

June 2012

### **AMBASSADOR'S MESSAGE**

**Dear Readers,**

**iHola!** We have come on this journey together now for over three years, starting April 2009 when the first issue of India News was brought out. We are glad that India News has since come out regularly each month without a break, despite not unusual difficulties.

In my message for the first issue, I had said that this new initiative was another step towards bridging the fairly wide information gap between our peoples which poses the major obstacle for further strengthening and expanding our bilateral relations.

During this period, meanwhile, we have taken other significant steps as well for bringing our peoples and countries closer. We launched the Embassy's website and have endeavoured to keep it regularly updated and up to it. The Gurudev Tagore Indian Cultural Centre, at France Anatole in Polanco, was the major and most successful initiative. We institutionalised an India Study Chair in El Colegio de Mexico, and ensured regular cultural exchanges, as well as frequent visits of Indian cultural troupes to Mexico and Belize. We could also impart a renewed momentum to exchange of high level political visits, as also at the senior official, business, media, tourist, and other levels.

Our regular readers have of course been reading about all these, which have no doubt contributed more than significantly to realising the potential of our bilateral relations.

The results are readily evident in the high double-digit growth rates in almost all areas of our mutual interaction, such as number of business and other delegations, and tourists, and most tellingly, our bilateral trade with Mexico almost doubling to US\$ 4.15 billion in 2 years.

In case you are wondering, the occasion for this message, only the second, is that like all good things, it is now the end of my own good thing in Mexico. After a truly wonderful experience, in Mexico and Belize, over these three years, and equally for my family, enjoying the cultural and nature's riches here, the cuisine, the Mariachi, folk dances, handicrafts, tequila, chillies, and above all warm friendships and generous hospitality that we received and enjoyed from all peoples without exception, it is now time for us to say farewell and goodbye, and return to India.

As I said at a farewell Reception that I hosted on the 30<sup>th</sup> May, we just want to say our heartfelt thanks to Mexico and Belize for letting us in liberally on your abundant charms in all manners and aspects. When we leave from here, we will take with us cherished memories of your wonderful countries, and all your wonderful peoples.

As chance would have it, my innings here is coming to its end on a high note, with the Prime Minister of India, H.E. Dr. Manmohan Singh, visiting Mexico - and Los Cabos - for the all-important G20 Summit, held there from June 18-19. This was a unique proud moment for the whole Indian Embassy, and for me personally.

India News has been a valuable bridge between this Embassy and you all, dear readers in Mexico and Belize, and I believe it has served a useful purpose. But we need more such initiatives, and more innovations, for the peoples and governments on both sides share very special bonds. In terms of their potential, only sky is the limit.

I thank you all, dear readers, and I convey all my very best wishes, from the bottom of my heart, for the further and continued welfare, progress and prosperity of the peoples of Mexico and Belize, and for the further strengthening and expansion of our bilateral relations.

**Saludos!**

**Dinesh Kumar Jain**

**INDEX**

<b>India-Mexico Summit at Los Cabos</b>	<b>3</b>
<b>Prime Minister Attends Historic G20 Summit</b>	<b>3</b>
<b>New Indian Envoy to Mexico</b>	<b>6</b>
<b>Escrito en México: ¡Poesía en Sánscrito!</b>	<b>6</b>
<b>R K Pachauri of India Conferred Mexican Honour</b>	<b>6</b>
<b>Cooperation in Pharma to Strengthen With Mexico, Brazil</b>	<b>7</b>
<b>Leading Yoga Exponent In Mexico</b>	<b>8</b>
<b>Equity Principle Re-emphasised at Rio+20</b>	<b>8</b>
<b>India, USA Hold Strategic Dialogue</b>	<b>9</b>
<b>Key Terrorist's Arrest Confirms Pak Role in Mumbai Attacks</b>	<b>11</b>
<b>China Has Priority in India's foreign Policy</b>	<b>12</b>
<b>India Extends Development Hand</b>	<b>13</b>
<b>India to Gift E-Network to Central Asia</b>	<b>14</b>
<b>India to be 8th Largest IMF Shareholder</b>	<b>14</b>
<b>First Satellite For Indian Navy Elevates Status</b>	<b>14</b>
<b>India Economy Will Overcome 'Difficult Times'</b>	<b>15</b>
<b>India to be \$2 Tn. Economy</b>	<b>16</b>
<b>\$40 Bn. Infrastructure Investment Target for 9% Growth</b>	<b>17</b>
<b>India Will Be Key Hub for Low-Cost Labour</b>	<b>18</b>
<b>India to Achieve \$500 B Exports Target by 2013-14</b>	<b>19</b>
<b>Coke to invest \$5 Bn. in India</b>	<b>20</b>
<b>India Automakers Going Global</b>	<b>20</b>
<b>India Ups Renewable Energy Commitment</b>	<b>21</b>
<b>Pharma: More Emulating India IPR Approach</b>	<b>22</b>
<b>India ahead in Cyber Security</b>	<b>23</b>
<b>Ayurveda: A Complete System of Medicine</b>	<b>23</b>
<b>India Steel Tycoon's, Musician's Tributes to London Olympics</b>	<b>23</b>
<b>Indian-Americans Top in Income, Education</b>	<b>24</b>
<b>Indian Duo Win French Open Mixed Doubles</b>	<b>24</b>
<b>They said It...</b>	<b>24</b>
<b>TRADE ENQUIRIES FROM INDIA</b>	<b>25</b>
<b>Trade Fairs &amp; Business Exhibitions in India in August-October 2012</b>	<b>27</b>

### **India-Mexico Summit at Los Cabos**

Prime Minister of India, H.E.Dr.Manmohan Singh, leading the Indian delegation at the Los Cabos G-20 Summit, had a direct bilateral meeting with its host, H.E.Mr.Felipe Calderon, President of Mexico. The two leaders have interacted with each other frequently several times in the recent years, and enjoy a good personal and working relationship, which was manifest in their meeting, a most cordial event. Besides discussing the agenda for the G-20 Summit, the two leaders had an exchange on the bilateral relations. Dr.Singh said that it was an honour for him to be in this great and enchanting country. He recalled President Calderon's "landmark visit" to India in 2007, when the bilateral ties was elevated to the status of "privileged partnership". He expressed satisfaction that the bilateral trade had grown rapidly to \$4 billion, and he expressed hope and confidence that both sides would work to advance it further. He also expressed India's desire to see more investment flows between the two countries and for greater people-to-people contacts. He underlined that India wanted the friendliest possible relations with Mexico. President Calderon fully reciprocated these sentiments. Dr.Singh also complimented his host for hosting the G-20 Summit and extended India's full support in taking the Summit to a success.

### **Prime Minister Attends Historic G20 Summit**

Addressing the Los Cabos G20 Summit Plenary, on June 18, Prime Minister H.E.Dr.Manmohan Singh said, "The global economic situation is deeply worrying. The economic recovery is faltering and even the fast growing emerging markets are slowing down. This calls for policy action on several fronts. Of greatest concern at present is the uncertainty affecting the Eurozone. The sovereign debt crisis and the banking crisis now on the horizon have grave implications for the health of the entire global economy...the risks of contagion in Europe remain because they reflect weaknesses in the banking sector arising from excessive sovereign debt and low growth prospects. A crisis in the European banking system can choke trade finance quite quickly, and end up choking economic growth not just in the Eurozone but in the world in general. This Summit needs to send a strong signal to the markets that the Eurozone countries will make every effort to protect the banking systems and the global community will back a credible Eurozone effort and response. However, there are some problems I would like to mention. There is concern that the firewall available may not be adequate to deal with contagion. The resources currently expected to be mobilized by Europe and the International Monetary Fund (IMF) are less than was estimated a year ago, and the crisis is actually more serious. Part of the solution lies in providing liquidity to cope with loss of market confidence. But liquidity does not help when solvency is in question. To address this problem, liquidity must be provided in parallel with effective adjustment programmes that ensure an early return to debt sustainability. The adjustment programme adopted should lead to an acceleration of growth, so that countries can grow out of the debt trap. This brings me to the contentious issue of the relationship between austerity and growth. It can be argued that austerity now will lay the basis for sustained growth later. But there is also an alternative view that with growth impulses as seriously weakened as they are today, synchronized austerity across many countries may not be the right medicine. Financial markets normally favour austerity, but even they are beginning to recognize that austerity with no growth will not produce a return to a sustainable debt position. I am not suggesting that fiscal prudence is not important. I am only saying that given the large adjustment needs, not all of it can be front-loaded everywhere. This is especially relevant within a currency area. Austerity in the debt-ridden members of the Eurozone can work only if surplus members are willing to expand to offset contraction elsewhere in the currency area. The IMF has a critical supportive role to play in stabilizing the Eurozone. All members must help the Fund to play this role. I am happy to announce that India has decided to contribute \$10 b to the IMF's additional firewall of \$430 b. While many rich countries face difficulties, the less developed and developing countries are also facing serious problems because of the negative impact of the global crisis. Infrastructure investment in developing countries assumes special importance in this context. It lays the foundation for rapid growth in the longer term, while providing an immediate stimulus for their economies and also for the global economy, by providing a robust source of demand. An expansion of investment in

