



सत्यमेव जयते

HIGH COMMISSION OF INDIA

Ottawa, Canada

ECONOMIC NEWSLETTER

Issue No.36

27 November 2011



Highlights

- Year of India
- Canadian Minister of International Trade Ed Fast Visits India
- Cabinet approves 51 per cent FDI in multi-brand retail
- India to overtake China in 2014: Ernst & Young
- National Manufacturing Policy to create 100 million jobs in a decade
- India's Formula One Debut a huge success
- Mysore Palace is among the world's 31 must-see places
- Engineering design market to touch \$40b by 2020: NASSCOM
- India Inc's hiring of expats up 20 per cent
- Moser Baer Clean Energy Limited commissions largest solar power capacity
- India to attract \$80 billion FDI over 12-24 months, says a Morgan Stanley survey
- India makes significant progress on human development: Human Development Report, 2011
- Canadian Pavilion at India Wood 2012
- SNC-Lavalin to develop road projects in India
- REpower and EDF EN Canada Conclude Contract for Wind Turbines for Québec
- Eurocontrol Technics Signs Agreement with Aimil of India
- Bombardier wins \$214m railway contract in India

Year of India 2011

Diwali with Parliamentarians

In a fitting grand finale to the ongoing Year of India in Canada 2011, the Diwali event with the

Parliamentarians organized by the High Commission along with Hon'ble Deepak Obhrai, Parliamentary Secretary to Foreign Minister, at the picturesque and majestic Grand Hall of the Canadian Museum of Civilization, was graced by Rt. Hon,ble Stephen Harper, Prime Minister of Canada, Hon'ble John Baird, Foreign Minister, Hon'ble Jason Kenney, Minister for Citizenship, Immigration and Multiculturalism, Hon'ble Peter Mackay, Minister of Defence, Hon'ble Bal Ghosal, MP, Minister of State, Hon'ble Tim Uppal, MP, Minister of State. Several Members of Parliament, Leaders of Opposition, senior government officials and Head of Missions were also present. PM Harper lighted the traditional lamp and in his speech highlighted the close relationship between the two countries. Canada Post brought out the special Diwali Stamps on the occasion. The evening ended with a scintillating performance by the 40-member Ila Arun Group sponsored by Indian Council of Cultural Relations (ICCR)

Canadian Minister of International Trade Ed Fast Visits India

The Honourable Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, made a week-long visit to India from November 3-9, 2011. Minister visited four cities Delhi, Ahmedabad, Pune and Mumbai and met several Cabinet Ministers. Minister Fast took part in the second Annual Ministerial Dialogue with India's Minister of Commerce and Industry, Hon'ble Anand Sharma. The two Ministers announced that the third round of negotiations on a Comprehensive Economic Partnership Agreement between Canada and India would take place December 13, 14 and 15 in Delhi, with further rounds taking place at regular intervals thereafter. Minister Fast also met India's ministers for Agriculture, Human Resources Development, Finance, Communications and Information Technology, and Overseas Indian Affairs and Civil Aviation and discussed a range of bilateral issues during these meetings. He also witnessed the signing of a MOU between Carleton University and TERI and Symbiosis International University of Pune for providing opportunities to combine expertise and real-world experience in the areas of technology management, alternative energy, economics, public policy and engineering. In Pune and Ahmedabad, Minister Fast visited a number of Canadian companies with operations in India, including McCain Foods, Valiant Corporation, Magna International and Bombardier Inc. Minister Fast concluded his trade mission in India's financial capital of Mumbai, where he delivered a keynote address to members of the Indo-Canadian Business Chamber and EEPC India. Minister Fast advocated closer economic ties between the two countries and sought to promote Canadian expertise in a focused set of key sectors, including agriculture and agri-food, energy and natural resources, infrastructure, information and communications technology, education and manufacturing.

Cabinet approves 51 per cent FDI in multi-brand retail

The Union Cabinet of India has permitted foreign direct investment (FDI) of up to 51 per cent in multi-brand retail. Simultaneously, the Cabinet also gave the nod for raising the FDI limit in single-brand retail ventures to 100 per cent.

