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PM Stephen Harper inaugurates Year of India in Canada 2011

Prime Minister of Canada, **Mr. Stephen Harper** formally inaugurated the **Year of India in Canada 2011** on March 4. The event began with the lighting of the lamp by PM Stephen Harper at the Canadian Museum of Civilization followed by the 'Sarod' recital by Ustad Amjad Ali Khan. Highlighting India's rich culture, traditions and diversity, and celebrating the contributions of the Indian diaspora to Canadian society, Canadian Prime Minister Mr. Harper inaugurated the event in the presence of Federal Ministers, Members of Parliament, Diplomatic Corps, community leaders and general public. The Director General, Indian Council for Cultural Relations represented the Government of India at the event. Leader of Opposition and Liberal Party Leader Michael Ignatieff was also present.



Inaugurating the event, PM Harper stated: "Our country is home to a vibrant, nearly one-million strong, Indo-Canadian community that plays a vital role in Canada's economic and cultural landscape". "The Year of India in Canada represents a unique opportunity to explore Canada's rich cultural diversity and I encourage all Canadians to participate in festivities, which will be taking place across the country," added the Prime Minister. He was joined by Deepak Obhrai, Parliamentary Secretary to the Minister of Foreign Affairs and host Mr. Shashishekhar M. Gavai, High Commissioner of India to Canada.

From Ottawa, Ustad Amjad Ali travelled to Saskatoon, Calgary, Edmonton and Montreal to give performances.

Other cultural events:

11/13 March 2011	Dance Drama Shakuntalam in Winnipeg and Ottawa
14 March 2011	Parikrama Rock Band in Ottawa
20-22 March 2011	Ticket to Bollywood Musical in Ottawa and Montreal
29-30 March/01 April 2011	Kathakali in Ottawa and Toronto
20 March-08 April 2011	Fusion Dance of Tanushree Shankar in Montreal, St. John, Halifax, Hamilton, Calgary, Edmonton, Ottawa, Saskatoon and Regina

6 Indian writers will visit Canada (Montreal, Ottawa and Regina) during April-May for "**Festival of Indian Writing**". The Indian writers are:

1. **Mr. Amitava Ghosh, fiction/non-fiction**
2. **Ms. Bharati Mukherjee, fiction/non-fiction**
3. **Mr. K. Satchidanandan, poetry/plays/ non-fiction**
4. **Ms. Ajeet Caur, Punjabi writer**
5. **Ms. Veena Kandasamy, poetry**
6. **Dr. Aziz Hajini, Kashmiri writer**

This will be followed by visit of Indian nomadic orchestra and Indian Master Craftsmen for the Ottawa Tulip Festival in May 2011.

The Year of India will feature a number of cultural and artistic events across Canada, including musical and theatrical performances as well as literary gatherings, book fairs, business meetings and children's events. Please see our website: www.hciottawa.ca for further details.

Highlights of India's Budget for 2011-12

Finance Minister Pranab Mukherjee presented the Union Budget for 2011-12 in the Parliament on 28 February 2011. Main highlights of the Budget are:

- Budget proposes to enhance tax limit for general public from Rs. 160,000 to Rs. 180,000
- Priority to make taxes moderate, collection simple
- Fiscal deficit brought down to 5.1%
- Rs. 164,000 crore for defence; more will be given if required [1 crore = 10 million]



- 24% increase in education sector allocation
- Rs. 58000 crore for social schemes
- Economy expected to grow by 9% next year
- Measures to be taken to bring back black money
- Group of Ministers constituted to tackle corruption
- Fertiliser sector investment to get infrastructure status
- Food storage capacity to be augmented - 15 more mega food parks to be set up in 2011-12.
- RBI to issue new guidelines for banking sector
- Bills on insurance, pension funds, banking to be introduced
- To boost infrastructure development, Finance Minister proposed tax-free bonds of 300 billion rupees
- Infrastructure spending to be raised by 23%
- FIs can invest \$40 billion in corporate bonds
- Discussions on to further liberalize Foreign Direct Investment policy
- Disinvestment target at Rs. 40000 crore
- Portfolio investment would be permitted in SEBI registered mutual funds from foreign subscriptions
- Direct tax code to be implemented from April 1, 2012.
- GST constitutional amendment bill to be introduced
- Proposal to introduce self-assessment of customs duty wherein importers and exporters will themselves assess payment of duty
- Budget to maintain standard rate of excise duty at 10%
- Nominal 1% central excise duty on 130 items entering the tax net. Basic food and fuel and precious stones, gold and silver jewellery will be exempted
- Senior citizen age reduced from 65 to 60

Growth may return to 9% in 2011-12

The economic survey for 2010-11 presented by the Finance Ministry, projected that after a three-year hiatus caused by the global financial crisis, the Indian economy may return to 9% growth mark in the next financial year (2011-12). The survey, however, stated that ongoing political crisis in West Asia, an uncertain global recovery and any abnormal weather condition may bring down the 9 per cent growth projection.