infrastructure in developing countries is only possible if they can get access to long term capital to finance such investment. This is difficult at a time when capital flows are disrupted. The Multilateral Development Banks can play a major role in this context. We have expanded the resources of the IMF enormously, largely to support programmes in rich countries. We now need to take steps to substantially expand the resource base of Multilateral Development Banks so that they have the firepower to help developing countries pursue their development goals. The G20 Framework Working Group and the Financial Stability Board could examine how to enhance investment in infrastructure through country commitments and incentives in the regulatory framework...the G20 agenda is getting overburdened. We need to refocus on a few goals rather than dissipating energies on too many fronts. Like other emerging economies, India too has slowed down. The global downturn and especially the impact on capital flows have played their part. Internal constraints have also affected performance and we are working to correct them. Our growth rate in 2011-12 declined to 6.5% from the level of 8.4% in the previous year. This may look like a reasonable figure, given growth rates being experienced in the rest of the world, but our public is impatient for a return to high growth and faster jobs creation. The fundamentals of the Indian economy remain strong and we are confident of bringing back the rhythm of high growth of 8-9% per annum. Investment has been affected by the adverse global climate which impacts both foreign and domestic investors. We are taking steps to revive investor sentiment. We are determined to create an environment that would boost investor sentiment and promote an atmosphere conducive to enterprise and creativity. Our policies will be transparent, stable and designed to provide a level playing field to both domestic and foreign investors. We are focussing heavily on infrastructure investment and in this context, we have set ambitious targets to keep infrastructure investment on track and also put in place a problem resolution mechanism to overcome implementation bottlenecks. Like other countries, we too allowed the fiscal deficit to expand after 2008 to impart a stimulus. We are now focussing on reversing the expansion. This will require tough decisions, including on controlling subsidies, which we are determined to take. In this context, I would like to mention a landmark effort underway in India to provide unique identity numbers for all residents with capture of biometric data. This massive database covering over a billion people will facilitate delivery of a whole range of financial and other services, through effective targeting and reduced leakages in subsidy schemes."

The next day, addressing the Second Plenary session of G20 Leaders on "Strengthening the international financial architecture and the financial system and promoting financial inclusion," Prime Minister said, "I must point out however that progress in quota reform is proceeding more slowly than raising resources. I recognise that there are practical reasons why the quota reform agreed in 2010 will not be completed by the end of 2012, but it must be done expeditiously thereafter. It is also important that the quota review schedule for January 2013 is completed in time. Quotas must reflect economic weights, in a manner that is simple and transparent. These objectives can be best achieved by recognizing the predominant role of GDP on PPP basis in the formula without going into other variables. This basic position should not be compromised in any way and we need to reiterate our position strongly. I welcome the progress made in financial regulatory reform. However much remains to be done. We discussed the need to move towards a banking union in Europe to help strengthen financial stability. I am also concerned that prudential rules adopted in banking regulation do not discriminate against lending to developing countries."

Following the Summit, Prime Minister's media statement summed up his assessment, as follows, "The Summit provided a very valuable opportunity for G20 leaders to share their concerns. My overall assessment of the meeting is that there was general agreement that policy in all countries must shift to strengthening growth. There are many things that have to be done to achieve this, but there was also general agreement that the most urgent problem we must tackle is to reduce uncertainty about the Eurozone. Eurozone leaders have assured us that they are firmly committed to protecting the integrity of the Euro Area. They recognize the need to move beyond the present monetary union towards unified banking

supervision and adoption of common and enforceable fiscal rules. However, this will necessarily be a gradual process. Making changes in treaties involving 17 Parliaments in the case of the Eurozone, and 27 in the case of the EU, is a time consuming process. Eurozone leaders indicated their strong commitment to take whatever action is needed to protect the Euro-area as the longer term institutional structures are built up. They will be able to give more specific indications after the European Summit on June 28-29. They also indicated their determination to push through structural reforms in both product and labour markets to enhance competitiveness. The G20 countries have responded to the need to enhance the resources of the IMF to enable it to play its role in the current situation. India has contributed \$10 billion. BRICS and other countries have also contributed, taking the total commitments, including what was earlier agreed in April, to almost \$460 b. India's contribution reflects our recognition that as a responsible player in the global community, we must play our part. The amount we contribute is entirely liquid, in the sense that the Fund assures contributors that it will be available whenever needed. It will, therefore, continue to form part of our reserves. Many leaders emphasized the importance of accelerating governance reforms in the IMF, including a change in the quota formula to reflect economic weight. The Summit also reiterated the standstill on new protectionist measures and extended it beyond the earlier commitment up to 2013 to 2014. This is an important statement of intent by the G20 leaders to resist protectionist tendencies, which typically increase in periods of high unemployment and low growth. The Los Cabos Declaration fully reflects our initiative that investment on infrastructure in developing countries can play a major role in strengthening development and in stimulating global recovery. The Declaration indicates that Multilateral Development Banks should be strengthened for this purpose. We would work with G20 countries to transform their commitment to specific action. The Summit also discussed a number of other important issues including especially the progress in regulatory reform, issue of food security and agricultural productivity, anti-corruption measures and issues related to green growth."

On June 18, just prior to the formal opening of the Summit, Prime Minister Singh also convened and chaired a BRICS Leaders' informal meeting. A Media Note issued subsequently said, "All the BRICS Leaders agreed that the Eurozone crisis threatened global financial and economic stability and that it was necessary to find cooperative solutions to resolve this crisis. The Leaders also agreed to increase resources available with the International Monetary Fund. In this context, they agreed to enhance their own contributions to the IMF. This is with the understanding that these resources will be called upon only after existing resources, including the New Arrangements to Borrow, are substantially utilized. This would promote adequate burden sharing amongst IMF creditors. These new contributions are being made in anticipation that all the reforms agreed upon in 2010 will be fully implemented in a timely manner, including a comprehensive reform of voting power and reform of quota shares. The Leaders discussed swap arrangements among national currencies as well as reserve pooling. They agreed to ask their Finance Ministers and Central Bank Governors to work on this important issue, in a manner compatible with internal legal frameworks, and report back to the Leaders at the 2013 BRICS Summit. The Leaders also emphasized the need for increasing the resource base of Multilateral Development Banks, so that increased resources could be provided for development, particularly for investments in infrastructure and in the social sectors in developing countries. They felt that the G20 should pay importance to the development aspect in its agenda of work. The Leaders emphasized that given the current global situation and the need to bolster market confidence, it was important that the G20 Summit issue a strong statement of intent in combating the international slowdown and the effects of the Eurozone crisis. The Leaders agreed that this process of informal consultations on the sidelines of multilateral events was valuable and contributed to closer coordination on issues of mutual interest to BRICS economies."

During his sojourn in Los Cabos, PM had several bilaterals too, inter alia, with President Felipe Calderon of Mexico, President Vladimir Putin of Russia, Chancellor Angela Merkel of

Germany, President Francois Hollande of France, Prime Minister David Cameron of Britain, and Prime Ministers of Canada and Australia.

**New Indian Envoy to Mexico**

**Mr Sujan R Chinoy**, presently

Additional Secretary in the Ministry of External Affairs, has been appointed the next Ambassador of India to Mexico. A 1981-batch Indian Foreign Service officer, Chinoy hails from a well-known family of Rajkot, in Gujarat. His grandfather, a barrister, was the Diwan of Rajkot state in pre-Independence days. Chinoy holds expertise on China and East Asia and over the years was part of many path-breaking visits of Indian leaders to that country. As Consul General of India in Shanghai between 2000-2005, and thereafter as Consul General of India in Sydney until 2008, Chinoy worked extensively on India's external trade and economic engagement. Chinoy has served in various key positions including those in the Indian Missions in Hong Kong and Beijing in the 1980s, and was part of late Prime Minister Rajiv Gandhi's visit to China in 1988, former President R Venkataraman's visit to China in 1992, and former President K R Narayanan's visit to the Chinese mainland in year 2000. His other stints were as Under Secretary and Deputy Secretary (China) in the East Asia Division, Deputy Secretary in the Americas Division, and as officer on special duty (press relations) in the external publicity division of the Ministry of External Affairs. As First Secretary and Counsellor in the Permanent Mission of India to the United Nations in New York, 1992-1995, he dealt with diverse multilateral issues, including during India's term as a non-permanent member of the UN Security Council. He was also India's representative to the First Committee of the UN General Assembly, dealing with disarmament, non-proliferation & international security affairs. He was Counsellor (political) in the Embassy of India in Riyadh in the mid-1990s followed by a four-year assignment as Director (China) in the Ministry of External Affairs. Born on September 27, 1958, Chinoy did his schooling at the elite Rajkumar College in Rajkot. He studied BA (Honours) in English Literature and Psychology from the MS University, Vadodara and obtained an MBA degree in Marketing from Ahmedabad. He speaks fluent Chinese (Mandarin), and is also well versed in French, German, Japanese, Arabic and Creole.