The policy will allow multi-brand foreign retailers like Wal-Mart, Tesco and Carrefour to open outlets only in cities which have a population of more than 1,000,000 as per the 2011 Census. At present, there are 55 such cities which would help big retail chains to move beyond the metros to smaller cities. Foreign investors will be required to invest up 50 per cent of total FDI in back-end infrastructure. Such infrastructure will include capital expenditure on all activities, excluding that on front-end units. Expenditure on land cost and rentals will not be counted for purpose of back-end infrastructure. Moreover, retailers will need to source at least 30 per cent of manufactured/processed products from small industries. However, there will not be any obligation on the part of retailers to source agricultural produce such as fruits and vegetables. Opening up

of FDI in multi-brand retail trade and further liberalisation of single-brand retail trade, as per the Government, will facilitate greater FDI inflows besides additional and quality employment.

India to overtake China in 2014: Ernst & Young

India will overtake China in 2014, according to a forecast by the Ernst & Young's report on Rapid Growth Markets (RGMs). In 2014, India is expected to grow at 9 per cent while China is expected to grow at 8.6 per cent. India and China would probably be less impacted among the 25 Rapid Growth Markets (RGMs) in case of a deterioration of the Eurozone debt crisis. The overall outlook for India remains positive and economic growth will steadily accelerate during 2012. "India's consumption-led economy continues to make the country a highly attractive investment destination in the short to medium term. Its domestic demand-driven growth model has helped the country weather the volatility in the global markets, providing significant growth opportunities to businesses," according to Farokh Balsara, Partner & India Markets Leader, Ernst & Young India.

National Manufacturing Policy to create 100 million jobs in a decade

The Union Cabinet of India has approved the National Manufacturing Policy, which aims to create 100 million jobs within a decade and increase the share of manufacturing in the country's GDP to 25 per cent by 2022 from the current 15-16 per cent. Among the key instruments for realising these goals is the setting up of National Investment and Manufacturing Zones (NIMZ).

The first phase of the NIMZ will be established along the Delhi Mumbai Industrial Corridor. The policy also has a host of fiscal incentives mainly for the micro, small and medium enterprises.

The other significant features are the single window clearance mechanism to cut red-tape and the high-priority for skill development.

The focus will also be on 'green manufacturing'. A Technology Acquisition Fund will be set up to acquire global technologies and build a patent pool especially for equipment manufacturing that seeks to reduce energy consumption. The policy statement says that support will be given to employment-intensive industries to ensure job creation, adding that, "Special attention will be given to textiles and garments; leather and footwear; gems and jewellery; and food processing industries."

India's Formula One Debut a huge success

India has made a grand entry into the world of Formula One. Its debut has been highly successful on account of factors such as an excellent racing facility, warmth in hospitality, and a huge crowd of passionate fans. F1 supremo Bernie Ecclestone said that, "India delivered on all counts". The racers left India with memories to cherish and desire to return. Administrators lauded the organisers - Jaypee Group - for creating a super circuit with a challenging racing track. Sebastian Vettel, the proud winner of the race, said, "It's one of the circuits which definitely gets a big tick. I'm looking forward to coming back. The Indian people have welcomed us. I've never seen so many people smiling before. The crowd have been wonderful. There's pretty good advertising for this place and I think the word is going to get out." Ferrari's Fernando Alonso, who stood third behind McLaren's Jenson Button, gave India a rating of nine on a scale of 10.

Mysore Palace is among the world's 31 must-see places

If Madame Tussauds in London attracts the maximum number of tourists from across the world, the majestic Mysore Palace ranks a close second in the list of the most-visited places on the globe. In yet another affirmation of its drawing power, the New York Times recently listed it as one of the 31 must-see places on Earth for two consecutive years. The palace plays host to an average 2.5 million tourists each year. Going by the growing tourist footfalls, it could well be the numero uno soon. Feedback from tourists from the UK, Spain, France and other countries suggests that the palace has mesmerized visitors. Many wonder why Buckingham Palace has been considered magnificent for so long when the Mysore Palace can boast of superior construction.