The survey also indicated that the government has revised the fiscal deficit rate from projected 5.5 per cent to 4/8 per cent of the GDP during the current financial year. This would enable the government to prune it further in the next financial year (2011-12). India's Chief Economic Advisor Kaushik Basu expressed confidence that India could clock a higher growth rate than China in the next 3-4 years.



Bilateral trade up

India-Canada bilateral trade continued to show an upward trend during the period January-December 2010 as compared to same period in 2009. India's exports to Canada registered 17.8 per cent increase whereas India's imports from Canada were up by 5.9 per cent over the same period in 2009. Overall bilateral trade during January-December 2010 was US\$ 4.088 billion as compared to US\$ 3.663 billion in 2009, up 11.60 per cent over the same period in 2009.

Direct taxes up by 20 per cent

Finance Minister Pranab Mukherjee announced on 26 February that direct taxes registered a growth of 20 per cent during the first eleven months of the current financial year (April 2010-March 2011). The direct taxes collections have grown at an average annual rate of 24 per cent in the last five years and have nearly trebled from Rs. 132,771 crores (1 crore = 10 million) in 2004-05 to about Rs. 378,000 crore in 2009-10. During the same period, the direct taxes share in the GDP also increased from 4.1 per cent to 6.1 per cent. This has been possible due to rationalisation of tax structure and improvement in tax administration, he added.

Exports from SEZs rise 47 per cent during April-December 2010

The data released by the Export Promotion Council for Export-oriented Units and Special Economic Zones stated that exports from Special Economic Zones stood at Rs. 223,132 crore during the period April – December 2010, a rise of 47 per cent, compared with Rs. 151,785 crore in the same period of the last financial year.

IT-BPO exports to touch \$ 175 billion by 2020

According to the National Association of Software and Services Companies (Nasscom), IT-BPO exports from India are expected to grow three-fold to \$ 175 billion by 2020. The sector registered 19 per cent growth in 2010 aggregating revenues worth \$ 76 billion as against \$ 59 billion in the previous year. Nasscom President Som Mittal stated that the new mantra is to innovate, redesign and reinvent. The only constrain to tap this opportunity is not the demand but our ability to address it, he added.

Gems, jewellery exports to touch US\$ 33 billion

According to the Gems and Jewellery Export Promotion Council (GJEPC), India's gems and jewellery exports are estimated to rise 17.8 per cent to touch US\$ 33 billion in 2010-11. In the first three quarters of the current fiscal (2010-11), the exports registered 41 per cent growth to reach US\$ 27.5 billion as compared to the same period in the last fiscal. The US and the European market constitute of about 60 per cent of India's gems and jewellery exports.



New scheme for promoting project exports from India to countries in Asia, Africa, CIS and Latin America

To promote project exports from India to countries in Asia, Africa, CIS and Latin America, the Department of Commerce has introduced a new scheme for extending Buyers Credit to these countries through the Exim Bank. Salient features of the scheme are highlighted below:

- i. EXIM Bank would offer long-term buyers credit to foreign governments/government-owned entities for executing projects through Indian companies. Reputed project exporters from India can thus secure projects abroad financed by long term credit facility extended by Exim Bank to foreign governments.
- ii. These credits could be offered on a case-to-case basis for project exports in sectors such as roads, housing, buildings, gas & oil pipelines, power, renewable energy, airports, ports and other infrastructure projects.
- iii. The credit would be backed by a sovereign guarantee extended by the foreign government as well as insurance cover provided to Exim Bank by the National Export Insurance Account (NEIA).
- iv. The NEIA is a fund set up by GOI to provide insurance cover for deserving projects which otherwise are not covered by ECGC due to high risk and long repayment period. Based on current budget of the NEIA, Exim Bank would be in a position to offer long-term credit lines totalling US\$ 2 billion.
- v. Approval of projects for insurance cover by the NEIA would, in addition to other criteria, depend on the credit risk profile of the concerned country vis-à-vis the quantum of long-term credit exposure and fresh credit under consideration. In such risk assessment, inputs of our Missions would be relevant.
- vi. The interest differential, if any, between market rate of interest and interest rate offered to the borrowing country would be borne by the Indian exporter.
- vii. The Indian exporter would also pay the premium to Exim Bank which in turn pays premium to ECGC for the insurance policy. ECGC is the implementing agency for the NEIA.
- viii. Repayment period could vary from 5 to 8 years and the rate of interest would normally be linked to LIBOR.