**Escrito en México: iPoesía en Sánscrito!**

Amb.Dinesh K Jain

launched the book entitled 'Śrī-Rādhā-Pañcaśatī' at a well-attended ceremony at the Embassy auditorium on June 7. The book, which is in the nature of a treatise and an authentic poetic composition in Sanskrit, was authored by Dr.Rasik Vihari Joshi, Professor of Sanskrit in *El Colegio de Mexico*. Prof Joshi is acknowledged as a leading scholar of Sanskrit language, not only in India and Mexico, but in many countries in Europe and Latin America. Speaking of Sanskrit language, Ambassador Jain said: "...Little surprise therefore, that many Mexicans, with their natural proclivity, have had a strong interest in learning Sanskrit, and that is indeed what brought Prof.Joshi in the first place to Mexico as a Professor of Sanskrit, a role that he has been performing with greatest distinction all these years. Responding to this extant, extensive and growing interest, our Gurudev Tagore Indian Cultural Centre too will soon start Sanskrit teaching". Speaking of Prof.Joshi's accomplishments, he said: "...This is exactly what Prof. Joshi has been doing for long years, composing original Sanskrit poetry, and other extensive works on some of our epic literary treasures like *Mahakavi Kalidasa's* compositions. He has authored over 35 Sanskrit books, like *Karuna Kataksha-Lehari, Sudarshanam, Sarasvatam, Mohabhangam* and *Shri Rampratapacharitam*, besides participating in and presenting papers in a host of national and international conferences. Others who spoke in the occasion include *Maestro* Jose Gordon, a renowned Mexican Indologist and Prof.Benjamin Preciado Solis, Director of the Centre for African and Asia Studies in *El Colegio de Mexico*.

**R K Pachauri of India Conferred Mexican Honour**

The Director

General of India's The Energy and Resources Institute (TERI), Dr.R.K.Pachauri, was conferred the Mexican Order of the Aztec Eagle by President Felipe Calderon on the margins of the G20 Summit at Los Cabos. The award is the highest decoration awarded by Mexico to foreigners for their contributions to humankind. Noted artist Satish Gujral has been among its recipients from India in the past. An official communiqué said Pachauri, who is also

president of the UN Intergovernmental Panel on Climate Change, helped Mexico ensure the link between economic growth and sustainable development. "He also advised Mexico as chair of the Cancun Conferences on Climate Change."

### **Cooperation in Pharma to Strengthen With Mexico**

According to an Indian industry note, Mexico is regarded as a goldmine for Indian pharma companies. In the estimated size of the generic drugs market in Mexico of about US\$4 billion - out of a total market size of \$11.5 b, margins are high, and the regulatory regime is known for relatively quick approval of new molecules. Unlike in some European markets where insurers determine which drugmaker's products are covered for claims, Mexican consumers pay for their drugs out of their pockets, hence are free to use any drugs. Apart from drugs for critical illnesses, products relating to the central nervous system (CNS), oral contraceptives and biosimilars have a big market in Mexico. And so, Indian pharmaceutical companies, who excel in making generics, can eagerly checking out the Mexico market, the second largest in Latin America after Brazil. Already some 13 Indian firms are tapping Mexico as of now, analysts are convinced this will change shortly for further rapid growth. Ranbaxy, Torrent, Glenmark and Sun Pharma already have a presence in Mexico. Cadila is keen to expand into Brazil and Mexico. Dr Reddy's (DRL) has an active pharma ingredient (API) manufacturing plant in Mexico. Lupin set up its subsidiary Lupin Mexico 14 months ago and has started filing branded and generic products. It wants to focus on therapy segments like CNS, oral contraceptives and biosimilars. Bhavika Thakker, research analyst at IIFL, said, "As medicine, healthcare and related costs head northwards in Western countries, markets like Mexico certainly offer immense opportunity for drugs companies in emerging economies like India. For, they already have proven capabilities in making high-quality, standard-compliant products at a fraction of the cost in developed markets." In developed markets, drug regulatory issues bordering on protectionism have been thwarting Indian pharmaceutical companies. In this context, Mexico's recent measures to reduce regulatory hurdles hold much attraction. "What makes Mexico attractive is that the government is taking proactive steps to encourage foreign participation and putting in place guidelines that could help expand the market," said Vinod Dhawan, group president, business development, Lupin. According to analysts, Mexican drugs regulator Cofepris is aggressively working toward approving pending applications. As against 150 in 2010, the regulator approved 9,225 applications last year, thanks to select third-party agencies that preview applications and weed out incomplete ones, reducing processing time. Foreign companies do not have to set up a manufacturing plant in Mexico to sell drugs. However, exporters need to have their own distribution, storage and legal representatives. Mexico's objective is to increase supply of medicines in the country. "This opens way for Indian firms to supply to Mexico from Indian facilities," wrote Anubhav Aggarwal, research analyst with Credit Suisse, in a report. Companies such as Lupin have already started filing products from India. According to Lupin sources, Mexico's approval process is quite similar to that of the US and Brazil. "It does not take a lot of time, is quite liberal and it is the standard time (16-22 months) that companies can expect for any regulatory pathway to action their filings," said a Lupin official. Even in terms of realisation, analysts said, Mexico offers very good prospects. "There is no doubt Indian companies will invest in marketing and distribution set-ups. Once they acquire a critical mass, a large part of incremental revenue will flow down to their bottomline. That's why, markets like Mexico are highly profitable," said an analyst. Since Cofepris recognizes good manufacturing practice (GMP) certificates issued by regulators in the US, Canada, Japan, Australia and Brazil to foreign drugmakers, many Indian companies are expected to benefit as they already have such GMP certificates. But not in the immediate future though, say industry veterans. "Many Indian pharma majors already have agreements with pharma multinationals to share markets. Indian pharma companies have entrusted the responsibility of tapping emerging markets to their foreign partners. So, at least in the immediate future, the presence of Indian companies in Mexico would be through these tie-ups and not directly," said a CEO of a pharma research major. He cited agreements of Dr Reddy's with GSK and Aurobindo with Pfizer as examples. Dr Reddy's, for instance, has not registered any revenues from its API facility in Mexico.

### **Leading Yoga Exponent In Mexico**

*Paramhans Maheshwarananda,*

Founder of the world wide NGO 'Association for Yoga in Daily Life', visited the Mexico Chapter of the NGO from June 5-9. He delivered a public lecture on 'Wisdom of Yoga in the Contemporary World' in the Theatre Maria Teresa Montoya in Coyoacan, on June 6 evening. On June 8 the NGO organized a peace tree planting session in *Plaza de la Paz* in the municipality of *Benito Juarez*. Earlier, he held a special closed-door session for Mexican dignitaries, including a couple of Senators and *Diputados*, besides representatives of the City Government and the Municipalities of *Benito Juarez* and *Miguel Hidalgo*.

***There is nothing to prevent us from profiting by the light that may come from the West. Only we must take care that we are not overpowered by the glamour of the West. We must not mistake the glamour for true light.*** - Mahatma Gandhi

### **Equity Principle Re-emphasised at Rio+20**

Prime Minister

Dr. Manmohan Singh led the Indian delegation also to the UN Conference on Sustainable Development (Rio+20 Summit) from June 21, at Rio de Janeiro, Brazil, directly following the G20 Summit. Addressing the Plenary session there, he said, "We meet at a time of serious economic crisis and political ferment in the world. The Rio+20 Summit on Sustainable Development is timely because it focuses our minds on "the future we want" and how to realize it. Difficult though it may seem, we have to summon the imagination to balance the costs that we will incur in the present with the benefits that will accrue to future generations. Economic Development, social inclusion and environmental sustainability are all equally critical as components of sustainable development. The task before us is to give practical shape and content to this architecture in a manner that allows each country to develop according to its own national priorities and circumstances. For developing countries, inclusive growth and a rapid increase in per capita income levels are development imperatives. The 1992 Rio Summit correctly acknowledged that poverty eradication must remain the overriding priority for developing countries. Those living at the subsistence level cannot bear the costs of adjustment and their livelihood considerations are important in determining how scarce natural resources such as land, water and forests are used. The severe deterioration of land and water resources is already affecting the well-being of millions of people living on the edges of subsistence, particularly women and children. Sustainable development also mandates the efficient use of available natural resources. We have to be much more frugal in the way we use natural resources. A key area of focus is energy. We have to promote, universal access to energy, while, at the same time, promoting energy efficiency and a shift to cleaner energy sources by addressing various technological, financial and institutional constraints. In India, we are implementing an ambitious National Solar Mission as a critical option for our energy security. Moreover, current consumption patterns in the industrialized world are unsustainable. We need to find new pathways for sustainable living. Environmental sustainability is the third leg of the sustainable development architecture. Economic activity invariably results in negative spinoffs, either by way of local pollution, or by way of global effects such as Greenhouse Gas emissions. We need to tackle both. Local pollution can be regulated and such regulation may impose costs on various economic actors. To ensure equity, there may be a case for targeted assistance to small producers in order to meet part of these costs and this should be built into policy.

