill base... India is truly the powerhouse of the future."

- **Michael Maedel, President, JWT Worldwide**

"Chennai-Bangalore can be Detroit of South India."

- **Hiroshi Nakagawa, Managing Director, Toyota Kirloskar Motor**

"If you have tracked the life insurance sector in India so far, you will realise that it has immense growth potential. Last year, the industry witnessed almost 100% growth."

- **William J Toppeta, President, MetLife International**

#### **Most Influential Indians**

President of Congress party, Sonia Gandhi, and industrialists Ratan Tata and Mukesh Ambani, were included among the finalists for the Time magazine's Most Influential People of 2009. The magazine ranked Sonia Gandhi at number 43, ahead of Tata (102), the maker of the world's cheapest car Nano, and Ambani (169), who the publication referred to as 'petrol prince'. The list also included seven people of Indian origin including Indra Nooyi of Pepsico, Ronnie Screwvala of UTV, public face

for Washington's Troubled Asset Relief Programme, Neel Kashkari, and management consultant, Ram Charan.

### **Sunil Mittal on Carnegie Board**

The Carnegie Endowment for International Peace announced that Sunil Mittal, Chairman and Managing Director of India's Bharti Group, had joined its Board of Trustees. Bharti Group is one of India's leading business groups, and the country's largest mobile phone company. He is the first Indian to join the board of this prestigious global think-tank that has former UN Secretary General Kofi Annan among its only three non-US board members.

### **Global India Award 2009 for Tulsi Tanti**

Tulsi Tanti, popularly known as 'Wind man of India', was awarded Chanchlani Global India Award 2009 for his contributions towards promoting non-conventional sources of energy. Instituted by Canada India Foundation, the prize included US \$ 50,000 and a trophy. Tanti is Chairman and Managing Director of Suzlon Energy Limited, a wind power-based company that commands over 10.5% global market share of the renewable sources of energy.

### **Indian-Americans in US Key Jobs**

US President Barack Obama appointed some Indian-Americans to key posts in his administration: Aneesh Paul Chopra, Chief Technology Officer, Vivek Kundra, Chief Information Officer, Raj Shah, Under Secretary for Research, Education and Economics in the Department of Agriculture, and Kal Penn Modi, Associate Director in the White House office of public liaison.

## **WORLD'S LARGEST ELECTIONS, INDIA 2009**

India is currently holding its 15<sup>th</sup> General Election to the Lok Sabha (Lower House of the Parliament), the largest ever democratic elections in the world.

India is a Socialist, Secular, Democratic Republic, and the largest democracy in the world. The modern Indian nation state came into existence on 15th August 1947. Since then free and fair elections have been held at regular intervals as per the principles enshrined in the Constitution, Electoral Laws and System. The current elections are taking place in five phases during the months of April and May, three phases having already take place on April 16, 23 & 30, with the reaming two to take place on May 7 & 13. The main tussle in the elections is between the Congress-led coalition (UPA) government and the main opposition bloc (NDA) headed by the Bharatiya Janata Party (BJP). The results of the election will be announced on May 16 and the Next Lok Sabha must be convened before June 2, 2009.

**Parliament:** The Parliament of India consists of the President, and the two Houses, known as Council of States (Rajya Sabha) and House of the People (Lok Sabha). Rajya Sabha is a Permanent House; its members are elected by the elected members of State Legislative Assemblies through the system of proportional representation. The Lok Sabha is composed of representatives of people chosen by direct election on the basis of Universal Adult Suffrage. The Constitution provides that the maximum strength of the House be 552 members, 530 members to represent the States, 20 members to represent the Union Territories, and 2 members to be nominated by the President from the Anglo-Indian Community. At present, the strength of the House is 545 and elections are being held for 543 Lok Sabha Seats. Two members from the Anglo-Indian Community will be nominated

by the President. The term of the Lok Sabha, unless dissolved, is five years from the date appointed for its first meeting. With the last elections held in 2004, the term of the 14th Lok Sabha expires on June 1, 2009. Any citizen over the age of 18 can vote in an election. Voting is by secret ballot.