Bank of India to open subsidiaries overseas, including Canada

A top official of Bank of India, a public sector bank, announced that the Bank plans to open subsidiaries in Canada, New Zealand and a few African countries. The Bank plans to acquire small-sized or mid-sized banks in African countries, New Zealand and Canada for this purpose.

BP, Reliance in \$ 7.2 billion deal

In the biggest foreign direct investment into India, BP, the world's fourth largest energy company, agreed to pay \$ 7.2 billion to Reliance Industries Limited for a 30 per cent stake in 23 oil and gas



blocks of the Indian company which includes the most prolific KG-D6 off the east coast. Future performance payments up to \$1.8 billion could be paid based on exploration success resulting in development of commercial discoveries. The two companies will also enter into a 50:50 joint venture for sourcing and marketing of gas. These payments and the combined investment could amount to \$20 billion, BP said.

Bilateral Trade

Following table provides details of India-Canada bilateral trade during January-December 2010:

[Figures in thousand US dollars at the current rate]

Description	Jan-Dec 2009	Jan-Dec 2010	Percentage change
India's Total Exports	1,752	2,064	17.8
India's Total Imports	1,911	2,024	5.9
Total Trade	3,663	4,088	11.60

[Source: Statistics Canada]

Investments/Tie-ups

The Montreal based New Millennium Capital Corporation has announced the signing of a binding heads of agreement (HOA) with Tata Steel Global Minerals Holdings Pte. Limited for approximately worth \$ 5 billion to develop the LabMag and KéMag iron ore deposits, known collectively as the Taconite Project. Under the Binding HOA, Tata Steel will participate in the development of a feasibility study of the Taconite Project and contribute towards 64% of the related costs. The parties would enter into a binding joint venture agreement upon the successful completion of the feasibility study and Tata Steel electing to develop one or both of the deposits. New Millennium Capital Corp. controls the emerging Millennium Iron Range, located in the Province of Newfoundland and Labrador and in the Province of Quebec, which holds undeveloped magnetic iron ore deposits.

On 01 February, the Board of Trade of Metropolitan Montreal announced the signing of a Memorandum of Understanding with the Indian Merchants' Chamber at the beginning of the 2011 trade mission to India. The trade mission was organized by the Government of Quebec in cooperation with the Board of Trade's team of international trade experts, the World Trade Centre Montréal and Canada's Medical Technology Companies. The Indian Merchants' Chamber, based in Mumbai, has 3,200 direct members and 225 affiliated member associations, comprising more than 250,000 companies across the country.

A news item on 08 February 2011 reported that Mississauga-based Magellan Aerospace Corporation and Hindustan Aeronautics Ltd. in Bangalore, India, signed an agreement for a new wire strike protection system. The agreement includes the design and development of the wire strike protection system by Magellan's Bristol division in Winnipeg for Hindustan Aeronautics' advanced light helicopter. Magellan Aerospace manufactures, designs and processes capabilities to support development of aero engines, aero structures, defense and space, and specialty products.

On 17 February, Wipro Technologies of India announced the inauguration of a new office in Mississauga, Ontario as part of an expansion plan for its Canadian operations. The Mississauga



office will serve as Wipro's Canadian headquarters. Wipro provides research and development services and IT solutions and services, which include systems integration, information systems outsourcing, package implementation, software application management, and datacenter managed services.

A press release issued on 14 February by Montreal-based CAE reported inauguration of its new aerospace and defense complex in Bangalore, India. The ceremony was attended by representatives of India's airlines and defense forces, Canada's High Commission to India, and company executives and employees. The complex is the headquarters for CAE's operations in India. CAE designs and develops defense training systems for India's defense forces and operates an engineering centre of excellence where visual databases and other software components for CAE's simulators are developed. CAE provides simulation and modeling technologies and integrated training solutions for the civil aviation industry and defense forces.

Jigsee Inc., a Toronto-based provider of adaptive video streaming technology for wireless devices in developing countries, announced on 14 February that it has received Series-A funding from the Indian Angel Network. The Indian Angel Network is India's only national network of investors in start-ups. Jigsee has developed and tested its adaptive video streaming technology in Bangladesh and India. The technology delivers continuous video streams in low-bandwidth environments. Jigsee will use the capital raised from the Indian Angel Network to expand its India presence and to fuel the deployment of its mobile application in India and neighbouring countries.

On February 16, a press report stated that a Vancouver-based resource exploration and development company, Maxtech Ventures Inc., will set up a camp in the Girar area of Uttar Pradesh Province, India to drill two-to-three diamond drill holes. The work will happen through the geological team of its subsidiary, Maxtech Resources Private Limited. The drilling is planned to intercept the auriferous Precambrian banded iron formation.

Visits

From India

Mr. Suresh Kumar Goel, Director General, Indian Council for Cultural Relations visited Canada (Ottawa) as a representative of the Government of India at the inauguration of Year of India in Canada 2011 on 4 March 2011 in Ottawa.