"At the global level, our approach to the problem should be guided by equitable burden sharing. It is for this reason that the first Rio Summit enshrined the principle of common but differentiated responsibilities. I am happy we have reaffirmed this principle as well as the principle of equity during this Summit. This does not, however, mean that countries should not take proactive actions to promote sustainable development. In India, our efforts over the last two decades have yielded positive results. Over the period 1994-2007, our emissions-GDP intensity, excluding agriculture, has declined nearly 25%. Looking ahead, we have set a target to further reduce the emissions intensity of GDP by 20-25% between 2005



and 2020. Many countries could do more if additional finance and technology were available. Unfortunately, there is little evidence of support from the industrialised countries in these areas. The ongoing economic crisis has made matters worse. One of the key challenges that demands urgent global action is the worrying depletion of bio-diversity across our planet. The Eleventh Conference of Parties on Convention on Biodiversity is being hosted by India in October this year at Hyderabad. We look forward to working with the global community to make it a success. The future we want should be a future in which there is ecological and economic space for sustainable growth for all. Let us work together to attain the future that we all desire."

Reflecting the concerns of India, the Rio+20 Summit said that developing countries needed additional resources for sustainable development and that unwarranted conditionalities on Official Development Assistance (ODA) and finance should be avoided. "We reaffirm that developing countries need additional resources for sustainable development," said the 55-page declaration. It also said they recognised the crucial importance of enhancing financial support from all sources for sustainable development for all countries, in particular developing nations. At the same time, the summit called on all countries to prioritise sustainable development in the allocation of resources in accordance with national priorities and needs. Noting that ongoing serious global financial and economic challenges carried the possibility of undoing years of hard work and gains made in relation to the debt of developing countries, the declaration said the developing countries should be given assistance in ensuring long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate. It said that innovative financing mechanisms can make a positive contribution in assisting developing countries to mobilise additional resources for financing for development on a voluntary basis. "Such financing should supplement and not be a substitute for traditional sources of financing. While recognising the considerable progress in innovative sources of financing for development, we call for a scaling-up of present initiatives." The summit, attended by leaders and representatives from 194 countries, said all nations should refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the UN Charter that impede the full achievement of economic and social development, particularly in developing countries. The Rio+20 document also emphasised the importance of technology transfer to developing countries. On the issue of Green economy in the context of sustainable development and poverty eradication, the document said it should be consistent with international law. It should also respect each country's national sovereignty over their natural resources taking into account its national circumstances, objectives, responsibilities, priorities and policy space with regard to the three dimensions of sustainable development.

### **India, USA Hold Strategic Dialogue**

On June 13, India and USA held their third Strategic Dialogue, with Minister of External Affairs S.M.Krishna and Secretary of State Hillary Clinton co-chairing it. As the former put it, "the Strategic Dialogue is the principal platform to bring the different strands of the broad-based and diverse agenda of bilateral engagement and pursue the vision of India-US Global Strategic Partnership, outlined by Prime Minister Dr.Manmohan Singh and President Barack Obama...There were several dialogues on the margins of and preceding the Strategic Dialogue...and a number of sub-dialogues on the margins of this Strategic Dialogue, including the Global Issues Forum, Homeland Security Consultations, Strategic Intelligence Dialogue, the Counterterrorism Joint Working Group, Cyber Consultations, Information and Communications Technology Working Group, the Women's Empowerment Dialogue, Dialogue on Health Cooperation and other events...The Plenary Session had discussions on five themes: Strategic, Defence, Homeland Security, Counter-terrorism and Intelligence, Economic, Energy, Climate, S&T, Innovation and Health, Higher Education and Empowerment, and Regional Strategies and linkages. The Joint Statement issued is reflective of the tangible and continuous progress that we are making in every field."

The "Joint Statement 2012 US-India Strategic Dialogue" stated, "The leaders committed to further broaden and deepen the US-India global strategic partnership and charted a vision for the future, centred on promoting shared prosperity, peace and stability...[Both] Leaders have placed promotion of closer ties between the people, private collaborations and public-private partnerships at the centre of the Strategic Dialogue. The United States and India have a shared vision for peace, stability and prosperity in Asia, the Indian Ocean region and the Pacific region and are committed to work together, and with others in the region, for the evolution of an open, balanced and inclusive architecture...The United States welcomed India's actions to strengthen regional economic connectivity...(They) affirmed the importance of maritime security, unimpeded commerce, and freedom of navigation, in accordance with international law, and the peaceful settlement of maritime disputes...(They) expressed satisfaction with the progress in defence relations, which is an important dimension of their strategic partnership...Reflecting the United States' support for India's continued military modernization, both sides reaffirmed their desire to strengthen defence cooperation through increased technology transfer, collaborative joint research and development, and co-production of defence items...The two sides welcomed progress towards the full implementation of the historic Civil Nuclear Initiative including the Memorandum of Understanding signed between Westinghouse and the Nuclear Power Corporation of India (NPCIL) committing both sides to negotiate an Early Works Agreement for the preliminary licensing and site development work associated with construction of the new Westinghouse reactors in Gujarat state, and the ongoing progress between General Electric-Hitachi and NPCIL on their Memorandum of Understanding. India expressed appreciation for the strong support extended by the US for India's full membership in the four multilateral export control regimes – Nuclear Suppliers Group, Missile Technology Control Regime, Wassenaar Arrangement and Australia Group. The US welcomed steps India has taken in pursuing outreach with each of the regimes. Building on the progress in cooperation on counterterrorism and related homeland security issues...the US and India committed to implementation of a detailed action plan intended to share best practices, facilitate the exchange of operational approaches, and promote the development of concrete capacity building programs to secure our respective countries...The US and India committed to continue to collaborate closely on technology approaches to security issues, including science and technology arrangements, to foster closer cooperation...They reiterated their commitment to further strengthening bilateral and multilateral counterterrorism cooperation. They reiterated their commitment to bringing to justice the perpetrators of the Mumbai terror attack in November 2008...(They) welcomed the progress in India-US cooperation in the energy sector, including in the areas of clean and renewable energy, and energy conservation and efficiency...(They) acknowledged broad collaboration on a range of bilateral climate change related programs [and] affirmed their commitment to address climate change at the multilateral level...(They) noted that bilateral trade in goods and services continues to grow and will likely reach \$100 b by the end of 2012. They lauded the launch of the first Infrastructure Debt Fund in India, with a corpus of \$2 b, and welcomed...steps to strengthen bilateral trade and investment."

Earlier, on June 12, delivering the Keynote address at the 37th US-India Business (USIB) Leadership Summit, Minister Krishna said that, "The [USIB] initiative...rested on the logic that in pursuing closer economic relationship, our companies, entrepreneurs and professionals would serve as a bridge to a broader and deeper [bilateral] relationship...The private sector in our two nations has been...one of the catalysts in the transformation of India-US relationship into a strategic partnership of great depth and diversity...[and] will continue to keep our relationships growing...This is a time of vulnerability and uncertainty in the global economy. This is also a phase of challenges and opportunities for our two economies, too. In India, there are evident concerns about economic parameters. Measures taken in response to an earlier phase of the global economic crisis, international turbulence and volatility, and policy challenges, have all contributed to the current situation...Questions have been raised about economic policy and commitment to implement reforms. Doubts have been expressed whether the story of Incredible India will remain credible! These

sentiments are not new. Over the past two decades of extraordinary change in the Indian economy, there have been periods when the growth seemed to lose its steam and the agenda of reform seemed to slow. But, time and again, our economy rebounded with new vigour, on the strength of strong fundamentals, and supported by sound policies and prudent economic management. In an era of global interdependence, not everything is within the powers of national governments. But we are confident that we will restore investor confidence and regain economic momentum and growth. Our confidence stems not just from the strong fundamentals of our economy, but, also from the fact that virtually every political party in India has been at some point part of the reform process...But, we will also need a stable and supportive international environment, including an open and growing US market, and the flow of capital and technology...The US remains a major source of investment in India. Indian companies, too, have established presence in at least 40 states in the US...We remain committed to transforming the success of our diplomatic partnership in changing the global nuclear order into an equally fruitful commercial partnership...But, we have also built something more priceless – goodwill and friendship; mutual confidence and respect; and, candour and comfort in our dialogue.” At the same forum, noting that President Obama views India as one of his top foreign policy priorities, a senior White House official said that the US has enormous stake in India’s emergence as a global power and is committed to forging a long term truly global partnership with India, recognizing India’s increasing role as a 21st century power. President Obama also values his partnership with Prime Minister Dr.Manmohan Singh. Buffeted by a continuing economic crisis and facing a possibly catastrophic Eurozone meltdown, he phoned India's economist prime minister on June 14 to confer on various international crises. They also met at the G20 Summit in Los Cabos and agreed to work closely together toward a successful summit. Indeed, the US sees in India the required institutional capacity to become a global power and a growing strategic convergence between the two nations, says Assistant Secretary Robert Blake, Obama Administration's point man for South and Central Asia: “The President has said this is going to be one of our defining partnerships of the 21st century and we believe that.” The month also saw the signing of a preliminary pact for an Early Works Agreement between the US firm Westinghouse Electric and the Nuclear Power Corporation of India Ltd, on June 13 for installation of the first 1,000 MW American nuclear reactor in India under the historic 2008 Indo-US civil nuclear deal.