Engineering design market to touch \$40b by 2020: National Association of Software and Services Companies (NASSCOM) of India

India is ranked first in the global Engineering Research and Development and Design (ER&D) outsourcing industry with a 22 per cent share in the revenue, and a study by Nasscom projects the market for these services to quadruple over this decade to touch \$40-45 billion by 2020. "Indian ER&D service has played a pivotal role in accelerating innovation and is establishing India as a design and innovation hub. I am sure, with this exponential growth, India will fast climb the services ladder with greater domain capabilities and establish its leadership in the ER&D space," Mr Som Mittal, President, Nasscom, said. With over 400 service providers employing nearly two hundred thousand people and revenue of \$9-10 billion, ER&D currently contributes 15 per cent of the \$60 billion strong Indian IT-BPO export industry. During FY 2011, the cost savings by India-based ER&D Centres was over \$20 billion.

Design issue was no longer about cost arbitrage, but access to resource which can reduce cost to market and provide end to end design, Mr Mittal said, adding that some of the drivers for this industry were companies moving to countries where geography-specific products had to be designed and the need to be energy efficient. Globally ER&D was a trillion dollar industry. While in India engineering design for the auto sector was happening for a long time, medical electronics, consumer electronics, telecom and energy were now emerging as important sectors.

India Inc's hiring of expats up 20 per cent

As the Western economies continue to remain sluggish, more and more foreigners, mostly from the US and Europe are looking at India for jobs, a trend that has seen up to 20 per cent spurt this year. According to industry estimates, there are as many as 40,000 expats working in various industries in the country today. "Hiring of expats has picked up by 15-20 per cent at all levels since last year, mainly on account of India being one of the fastest growing economies offering huge job opportunities," says recruitment process outsourcing firm Elixir.

These professionals are mainly being hired in banking and financial services, automobile, pharma and retail sectors, apart from areas, where the domestic industry does not have competency like alternative energy, complex infrastructural sector, etc.

Moser Baer Clean Energy Limited commissions largest solar power capacity

Moser Baer Clean Energy Limited (MBCEL) of India commissioned Asia's largest solar farm in Banaskantha district of Gujarat. The 30 MW solar farm has been set up using 2,36,000 Thin Film modules with an approximate investment of Rs 465 crore. This project awarded under phase 1 of Gujarat Solar Power policy 2009 will be the first major project commissioned under the Gujarat Solar Mission. As solar power is clean, abundantly available and reduces carbon emission, the Company is incessantly working towards commissioning of 300 MWs of solar projects in the next 12 months in India, Germany, Italy and UK.

India to attract \$80 billion FDI over 12-24 months, says a Morgan Stanley survey

Over the next 12-24 months India could attract a massive \$80 billion in foreign direct investment (FDI), according to a research report by Morgan Stanley. India received \$48-billion FDI in the last two years. "The findings show that global companies see real opportunity in India and that their investment appetite is increasing, notwithstanding continuing negative perceptions around infrastructure bottlenecks," said Ridham Desai, head of India Research at Morgan Stanley. The startling number came out of a survey of 176 of the firm's internationally-based research analyst teams that cover 1,766 global companies. These teams determined the likely India investment opportunity recognised by the companies they covered. The survey did not involve direct interaction with the companies.

India makes significant progress on human development: Human Development Report, 2011

The 2011 Global Human Development Index (HDI), that ranks countries on their progress on the three key dimensions of human development – education, health and income, has revealed the following key aspects about India: India increased its reforestation rate from of 0.2 percent a year between 1990 and 2000 to 0.5 percent a year between 2000 and 2010; India has made significant progress on human development and the country's HDI value has increased 59 percent between 1980 and 2011. During this period, India's HDI value increased from 0.344 to 0.547, annual increase of about 1.5 percent; and India has demonstrated increasing commitment to sustainable development, and has appropriate policies and judicial interventions in place. The country has an active civil society and with effective community participation

Canadian Pavilion at India Wood 2012

The Canadian Trade Commissioner Service is inviting Canadian businesses to join the Canadian pavilion at India Wood 2012, an international exhibition in Bangalore, India from February 10-14, 2012 for those in the woodworking industry. Industry professionals from around the world will showcase their technologies, equipment, tools, raw materials, and products and accessories related to the woodworking sector.