**The Election Commission:** The Election Commission of India, a permanent constitutional, autonomous, quasi-judiciary body, is vested with the power of superintendence, direction and control of conducting the elections to the offices of the President and Vice-President of India, both Houses of Parliament and State legislatures. It consists of a Chief Election Commissioner and two Election Commissioners, appointed by the President of India and they enjoy the same status as the Judges of the Supreme Court of India. The Election Commission enjoys complete autonomy and is insulated from any kind of executive interference. However, the decisions of the Commission can be challenged in the High Court and the Supreme Court of the India by appropriate petitions.

**Political Parties & Symbols:** Political parties are registered with the Election Commission under the law. Political Parties so registered with it are granted recognition at the State and National levels by the Election Commission on the basis of their poll performance at general elections according to criteria prescribed by it. Currently there are seven National Political Parties in India, viz., Bahujan Samaj Party, Bharatiya Janata Party, Communist Party of India, Communist Party of India (Marxist), Indian National Congress, Nationalist Congress Party, and Rashtriya Janata Dal. In addition, there are 24 State Parties in India.

**Model Code of Conduct:** The Model Code of Conduct for guidance of political parties and candidates is a set of norms which has been evolved with the consensus of political parties who have consented to abide by the principles embodied in the said code and also binds them to respect and observe it in its letter and spirit. This is applicable to all political parties and to the Union and State and Union Territory Governments.

**Electronic Voting Machines:** The elections are being conducted with the help of Electronic Voting Machines (EVM). The most important advantage of EVM is that the printing of millions of ballot papers can be dispensed with and there is no need for a ballot paper for each individual elector. This results in huge savings by way of cost of paper, printing, transportation, storage and distribution. Secondly, counting is very quick and the result can be declared within 2 to 3 hours as compared to 30-40 hours, on an average, under the conventional system. Thirdly, there are no invalid votes under the system of voting under EVMs.

**Some Interesting Facts:**

- During the National budget presented in February 2009, about US \$ 200 million was budgeted for election expenses.
- Around 714 million people, more than twice the population of the United States, are eligible to vote in the world's biggest democratic exercise.
- More than 800,000 polling stations will be set up for a five-phased vote over several weeks.
- Over 2.1 million security personnel will oversee the elections.
- 828,804 polling stations will be set up throughout the country.
- Around 11 million electronic voting machines will be used across the nation.
- The polling station in Banej village of Junagadh Lok Sabha constituency in the western State of Gujarat has the unique claim to being the only polling station in the country that caters to only one elector.
- The highest number of Polling Stations are in the northern State of Uttar Pradesh (128,112)
- The lowest number of Polling Stations is in the north-eastern State of Sikkim (581).
- The highest Polling Station: Luguthand (13157 feet above sea level) in the north-eastern State of Arunachal Pradesh.