Dr. S K Jain, Chairman-cum-Managing Director, Nuclear Power Corporation of India Limited (NPCIL) visited Ottawa in February 2011 to participate at the Nuclear Fuels Conference.

A three-member delegation, from the Department of Science & Technology, New Delhi, consisting of Dr. Sanjay Bajpai, Scientist 'F'; Dr. Vaveen Vasishta, Scientist 'D'; and Mrs. L. Indumathy, Director, visited Edmonton from February 22 to 23, 2011, for the Multilateral Roundtable Meeting on Sustainable Water Management via Nano and Emerging Technologies.



Mr. Deependra Singh Shekhawat, Hon'ble Speaker of Rajasthan Legislative Assembly (RLA) accompanied by Mr. H.S. Kuri, Secretary (RLA), and Mr. Harmohinder Singh Chatha, Former Speaker and currently Minister in the Haryana Government, paid a visit to Canada to attend the Mid-Year Commonwealth Parliamentary Association Executive Committee Meeting at Whitehorse (Yukon) from February 24 to 27, 2011.

Justice N K Sodhi, Presiding Officer along with Mr. P K Malhotra, Member and Mr. S S N Moorthy, Member of the Securities Appellate Tribunal (SAT) visited Canada (Toronto) from 22 to 25 March to familiarize with the capital markets of Canada.

From Canada

Saskatchewan Premier Mr. Brad Wall led a 40-member trade mission to India (New Delhi, Ahmedabad, Mumbai) during 9-18 March 2011 consisting of representatives from Saskatchewan Trade and Export Partnership and the Saskatchewan Pulse Growers Association to explore new opportunities for further enhancing trade and economic relations between India and Saskatchewan Province. During his stay in India, he held meetings with the Ministers of External Affairs, Commerce & Industry, Agriculture, Science and Technology, Human Resource Development, Petroleum and Natural Gas, Minister of State of Mines, Chairman, Atomic Energy Commission, Principal Scientific Adviser to PM, etc. An MoU between the Indian Ministry of Mines and the Ministry of Energy and Resources, Saskatchewan Province regarding cooperation in the field of Geology and Mineral Resources was also signed.

Mr. Kevin G Lynch, P.C., Vice-Chair, BMO Financial Group and former Clerk of the Privy Council Office and Secretary to the Cabinet of Canada visited India during 28 February-4 March 2011 with a view to exploring possibilities for the BMO to enter Indian market. He was accompanied by Mr. Ed Legzdins, MD, International & Senior Vice President, Retail Investments, Private Client Group of BMO.

Trade Fairs/Exhibitions/Seminars

32nd India Knit Fair

The India Knit Fair Association along with Apparel Export Promotion Council and Tirupur Exporters Association is organizing the **“32nd India Knit Fair” from 20-22 April, 2011 at Tirupur, India.**

The fair will showcase an entire range of the latest designs in casual wear, party-wear, pullovers, cardigans, dresses, skirts, shorts, pyjamas, ensembles, blouses, polo shirts, T-shirts, underwears, boxer shorts, night wears, leggings, sweat shirts, bustier sets, washed look garments, jogging suits,

swim wears, track suits, sportswear and many more using different kinds of fabrics made of cotton (including organic cotton), as well as from the fabrics made from synthetic fibres and their blends. Seamless garments, reversible garments as well as structured garments are also included in the latest collections.

[For further details, please access website: www.indiaknitfair.com]



5th Panelexpo 2011

The Federation of Indian Plywood and Panel Industry (FIPPI) along with International Trade and Exhibition Events Private Limited (ITEE) is organizing the **“5th Panelexpo 2011” from 15-17 September, 2011 at Pragati Maidan , New Delhi.**

Panelexpo is India’s largest specialized trade fair introducing the leading international manufacturers of timber and woodworking equipment. The fair is expected to be the largest buyer-to-buyer platform for:

- Technology suppliers and seekers.
- Face-to-face interaction amongst industry player
- Highlighting the potential of Indian Industry to absorb and transfer latest technology from world over.
- Identifying new import and export destination.

[For further details, please access website: www.panelexpo.in]

Tenders

Global Tender Notice

The General Manager, Ordnance Equipment Factory, India invites Expression of Interest for the **“Setting up of an integrated plant. The plant required is to produce Boot High Ankle DVS (Improved Version) at the rate of 10,00,000 (one million) Boot High Ankle DVS per annum”**

The Global Expression of Interest is issued to invite application from leading world class and proven Boot manufacturers and/or Plant and Machinery manufacturer who have all the requisite know how to design, supply and commission all the requisite manufacturing facilities on a turn-key basis.

[Complete details of the tender and tender documents are available on website: www.tenders.gov.in]

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