Bilateral Investments

SNC-Lavalin to develop road projects in India

Ashok Piramal Group (APG), IDFC Project Equity Fund of India and SNV-Lavalin formed a Joint Venture to develop road and highway projects in a public-private partnership. Piramal Roads

Infrastructure will own 51 per cent equity in the partnership, India Infrastructure Fund (IIF), managed by IDFC Project Equity, will hold 39 per cent stake, while SNC-Lavalin will own the remainder. The partnership will commit \$ 250 million- \$ 300 million in equity in a combined funder over the next 3 to 4 years.

REpower and EDF EN Canada Conclude Contract for Wind Turbines for Québec

REpower Systems SE, a wholly-owned subsidiary of India-based Suzlon Energy Limited, has signed a framework contract with EDF EN Canada Inc., a Toronto- and Montreal-based subsidiary of EDF Energies Nouvelles, to supply 75 wind turbines in Québec. This is the third order from the framework agreement concluded between EDF Energies Nouvelles and REpower in November 2009. REpower will deliver the first turbines from early 2012, and will be responsible for maintaining the turbines. REpower develops, produces and markets wind turbines and offers service and maintenance packages.

Export Development Canada Provides US\$2.5 Million to Indian Company to Buy Canadian Equipment

Export Development Canada (EDC) announced that it has provided US\$2.5 million in financing to Manjushree Technopack Limited, an India-based packaging solutions provider, to facilitate the purchase of equipment from Husky Injection Moulding (Husky) of Bolton, Ontario. Husky equipment is used to manufacture plastic products such as bottles and caps for beverages, containers for food, medical components and consumer electronic parts.

Eurocontrol Technics Signs Agreement with Aimil of India

Eurocontrol Technics Group Inc. of Toronto has signed an exclusive distribution agreement with Aimil Ltd. of India through Xenemetrix Inc., its wholly-owned, Israel-based subsidiary. Eurocontrol Technics specializes in the acquisition, development and commercialization of authentication, verification and energy security technologies. Xenemetrix designs, manufactures and markets energy-dispersive X-ray fluorescence systems and components for a range of industries and applications. Aimil focuses on the instrumentation industry across the Indian sub-continent. According to the agreement, Aimil has been granted exclusive rights to promote and distribute Xenemetrix's products in India, Bangladesh and Sri Lanka.

Bombardier wins \$214m railway contract in India

Bombardier Inc's train unit received a contract worth USD 214.4 million (Rs 11,200 crore) to make railway equipment for Mumbai Railway Vikas Corp (MRVC). The contract will be funded equally by the World Bank and the Government of India. Under the contract, Bombardier Transportation will design, manufacture and test propulsion and control equipment for trains and other equipment including fans, compressors, passenger information systems and high voltage instruments, the deliveries of which will start in the last quarter of 2012 and will be completed in the third quarter of 2014. The order relates to a total of 72 commuter trains of 12 cars each. In September, Bombardier Transportation had received an order for 76 metro cars worth about USD 120 million from India's Delhi Metro Rail Corp, adding to its 114-vehicle contract announced last year.