### **Key Terrorist’s Arrest Confirms Pak Role in Mumbai Attacks**

In a major breakthrough in the 26/11 Mumbai terrorist attack case, Delhi Police has arrested Syed Zabiuddin Ansari, alleged Lashker-e-Taiba (LeT) operative who is believed to be one of the key handlers of terrorists involved in the carnage, after he was deported from Saudi Arabia on India's request. 30-year-old Zabiuddin alias Abu Jundal alias Riyasat Ali, was arrested on his arrival at the Indira Gandhi International Airport by Delhi Police on June 21. He was remanded to police custody for 15 days by a Delhi court on the same day. Zabiuddin had taught Hindi to 10 LeT terrorists that carried out the Mumbai attacks in 2008. A resident of Beed district in Maharashtra, he had managed to give a slip to the Mumbai Police when an arms consignment in Aurungabad was seized in 2006 and left for Pakistan. Along with five others, he was present in the 'control room' set up in Pakistan and was heard instructing terrorists who were engaged in a fight with NSG commandos at Nariman house, officials associated with the probe said. They added that Zabiuddin had told Lashker terrorists to convey to the media that the "attack was a trailer and the entire movie was yet to come". In the intercepted tapes, Zabiuddin was also heard using typical Hindi words like "prashasan" (administration) and directing the terrorists to conceal their Pakistani identity and to identify themselves as Deccan Mujahideen hailing from Toli Chowk in Hyderabad. During interrogation, Zabiuddin gave a deep insight into the situation at 'Karachi control room' monitoring the Mumbai attack. His presence was also stated by Ajmal Kasab, the lone terrorist arrested during the Mumbai attack, in his deposition before a special court in Mumbai. He told the court that one person by the name of Abu Jindal had tutored 10 terrorists on how to speak Hindi. Zabiuddin had been living in Saudi Arabia with a Pakistani

passport identifying himself as Riyasat Ali for many months and was conducting recruitment for LeT, he is alleged to have told the police.

Terming Jundal as a "key operative" who will help in joining missing pieces in the 26/11 conspiracy, India's Home Minister P.Chidambaram, terming his arrest as an important development as far as the investigations in the 26/11 Mumbai terror case were concerned, has said that his interrogation had clearly established now that a control room had been set up which had 'some kind of state support': "We think such a control room could not have been established without some kind of state support." About the presence of others in the control room and whether founder chief of LeT Hafiz Saeed was also there, Chidambaram said, "Yes, others were present and we think one of them was Hafiz Saeed...In fact many missing pieces of the 26/11 conspiracy are now known to us through interrogation of Abu Jundal. He was a key operative, he was assigned the key responsibility to putting the 10 terrorists in intensive training and the customs followed by Mumbaikars...He was the key person who briefed the 10 persons including (Ajmal) Kasab and he had an important role in the control room." He said that security forces had found out that while Ajmal Kasab and his fellow killers were trained at one place, the control room was set up at another and was provided with the infrastructure. All this indicated that these activities could not have been carried out without some kind of state support. During his interrogation, Jundal has revealed that LeT chief Hafiz Saeed, one of world's most serious terror threats, is guarded round the clock by Pakistan's security forces and its spy agency, the Inter-Services Intelligence (ISI). Welcoming the arrest of Jundal, the US has vowed to continue to support India's efforts to bring the Mumbai attacks perpetrators to justice. "We are aware of these reports that one of the suspected planners of the 2008 terrorist attack in Mumbai has been arrested...We have a strong interest, as we've said, since the day of the attack in the arrest, prosecution, and conviction of all those responsible for the 2008 Mumbai attack because our own citizens were among the victims...So we want to see all of them brought to justice.," state department spokesperson Victoria Nuland told reporters Monday when asked to comment on Hamza's arrest in Delhi.

Pakistan, it has emerged, had also used cricket diplomacy to survey terror targets. More than a year before US-born LeT operative David Coleman Headley landed in Mumbai to conduct a reconnaissance for the 26/11 attacks, a key accused in the attacks had already travelled to India along with another LeT operative on a forged passport and conducted a reconnaissance. Interrogation of Jundal has also revealed that one Major Abdurrehman and key 26/11 accused Sajid Mir alias Sajid Wajid had visited India as cricket fans and conducted reconnaissance of important sites in Delhi and Mumbai for about a fortnight. Both had traveled on Pakistani passports bearing fake names and came to watch a match between India and Pakistan at Mohali in Punjab in 2005, whereas Headley arrived in India for 26/11 reconnaissance only in 2006.

### **China Has Priority in India's foreign Policy**

As the External Affairs Minister said in Beijing after a meeting with the Chinese Deputy Prime Minister Li Kaqiang, the primary focus of the discussions was the future of their growing bilateral relations. "I conveyed...that India attaches the utmost importance and high priority in our foreign policy formulations, our cooperative partnership with China. We have a strategic relationship with this country...I indicated India's desire to be a full-fledged member of the Shanghai Cooperation Organisation. And it was indeed very heartening to hear from Vice Premier Li that the modalities of admitting new members are being worked out, the process is on...I conveyed to him that India is going through for a massive expansion of our infrastructure development, (and) it could be very beneficial for all Chinese companies to participate in this. As economic and trade relationship has been a driver of our relationship over the past decade, we discussed our growing economic relations...(and) there has to be a balanced growth of trade, and our concern regarding the trade deficit was given ample expression to. Vice Premier Li was positive in his response...Following my meeting today with Vice Premier Li, I am confident that India-China relations will continue their current upward trajectory.

At the same time, Defence Minister Mr.A.K.Antony said that **India was concerned about rise in China's military spending**. China's military budget jumped 11.2% year on year to 106 billion dollars in 2012. Addressing the Asia security summit, the Shangri-La Dialogue in Singapore, Antony said: "Even though we don't believe in an arms race, since China has increased their military capabilities and spending more on defence, in our own way, to protect our national interest, we are also strengthening our capabilities in our borders." He said India is also building its capabilities to protect its national interests. Antony said despite this, the two countries are working towards peace and stability not only in Asia but also around the world. He gave the example of growing cooperation between India and China in anti-piracy and maritime security measures, and expressed optimism that the cooperation will evolve further in the coming years. Japan also expressed their concern over what it called a lack of transparency in China's massive defence spending, saying the secrecy posed a 'threat' to Tokyo. Commenting on the ongoing crisis in the Middle East, Antony said India does not believe in solving the ongoing problems in the region through confrontation or destabilization.

### **India Extends Development Hand**

As India continues to rise, Indian diplomacy is spreading its wings globally. It is no secret that economic diplomacy is the engine that propels a country's relations with its neighbours, the region and the rest of the world. The Indian case is no exception, and to manage its economic aid and assistance to friendly countries, New Delhi set up the Development Partnership Administration (DPA) in January of this year. DPA is an effort within the External Affairs Ministry to streamline the delivery process of India's partnership projects with developing countries. India's development projects overseas have expanded considerably in recent years, both in sectoral terms and in geographic reach. Until about ten years ago, both the size and spread of such projects was very limited. Today, in contrast, India's footprint extends as far as Africa, Latin America and the Caribbean. Understandably, many of these projects are in India's immediate neighbourhood, namely South Asia, which accounts for about 70% of India's total commitments under grant assistance. But India has also made it clear to beneficiaries of DPA that New Delhi doesn't like to refer to itself as a donor, but a development partner. India responds to the development priorities communicated to it, and tailors its projects according to the recipient country's wish list. India doesn't impose conditions, whether political, economic or social, and the government claims that it isn't prescriptive in the type of project that is selected for development cooperation. The Indian foreign office has taken care to ensure that all projects under the DPA are based strictly on considerations of mutual benefit, so that they aren't exploitative in nature. In this respect, the Indian developmental outreach program is arguably different from China's, as the Chinese are increasingly being seen by developing countries as a merchant whose assistance comes with strings attached. Some of the major projects that India is funding abroad under grant assistance include a housing project of 50,000 units that India is constructing in Sri Lanka, and a large transmission line project in Pul-e-Khumri, Afghanistan, which has already been completed and under budget. An important arm of India's developmental outreach abroad is through the Lines of Credit projects that are spread across the globe, particularly in Africa. To manage such projects, India has classified countries as heavily indebted poor countries, low-income countries and middle-income countries, based on World Bank classifications. DPA is an effort to put together under one umbrella all aspects of project implementation, from conception to formulation, to monitoring implementation and impact assessment. The biggest share of assistance has generally gone to Bhutan as India is implementing a number of hydroelectric power projects in that country. Development assistance to Bhutan from April to December 2011 was about \$157 m. India's development partnership projects aren't the preserve of any one ministry, but DPA functions under the External Affairs Ministry because the reality is that it is not possible to separate the political relationship with a country from the economic projects that are being implemented there.