## Trade Inquiries from India

Company	Interest Areas
<b>DMP Enterprises,</b> 154, N.T.K. Street, Podatur Pet - 631 208, Tiruvallur (DT), Tamil Nadu. Tel: (91 44) 37 80 05 39 Email: venudmp@gmail.com	Fabrics and Knitted Garments, Spices, Gift Items and Handicrafts
<b>Eswar International,</b> Kurumber St., M.C. Palli Post - 635 120, Krishnagiri District, Tamil Nadu. Tel: 978 74 42 365, Fax: 960 05 29 339 Email: successeswar@yahoo.com	Jewellwey, Watches and Onion
<b>Laba Exports,</b> First Floor, IAMT Complex, Type II, No. 10, Dr. VSI Estate, Thiruvanmiyur, Chennai - 600041. Tel: 91 44 43 53 07 65, Fax: 91 44 22 54 24 83 Email: <a href="mailto:labaexports@gmail.com">labaexports@gmail.com</a>	Paper & Paper Products, Turned Parts (Automobile application & general machined components), Nuts, bolts Nails, Screws, Pins & Washers
<b>Gaurav International,</b> E - 347, Phase - IV, Focal Point, Ludhiana - 141 010, Punjab. Tel: 91 161 26 70 308, Fax: 91 161 27 24 057 Email: rohitkalia@gauravinternational.co.in Web Site: <a href="http://www.gauravinternational.co.in">www.gauravinternational.co.in</a>	Autoparts & Tractor parts
<b>Skyways Group,</b> RZ 128 & 129, Mahipalpur Extn., New Delhi - 110037. Tel: 011 30 68 97 35, Fax: 011 30 68 57 90 Email: <a href="mailto:jenny.george@skyways-group.com">jenny.george@skyways-group.com</a>	Importers from Mexico into India
<b>Bajrang Auto Parts,</b> 15/136, Sector - 22, Rohini, Delhi - 110 085. Tel: (91 11) 65 19 10 20, Fax: (91 11) 66 17 38 57 Email: <a href="mailto:info@bajrangautoparts.com">info@bajrangautoparts.com</a> Web Site: <a href="http://www.bajrangautoparts.com">www.bajrangautoparts.com</a>	Automobile Spare Parts
<b>Arihant Group,</b> 234, 235 D Clover Center - 411 001, Maharashtra. Tel/Fax: 91 20 66 20 35 49 Email: <a href="mailto:parag.mulye@arihantgroupco.com">parag.mulye@arihantgroupco.com</a> Web Site: <a href="http://www.arihanttubes.co.in">www.arihanttubes.co.in</a> , <a href="http://www.arihantcomponents.com">www.arihantcomponents.com</a>	Stainless steel & mild steel tubes, metal wires, stamping - fabrication, forgings, and general engineering
<b>Apex International,</b> 2 - C, Tilak Bhawan, Tilak Marg, C - sheme, Jaipur - 302 002. Tel: (91 141) 26 14 330, 22 25 577 Email: <a href="mailto:sales@apexherbex.com">sales@apexherbex.com</a> Web Site: <a href="http://www.apexherbex.com">www.apexherbex.com</a>	Medicinal herbs & Vegetable oils
<b>Paltech Cooling Towers &amp; Equipments Ltd.,</b> B - 604, Sushant Lok Phase - 1. Gurgaon - 122 002, Haryana. Tel: 91 124 42 22 483 or 85, Fax: 91 124 42 22 466 Email: <a href="mailto:shashank@paltech.in">shashank@paltech.in</a> Web Site: <a href="http://www.paltech.in">www.paltech.in</a>	Oil Refineries, Thermal Power, Petrochemical, Chemical Manufacturing, Steel and Metal, and Paper and Pulp Plants