Bilateral Trade

India-Canada bilateral trade grows in 2011

India-Canada bilateral trade continued to show an upward trend. During the first eight months of 2011 (Jan-August), the total bilateral trade stood at US\$ 3.093 billion as against US\$ 2.535 billion, up 22 per cent during the same period in 2010. India's exports to Canada at US\$ 1.483 billion registered 35.2 per cent increase whereas India's imports from Canada at US\$ 1.197 billion were up by 7.5 per cent over the same period in 2010. Following table provides details of India-Canada bilateral trade during January-August 2011:

[Figures in Billion US dollars at the current rate]

Description	Jan-August 2010	Jan-August 2011	Percentage change
India's Total Exports	1.280	1.688	32
India's Total Imports	1.255	1.405	12
Total Trade	2.5535	3.093	22

[Source: Statistics Canada]

Visits

From India

Dr. V.K. Saraswat, Secretary Defence (R&D) led a 5 member delegation to Toronto, Montreal and Ottawa from 10-15 October, 2011. The delegation participated in the workshop entitled "Canada –India Frontiers in Environmental Monitoring and Health Informatics 2011" at the Faculty of Science and Engineering, York University, Toronto. In Ottawa, DRDO delegation met Natural Resources Canada and Defence Research and Development Canada.

Dr. Rahul Khullar, Commerce Secretary, inaugurated the "India Show" at the Canadian Manufacturing and Technology Show from October 17th- 20th. He was accompanied by Mr. Anup Wadhawan, Joint Secretary, Ministry of Commerce and Industry. Under the auspices of EEPC, formerly Engineering Export Promotion Council, 154 SMEs, primarily from the engineering manufacturing sector, showcased their products and capabilities during the exhibition. The delegation comprised of members of the Engineering Export Promotion Council and was spearheaded by their Chariman, Mr. Aman Chadha. An "India Evening" was organized on October 17th which included performances by Ms. Sonam Kalra and Ms. Sharmishtha Mukherjee and their groups. During his visit Dr. Rahul Khullar delivered key note addresses at the Canada India Business Council and at the C.D. Howe Institute. He participated in a round table session at The Munk School of Global Affairs. He also met with Deputy Minister, Ms. Wendy Tilford, Deputy Minister, Ontario Ministry for Economic Development and Trade.

Mr. Arjun Munda, Hon'ble Chief Minister of the Indian Province of Jharkhand, led an 8- member high powered delegation to Canada from October 18- 21 for participation in the "India Show" at the Canadian Manufacturing and Technology Show. In Toronto Hon'ble Mr. Arjun Munda delivered a keynote address at a session attended by prominent Indo-Canadian businessmen, organized by the Indo-Canada Chamber of Commerce and the Ministry of Economic Development and Trade. A site visit to a mine in Sudbury was also organized for the delegation.

A 5-member delegation from the Department of Telecommunication, Government of India and Federation of Indian Chambers of Commerce & Industry (FICCI), led by Mr. Malay Shrivastava, Joint Secretary visited Ottawa on 02 November 2011 to make a presentation on opportunities available in booming Indian Telecommunication Sector and to promote India Telecom Exhibition and Conference 2011 to be held in New Delhi on 7-9 December 2011. Indian delegation made a similar presentation in Toronto and Vancouver also.

A two-member Tea Board of India delegation along with representatives of tea exporters visited Vancouver from 01 Oct to 04 Oct, 2011 to participate in Canadian Coffee & Tea Show held at Vancouver Convention Centre.

A two-member delegation of Heavy Engineering Corporation Ltd (A govt. of India Enterprise), New Delhi visited Vancouver on 14th October, 2011 to explore possibilities for supplying of mining equipments to various coal and mining companies located in Vancouver.

A 3-member delegation, led by Shri Rajendra Kumar Tiwari, Joint Secretary, and Ministry of Agriculture visited Montreal and Ottawa from November 14-17, 2011 for the second meeting of Joint Working Group on Agriculture.

A 3-member delegation led by Dr. Kamlesh R. Trivedi General Manager (Animal Breeding), National Dairy Development Board visited Canada from November 9 - 19, 2011 for cooperation in dairy sector.

Forthcoming visits

Mr. Don Stephenson, Assistant Deputy Ministry and Chief Negotiator, Department of Foreign Affairs and Trade will lead the Canadian delegation for third round of Comprehensive Economic Partnership Agreement (CEPA)'s negotiation to be held in New Delhi on December 13-15, 2011.