### **India to Gift E-Network to Central Asia**

Stepping up its

diplomatic footprints in energy-rich Central Asia, India is set to replicate the success of the Pan Africa e-network by creating a similar project of tele-education and telemedicine that will span all the states of the strategically important region. The e-network project was unveiled during Minister of State for External Affairs E.Ahamed's visit to Bishkek, the capital of Kyrgyzstan, June 12-13. In Africa, the e-network has been a success with 47 African countries signing onto it. In Africa, the e-network has been a success with 47 African countries signing onto it. The Central Asian e-network will be a pioneering attempt by India to leverage its prowess in the IT to bridge the digital divide in developing countries and to bolster their capacity in critical areas of health and education by linking India's top hospitals and educational institutions with hubs in the region. The Krygyz capital will also see India unfurling its Central Asia policy, the first such attempt to articulate New Delhi's vision for the region where China has made deep inroads. Bishkek will host a Track 1.5 dialogue that will bring experts and academics along with officials from India and Central Asian countries to map out a coherent and effective India-Central Asia partnership. The dialogue has been organized by the Indian Council of World Affairs (ICWA). Given the critical importance of the resource-rich Central Asian nations, India has been raising its profile by proactive initiatives on multiple fronts in the region which is already sold on the charms of Bollywood cinema. Culturally, India is strongly placed with its soft power attractions - many Tajiks and Uzbeks who trained in India speak fluent Hindi and love humming Hindi songs. With its core strengths in capacity building, IT and human resource development, India is uniquely poised to transform the resource-rich strategically located region that suffers from a massive infrastructure deficit. During his visit, Ahamed will also inaugurate a potato processing plant, part of a slew of small development projects shepherded and assisted by India in the region. The presence of Islamist militant networks and the geographical contiguity of Afghanistan with Central Asian nations have added to the region's strategic significance for India. Defence cooperation with the region is also growing. India has the only overseas military base in Tajikistan, which is operated by the Indian Air Force in collaboration with the Tajikistan Air Force.

### **India to be 8th Largest IMF Shareholder**

India is set

to become the eighth largest shareholder in the IMF after quota reforms which are likely to be finalised at the multilateral agency's annual meeting at Tokyo in October. Once the quota reforms are carried out, India's share at IMF is set to rise to 2.75% from 2.44%, making it the eighth largest shareholder in the multilateral agency from its present 11th position. This follows India's announcement that India would contribute US\$10 b to the IMF's \$430 b bailout fund for the euro-zone. The implementation of the quota reforms has been delayed as countries such as the US have not yet ratified the proposal.

### **First Satellite For Indian Navy Elevates Status**

India is preparing

its first military satellite for launch. Once in its geostationary orbit, the satellite will carry out monitoring of the earth's surface and provide communication functions in the interests of the Indian Navy. Thus, India becomes the fourth country whose naval forces include a satellite group. The Indian Navy has always been one of the most powerful in the Asia-Pacific region. It only lacked a so-called "space component" to meet modern standards. And today the first element of this component is ready for launch scheduled for this month. The new satellite's tasks include observing the Earth's surface and ensuring uninterrupted satellite communication for the Indian Navy. It will provide sharp growth for the Indian Navy's capabilities; the fleet will be able to exchange large amounts of information in real time. Theoretically, the launch of a military satellite may be the first phase in creating a full-fledged information network that will make it possible to coordinate actions of the whole fleet from one command post which provides remote targeting and target distribution. In order to create a full-fledged intelligence and information system, India also needs low-orbit satellites, patrol airplanes and unmanned aerial vehicles that could provide total coverage of the selected area. Today only the US and NATO possess the complete set of relevant capabilities. Russia, Japan, and to a certain extent China have the potential to create such a

system in a reasonable time. The launch of the satellite by India tantamount to an expansion of the "elite club".

***Divine knowledge is not borrowed from books. It has to be realized in oneself. Books are at best an aid, often even a hindrance.***  
**- Mahatma Gandhi**

### **India Economy Will Overcome 'Difficult Times'**

Citing uncertainties in global economy and rising oil prices due to tensions with Iran, Prime Minister Manmohan Singh said on June 3 that India was facing "difficult times" but exuded confidence that the "testing" period would be overcome. Addressing a party meeting, he said that despite the international slowdown, India's growth was 7% in 2011-12, "one of the highest in the world". As for challenges facing the government, he said there were uncertainties in global economy and commodity prices like that of oil were rising due to "uncertain prospects" in West Asia. "These are difficult times for our country and for our economy, caused to a very large extent by circumstances over which we have little or no control...These are times when our will and determination are being tested," Singh said, adding "we must stay the course" and "have faith in ourselves". He expressed confidence that "we will emerge stronger from these testing times". His statement assumes significance as it comes against the backdrop of the GDP growth falling to 5.3% in the last quarter of the 2011-12, the lowest in nine years. Singh said the UPA government had made every effort to fulfill the promises made to the 'aam aadmi' (common man) by delivering high growth rate, implementing programmes for social and economic inclusion on "a scale never seen before" and taking "unprecedented" steps to empower the citizens. Listing out various achievements of the government, he said poverty is declining faster than it did before UPA took charge, real wages are increasing, agricultural growth has accelerated and economic security has been ensured. Later, speaking to the media en route to India after the G20 and Rio+20 Summits, Prime Minister indicated that there were many challenges in front of his government and said that tough decisions will be taken to tackle the economic slowdown. Describing the economic slowdown as a temporary phase he also said that any obstacles or policy impediments that would come in the way of foreign investment - both portfolio and direct - would be addressed effectively and credibly...we have to work our way to restore the momentum of growth that India needs and which the people of India want the Government of India to work for." Agreeing that there are many challenges to bring the Indian economy back to the flourishing position and the foremost challenge being the rupee hitting a record low over Rs 57 a dollar, PM expressed confidence that some measures being taken to tackle fiscal management will help return the Indian currency to a "more stable" path. "We are operating a system which is market based exchange rate. We intervene only to curb violent fluctuations. I am confident that measures that I outlined will also return Rupee also to a more stable path."

Ruling out any fiscal incentive to boost the sagging economy, the then Finance Minister Pranab Mukherjee said on June 11 that the growth rate would see a turnaround in the current fiscal, basing his optimism on declining crude prices in international markets and a normal monsoon. Highlighting the positives in the economy, Mukherjee said interest rate cycle has been reversed, there is growth in mining sector and there is turnaround in investment growth rate, besides decline in crude oil prices. Measures are however in hand to ensure strong finances. In his first public address after being nominated as the ruling United Progressive Alliance (UPA) candidate for the Presidential elections, Mukherjee listed slow growth, high fiscal and current account deficits, inflation and negative sentiments as challenges facing the economy. The government, he said, is taking fiscal measures to ensure that the central finances remain strong in wake of "difficult times" and expects the Reserve Bank of India to take monetary steps, and said that the government is working on managing its finances and reducing subsidies. The government aims to reduce the subsidy bill to below 2% of GDP in the current fiscal and 1.75% in subsequent ones, having budgeted \$32 b for major subsidies including food, fuel and fertilizer in 2012-13, lower than

the last fiscal's \$38 b. Also, in what may signal the beginning of an economic turnaround, the eight core infrastructure sectors, viz. coal, crude oil, natural gas, fertilizers, petroleum refinery products, electricity, cement and finished steel, fared better in May with a growth rate of 3.8% to mark an improvement over the 2.2% increase in output in April.

### **India to be \$2 Tn. Economy**

India may turn into a \$2-trillion economy by the end of this financial year, provided the rupee remains below 50.79 against the dollar during this period. The government has projected India's GDP for 2012-13 at ₹101 tr., against ₹88 tr. in 2011-12, a growth of 14.7%. In 2011-12, when the rupee stood at an average of 47.95 against the dollar, the size of the economy was \$1.84 tr. at current prices (including indirect taxes). A growth of 14.7% would mean the economy would expand to \$2.11 trillion.