<p><b>Winner Auto India,</b> "OM" Building, 80, Feet Road, Ajivashat, Rajkot - 360 003, Gujarat. Tel: 91 281 238 71 49, Fax: 91 281 238 90 21 Email: wai_rjt9991@yahoo.com, info@winnerautoindia.com Web Site: <a href="http://www.winnerautoindia.com">www.winnerautoindia.com</a></p>	Cylinder liners/sleeves
<p><b>M/s Tulip International,</b> Aswathi Annexe, 16 - C, Gray's Hill Coonor, Nilgris - 643 101, Tamil Nadu. Tel: 91 94 87 90 22 23, Fax: 91 42 32 22 21 13 Email: export@tuliptea.com Web Site: <a href="http://www.tuliptea.com">www.tuliptea.com</a></p>	Tea
<p><b>DS Global Square,</b> "Suneh Deep", 7 - Vaishati Nagar, Raiya Road, Rajkot - 360 001, Gujarat. Tel: 91 98 79 83 98 01 Email: ds.square@live.com Web Site: <a href="http://dsglobalsquare.webs.com">http://dsglobalsquare.webs.com</a></p>	Agro Products, Handicrafts and Jewelry
<p><b>Vinayak Exports,</b> C-9, Haridasji Ki Magari, Near Hotel Trident Hilton, Udaipur, Rajasthan. Tel: 91 98 28 14 84 68, Fax: 91 29 42 43 03 35 Email: naveen9sharma@yahoo.co.in Web Site: <a href="http://www.indiagranit.com">www.indiagranit.com</a></p>	Marble and Granite
<p><b>Neetex Knitwear,</b> 86, Gopal Lane, Mangaldas Mkt, Mumbai - 400002. Tel: 91 22 22 08 41 69, Fax: 91 22 22 08 41 47 Email: neetexintl@hotmail.com, <a href="mailto:neetexintl@gmail.com">neetexintl@gmail.com</a></p>	Knitwear - Sweaters, Pullovers, Cardigans, etc
<p><b>Raghav Industries Limited,</b> 5, Chaturbhuj Jeevandas House, 285/287, Princess Street, Mumbai - 400 002. Tel: (91 22) 40 17 29 00, Fax: 91 22 22 06 29 33 Email: susa@raghavgroup.net / mgimenez@raghavgroups.com Web Site: <a href="http://www.raghavgroups.com">www.raghavgroups.com</a></p>	Yarn Products
<p><b>M/s Sri Venus Fabrics,</b> 337/1, Vaiyapuri Nagar 1st Cross, Karur - 639 002, Tamil Nadu, India. Tel: 91 43 24 32 93 33, Fax: 91 43 24 23 86 57 Email: somu_leela@bsnl.in, <a href="mailto:srivenus_kru@bsnl.in">srivenus_kru@bsnl.in</a></p>	Home Textile Furniture
<p><b>Surana Telecom and Power Ltd.,</b> 2nd Floor, Surya Towers, Sardar Patel Road, Secunderabad - 500 003, Andhra Pradesh, India. Tel/Fax: 91 40 27 84 88 51, Email: info@surana.com Web Site: <a href="http://www.surana.com">www.surana.com</a></p>	Solar Modules/Panels and Cells
<p><b>Sham Sunil Exports,</b> 1317/8 Nimak Mandi, Opp Gandhi Ashram, Amritsar, Punjab, India. Tel: 91 183 25 44 570, Fax: 91 183 25 52 770 Email: shamsunilexport@yahoo.com Web Site: <a href="http://www.shamsunilexport.com">www.shamsunilexport.com</a></p>	Saffron (Spices)

<p><b>Sondhi Industrial Corporation,</b> 149/3B/1, Gias Pura Road, St. 3, Opp. Power House, Ludhiana - 141014, Punjab, India. Tel: 91 161 50 51 819 Email: <a href="mailto:sondhiindco@gmail.com">sondhiindco@gmail.com</a> Web Site: <a href="http://www.sondhiindco.com">www.sondhiindco.com</a></p>	Tractor and Earth Moving Parts
<p><b>Sanjay International,</b> No. 65, Subramaniya Garden 4th Street, Perambur, Chennai - 600 011, Tamil Nadu, India. Email: <a href="mailto:sanjayinternational2009@yahoo.com">sanjayinternational2009@yahoo.com</a></p>	Commodities, Pepper, Turmeric

### Fortnightly Screening of Films

Starting from Wednesday, the 10th June 2009, at 1800 hours every 2nd and 4th Wednesday each month, the Embassy of India in Mexico City will screen Indian feature films, as well as films on a variety of India-related subjects of general interest, such as art & culture, history, tourism, society, polity, economy, and so on, at the Embassy Auditorium, at Musset 325, Colonia Polanco, Delegacion Miguel Hidalgo, Mexico, D.F. 11550.

The screening will be in a flexible manner, as per popular choice, from among those available. The films are in Hindi, English, and some also in Spanish. (The complete list of the films will shortly be put up on the Embassy website - [www.indembassy.org](http://www.indembassy.org), to be updated regularly).

There are no charges or admission cost. All are cordially invited. Tea/coffee and cookies will be available on self-service basis.

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