Trade Fairs/Exhibitions/Seminars

Third International Agriculture Trade Fair and Conference – Krishi 2011

The Maharashtra Chamber of Commerce, Industry and Agriculture (MACCIA) is organizing the **“Third International Agriculture Trade Fair and Conference – Krishi 2011” from 01-05 December, 2011 at NAshik, Maharashtra, India with Media Exhibitors.** The focus sector of Krishi 2011 is Seeds, Food Processing, Farm Machinery and Equipments, Agro Chemicals, Agri Logistics, Retail and Distribution sectors. The fair includes gamut of activities and sub events such as International Exhibition, Conference, India Wine Show, Buyer Sellers Meet, Farmers Entrepreneurship Development Programmes that shall provide an excellent platform and a unique opportunity to all the stakeholders to explore the possibilities of business promotion. [For any further information, please access website: www.maccia.org.in]

IAI Expo 2011

The Pixie Consulting Solutions Limited, India is organizing **“IAI Expo 2011” from 01-03**

December , 2011 at National Dairy Research Institute, Karnal, India . IAI Expo is considered as the most comprehensive event on livestock, dairy & poultry industry. It is a one of its kind platform that encompasses the complete Animal Industry and showcases latest innovations and cutting edge technologies across each segment . It is a global platform that connects the world to the Indian Animal Industry, a sector growing at an encouraging rate of 12 – 15 % annually in India. The show focuses on the farm to fork strategy for each segment. IAI expo 2011 has The Netherlands & France as partner countries.

Tenders

Global Tender Notice CPU/54/0709/4008

The India Meteorological Department, India invites tender for the “**Procurement, Installation and Commissioning of Automatic Wet Only Collectors**” as per details below:

Quantity: 11 Nos.

Cost of Tender Document: c#500/-

Earnest Money Deposit: #1,30,0000/-

The bids will be closed on 28 November, 2011 at 1500 hrs. (IST) and will be opened on the same day at 1530 hrs. (IST).

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

Global Tender Notice NSTL/HRW-BU/MD/FE/2011-12/GT/03

The Naval Science and Technological Laboratory, India invites sealed tenders to procure “**5 Axis CNC Ship Model Milling Machine with Accessories**” as per details below:

Quantity: 01 No.

Cost of Tender Document: c#500/-

Earnest Money Deposit: c#2,00,000/-

The bids will be closed on 15 December, 2011 at 1700 hrs. (IST) and will be opened on 16 December, 2011 at 1500 hrs. (IST).

[Complete details of the tender and tender documents are available on website www.drdo.org]

Global Tender Notice P46JC11012

The Oil and Natural Gas Corporation Limited, India invites sealed tenders under two-bid system for the “**Charter Hire of two nos. 300/350 ft New Generation C/L Type Jack Up Rigs**” as per details below:

Tender Fee: c#45,000/-

The bids will be closed on 25 November, 2011 at 1400 hrs. (IST) and will be opened on the same day at 1500 hrs. (IST).

[Complete details of the tender and tender documents are available on website <http://tenders ONGC.co.in>]

Global Tender Notice P28CC11001

The Oil and Natural Gas Corporation Limited, India invites sealed tenders under two-bid system for the “**Procurement of Mud Line Suspension System**” as per details below:

Tender Fee: ₹22,500/-

The bids will be closed on 05 December, 2011 at 1400 hrs. (IST) and will be opened on the same day at 1500 hrs. (IST).

[Complete details of the tender and tender documents are available on website [http://tenders.ongc.co.in](http://tenders ONGC.co.in)]

Global Tender Notice P46JC11013

The Oil and Natural Gas Corporation Limited, India invites sealed tenders under two-bid system for the “**Charter Hire of Ultra Shallow Water Rig**” as per details below:

Tender Fee: ₹45,000/-

The bids will be closed/opened 3 weeks from the date of issue of final pre-bid minutes.

[Complete details of the tender and tender documents are available on website <http://tenders.ongc.co.in>]

Published by	:	High Commission of India, Ottawa, Canada
Editor	:	Deputy High Commissioner
Sub-Editor	:	Second Secretary (Commercial)