MNC Banks are promoting the India growth story in Europe - at least three global banks will hold investor conferences in Europe over the next few months to highlight India's economic growth potential. "We believe the India story is still intact and a few decisions will not stop inflows. In the wake of uncertainty in Europe, a GDP better than the most, we feel investors will park funds in a safe and attractive proposition - India," BNP Securities has written to India's Finance Ministry. BNP Paribas also has finance ministry's participation in its road show in Europe. Bank of America Merrill Lynch and HSBC are also planning similar shows, perhaps to ensure that investors cash-in on the opportunity that may have presented itself in form of the current crisis. Indeed most global banks found the India story attractive enough and were willing to sell it to investors. Most analysts now say stocks are attractively valued for long-term investors and a lot of money would have rushed in but for concerns over Europe. The Sensex, according to current earnings estimates, is trading at a multiple of 13 times earnings for the current year, against a long-term average of around 15. The finance ministry is undertaking road shows to market the qualified foreign investor scheme in the Gulf region, undeterred by criticism for policy inaction. "The idea is to tell overseas investors about the strength India has and how they can take advantage of it and clear misapprehensions, if any," said R Gopalan, secretary, Department of Economic Affairs.

Meanwhile, venture capital investments are surging. Venture capital funding in Indian companies stood at a record high of over \$10.2 b at the end of 2011. Clearly, entrepreneurs with innovative ideas are having no difficulty in raising funds for their ventures. This was 18.8% higher than their cumulative investment as of December 2010, according to the latest Securities and Exchange Board of India (SEBI) data. Venture capital consists of equity, quasi equity or conditional loan in order to promote unlisted, high-risk or high-tech firms driven by technically or professionally qualified entrepreneurs. Among the big-ticket venture capital deals in 2011, online retailer *Fashionandyou.com* raised \$40 m from a group of investors, while group buying portal *Snapdeal.com* also attracted \$40 m. Among other notable deals, e-commerce retailer Flipkart secured \$20 m and shopping site Naaptol.com raised \$25 m. Both domestic as well as foreign venture capital companies are vying for a piece of the pie; foreign venture capital investors (FVCI) accounted for the bulk of the investment in the quarter ended December 2011 at 65.8%, showing a steady growth over the last two years. In terms of individual sectors, the bulk of the investment was in the real estate sector. The telecommunications sector was the next biggest target, followed by information technology.

Expressing great faith in the growth prospects of India - and China, Mark Mobius of Templeton Emerging Markets Fund has said that he was positive on the economies of both the countries. "I expect a strong growth rate in India" he said. Mobius was of the opinion that the Indian economy can grow despite high interest rates. His opinion was backed by the fact that individual states in India have been pursuing investor-friendly policies. He expressed bullish sentiment on sectors such as software data, natural resources and consumption. With a young population, Mobius was positive about the consumption theme in the Indian economy. Mobius was bullish on emerging market stocks and said that with



the global money supply increasing, it was important to invest in equities as a hedge against inflation. "It is a good time to invest in equities," he said.

On the other hand, Humayun Shahryar, founder and chief executive of Auvest, a Cyprus-based hedge fund, is not known as a big believer in emerging markets - his views on China: "The whole soft-landing/hard-landing thing is a non-argument; China is crash-landing as we speak" - but he does have faith in his native India, which he reckons is next in line for China-style growth. Growth, he says, has been based on rising debt, not on rising productivity. That has been true of Brazil, India, Turkey and other emerging markets, even China. He thinks the current crisis will play out in emerging markets just as it is doing in the developed world: an equities bubble, followed by a real estate bubble, followed by a banking crisis. China is already far down the road. He sees striking parallels between the China of today and the Japan of the late 1990s. This has lessons for China and India today. From 1990 to 2010, he says, growth in both countries' labour forces was comfortably above 200 m people. Over the next 20 years, India will add another 200 m to its workforce. China will add just 3 m. "China's labour force will turn negative in 2016 or 2017. These aren't guesses. These people are already alive. It will create huge wage pressures." After years of intense investment, China will have enormous installed capacity but a shortage of labour. India will have a shortage of installed capacity and a surfeit of labour. "So where will we see the next construction boom? India. China will supply the cement, steel and capital to India as it has tried to do to Africa. But only India has the size and potential scale to absorb it. India needs hundreds of billions to be spent on infrastructure and China can supply."

Also, research by Datamonitor has suggested that despite continued setbacks in the global wealth market, affluent individuals will rise by 20 m per year, and India would continue to climb within the top 10 wealth markets list. Strong performances in India and China drove growth the Asia Pacific market, which the report considers to be on a path toward becoming the largest wealth market in the world. The report marked India's entry into the world's top 10 wealth markets, in terms of dollar millionaire holdings in 2011, replacing Spain.

Expressing confidence in the Indian economy, global agency Moody's on June 25 retained the outlook on India's rating at stable despite slowdown in GDP growth rate saying that it is unlikely to be even a medium-term feature. Moody's Investors Service in a statement said, "It is maintaining its stable outlook on India's rating as various credit challenges—such as weak fiscal performance, tendency towards inflation and an uncertain investment policy environment—have characterised the Indian economy for decades, and are already incorporated into the current Baa3 rating." On the other hand, it said that certain recent negative trends—such as lower growth, slowing investment and poor business sentiment—are "unlikely to become permanent or even medium-term features of the Indian economy." On the rupee's sharp depreciation in the recent months, Moody's said it does not raise the government's own debt service burden significantly.

#### **\$40 Bn. Infrastructure Investment Target for 9% Growth**

Prime Minister

Dr. Manmohan Singh on June 5 set an investment target of at least ₹2,000 b (approx. \$40 b) for core sector projects in the current fiscal in a bid to revert back to 9% economic growth. Holding a brainstorming session with his infrastructure ministers, he said after achieving remarkably high growth rate over the past 8 years India is "now running into more turbulent weather". "In these difficult times, we must do everything possible to revive investment and business sentiment, both public and private. We must work to create an atmosphere which is conducive to investment and to removing any bottlenecks to growth," he told a meeting attended by ministers and officials of power, roads, shipping, civil aviation and coal besides Planning Commission Deputy Chairman Montek Singh Ahluwalia. At the meeting ambitious targets were set for investments in ports and aviation sectors, power generation, coal production and railway freight carriage for 2012-13 which PM said were achievable. He said he was encouraged by the ministers' commitment to meeting these targets. He said as the government was committed to taking measures to reverse the present situation and revive India's growth story. "The global economy is passing through

difficult times. This has affected us. It is therefore imperative to take measures to give a boost to our economy. The government is not only aware of the challenges but is committed to taking the necessary measures to reverse the situation and revive India's growth story. These will turn around India and take it back to a growth path of 9%," he said. The targets were in the specific areas of: ports, roads, civil aviation, railways, power, and coal. Commerce and Industry Minister Mr. Anand Sharma invited companies from Brazil to invest in India's national infrastructure, manufacturing in Special Economic Zones and the food-processing sector. India has plans for one trillion dollars investment in the infrastructure sector over the next five years to build roads, ports, airports and highways.

The country's cement sector, which is crucial to infrastructure development, is back on a double-digit growth trajectory after a gap of two months, helped by the demand surge in housing activities, especially from semi-urban and rural regions, with robust sales recorded by industry majors—Aditya Birla Group's UltraTech Cement, Swiss major's Ambuja and Jaiprakash Associates. India's 330-million-tonne industry, which is the world's second largest after China, posted a rise of close to 13% in its sales in May, with sales of 20.25 m tonnes of cement.

Transportation is another vital component of infrastructure development and 'Made in India' trains, after uniting India, are all set to forge strong bonds with neighbours. Indian Railways will soon have air-conditioned coaches and locomotives chugging in Pakistan and Bangladesh. The country's biggest rail coach manufacturing unit, the Rail Coach Factory (RCF) in Kapurthala, along with diesel locomotives manufacturing units in Patiala and Varanasi, are making these coaches for the two countries. Railways Infrastructure Technical and Economic Services (RITES) has already signed a deal with Bangladesh for supplying 16 broad gauge locomotives and is in negotiations with Pakistan Railways advisory consultancy services for sending 50 locos. A deal by RITES was inked with the Bangladesh Railway on June 10 to supply 16 broad gauge locomotives. Earlier, in April, Pakistan had placed a request to hire 50 diesel locomotives from India. India will start exporting the rakes to Bangladesh after 18 months, starting with two each month. "It is a first-of-its-kind deal of railways with Bangladesh. We are first supplying them locos and coaches will roll out soon," said V K Jain, executive director, RITES. Bangladesh railway secretary Fazole Kabir said that the "deal with India was a breakthrough for a country whose rail network together holds the key to future developments of industrial towns. We are trying to upgrade the network and transform the Bangladesh Railway just like India." RCF which has a strong tradition of innovating and manufacturing range of products will be producing a host of AC buffet cars, AC power cars, chair cars. As recent as April this year, it had prepared 16 metre gauge coaches of Diesel Multiple Unit (DMU) for Senegal. Besides, coaches manufactured in India will also run in electric commuter trains in Adelaide, Australia, with Bombardier Transportation India starting exports of Bombardier Flexx Metro 3001 bogies from its manufacturing facility at Savli, Gujarat, where the multinational had started a wholly owned railway vehicle manufacturing facility three years back.

### **India Will Be Key Hub for Low-Cost Labour**

Over the next two decades, China will be eclipsed as the world's major source of low-cost labour by India and "young developing" economies of South Asia and Africa. In other words, nearly 60% of the 600 m net additions to the global labour force from 2010 to 2030 will occur in India, South Asia and Africa. This will bring the total global labour force to 3.5 b in 2030, the McKinsey Global Institute said in a report titled "The world at work: Jobs, pay, and skills for 3.5 billion people." India's strength will lie in its capacity to supply college-educated workers with 85 m additional college-educated workers by 2030—likely the second-largest supplier of net new college-educated workers after China. Between them, China and India will contribute 57% of the world's new workers with some college education through 2030, the report says. The institute projects that the total population of people over 55 who are not in the labour force, including a surge of retirees, could reach 360 million. Some 40% of the expected retirees would be in the advanced economies and China, complicating the challenge of filling skill gaps in those nations. For India, the institute projects productivity

growth of 5.9% annually to 2030, which will account for about 80% of forecast GDP growth of 7.4% per year. Of this productivity growth, about 5.6 points are likely to come from historical drivers such as rising tertiary education rates and rising investments in capital. In India, it anticipates that from 2010 to 2020, non-farm sectors will start to generate sufficient job growth to reduce farm employment on a net basis, providing additional productivity improvements for the economy. The institute's projections suggest that India's manufacturing sector will add 36 m jobs in the next two decades compared with just 8 m from 2000 to 2010. This scenario assumes that India will capture a larger share of global manufacturing jobs. At the same time, India's service sector is likely to continue to grow jobs in line with the historic trend.

### **India to Achieve \$500 B Exports Target by 2013-14**

India is on course to increase exports to \$500 b in 2013-14 from around \$300 b in the last fiscal, helped by market and product diversification strategy promoted by the government, said Mr. Anand Sharma, Commerce & Industry Minister. Addressing a seminar organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) here, Sharma said the strategy of reaching out to newer markets in Asia, Africa and Latin America and provision of a stable policy environment would help achieve the exports target. He pointed out that the addition of seven new markets to the Focus Market Scheme and 46 new items to the Market Linked Focus Product Scheme would further boost exports. India's exports increased by 20.94% to \$303.71 b in financial year ended March 31, 2012, surpassing the government target of \$300 billion. "We were clear in our mind that we could not wait for demand to revive in our traditional markets of the US and Europe after these countries suffered the severe fallout of the global financial crisis. We recognised the need to expand the scope and coverage of the Focus Market Scheme which now covers 112 markets across the world," said Sharma.

Meanwhile, India's New Trade Policy has received a wide welcome in business circles. Unveiled on June 5, the seven-point strategy to boost exports includes extension of interest subsidy scheme by one year till March 31, 2013. It also exuded confidence that India would be able to sustain 20% export growth in the current fiscal. India Inc and exporters said that the measures announced in the new Foreign Trade Policy would help in sustaining export growth momentum amid global uncertainties. "We welcome the FTP announcements. The policy will help exports a lot during the time when there is economic problem in the US and European markets," FICCI President R V Kanoria said. Federation of Indian Export Organisations (FIEO) President Rafeeq Ahmed said the measures would have a lasting and positive impact on the country's trade. "The announcements have exceeded our expectations...Labour-intensive sectors like textiles have been the thrust area of the FTP. We welcome the steps," Ahmed added. Apparel Export Promotion Council Chairman A Sakthivel said the measures would give a huge boost to textiles sector. "During the times of global slowdown, the incentives announced in the FTP would further help in increasing engineering exports," Engineering Export Promotion Council (EEPC) Chairman Aman Chadha said. India's exports touched USD 303.7 billion in 2011-12, registering 21% expansion.

**The share of Latin America is growing in India's exports.** Developing countries in Asia, Africa and Latin America were the primary target of Indian exporters in April-December 2011. These nations cumulatively accounted for 40.3% of Indian exports in the period. A sizeable chunk of India's imports, at 33.4%, also came from these countries. However, in terms of their percentage share of overall exports, shipments to Asian developing economies have declined to 29.3% in the first nine months of FY 12 from 30.9% in the previous fiscal. In contrast, the share of Latin American countries in the overall exports rose to 4.4% from 4%. The share of African exports remained constant at 6.6%. The Organization for Economic Cooperation and Development (OECD) nations were the next biggest destination for exports. However, the bulk of India's imports (34.6%) were from OPEC, which was primarily due to the country's dependence on foreign oil to meet its energy requirement.

### **Coke to invest \$5 Bn. in India**

Betting big on India, beverages giant Coca-Cola has said that it would more than double investments in the country to \$5 b by 2020. The fresh investment, which is higher by \$3 b from the previous announcement made in November 2011 for a period of five years, will be on various activities, including setting up of new bottling plants. "While we have always believed in the Indian growth story, India is now a key focus market for our company and system...Our India story is one of a remarkable turnaround. Six years ago, we were not strong here at all. Today our India business aspires to be among the top five countries by volume in the entire Coca Cola system...We have been examining our growth projections and goals for the India business...we are absolutely confident this (investment) is the right decision given the vast opportunities in India," said Coca-Cola Co-Chairman and CEO, Muhtar Kent, adding that investments would be made on increasing bottling lines, and enhancing back-end chain infrastructure as well as marketing. At present, the company has 56 plants in India of which 21 are franchise plants, 23 are company-owned and 12 contract packaging plants.

### **India Automakers Going Global**

After tasting spectacular success with small cars, global auto companies have started exporting sedans & SUVs from India to spearhead a strategic change that seeks to make the most of the country's cost advantage and growing technical prowess. In the coming months, Nissan plans to export 50,000 units of India-made sedan Sunny to the West, while rival Toyota will ship made-in-India Etios cars to South Africa. Other world leaders like Volkswagen, Ford and Renault are expected to join them soon. According to auto industry sources, over 100,000 India-made sedans and SUVs are slated for export in the next 12 months. The depreciating rupee is only likely to accelerate such plans. And the export growth could accelerate once the economy picks up. Moreover, there are not many right-hand drive manufacturing bases that are as cost competitive as India. For Indian major Mahindra & Mahindra (M&M), the end game is far more ambitious: to take the Mahindra brand overseas and compete with the biggest and the best there. They have made tentative progress on that front. Mahindra tractors are number one in the world, by volume. The electric car Reva is visible on roads in the eurozone. And rugged, reliable and fuel-efficient UVs like the Bolero and the Scorpio find buyers in parts of Latin America, Southeast Asia and Australia. M&M may not be as large an auto major as, say, a Toyota or a General Motors, but perhaps that's not as important to Mahindra as gaining respect as a maker of world-class products. The XUV500 sports utility vehicle - with best-in-class technology and design, is the most contemporary evidence of that aspiration. But that journey for global esteem has only just begun. Back home, over the past decade Mahindra has diversified the group's activities into high-growth sectors like leisure and hospitality, financial services, and real estate. And within automotives, he's blueprinted a game plan that no auto major in the world has attempted, to produce virtually everything that moves on wheels and is powered by an engine. That vision has scooters at one end of the spectrum and aircraft at the other, with cars, UVs, small transportation vehicles and large trucks vrooming in between. Venturing into directions that few dare to is reflected not only in such tall ambitions but also in their determination to pursue what they feel is worth the effort. Since Anand Mahindra joined up at the flagship, and over the next couple of decades charted a course that has made the diversified conglomerate a \$15-billion-plus colossus with a presence in at least 18 industries across some 100 countries.

India's passenger car exports from India increased 34.16% in May on the back of robust overseas sales by Hyundai Motor, Nissan Motor and Toyota Kirloskar in non-European countries. According to Society of Indian Automobile Manufacturers (SIAM), India exported 45,036 cars in the month compared to 33,570 units in the year-ago period. In May, the country's largest exporter Hyundai Motor India Ltd (HMIL) witnessed a growth of 42.16% at 23,659 units against 16,643 units in the same month last year. Carmaker Nissan Motor India saw its exports from the country going up by over two-fold to 8,157 units last month from 3,937 units in the corresponding month last year. Toyota Kirloskar Motor, which started exports from April this year, sold 1,693 units in May in S.Africa. Homegrown auto major Tata Motors' exports rose by 32.38% from the past year. Exports of all categories of

vehicles from India during May 2012 increased by 4.62% to 246,314 units from 235,429 units in the same month last year, SIAM said. The two-wheeler segment witnessed exports of 174,362 units in last month compared to 161,346 units in the year-ago month, up 8.07%, it added. The motorcycle segment's overseas sales went up by 5.16% to 163,446 units from 155,419 units in May 2011. SIAM said exports of scooters from India increased by 87.18% last month to 10,660 units from 5,695 units in the same month last year.

India's second largest two-wheeler maker Bajaj Auto is targeting a 20% exports increase. It is setting up assembly lines in some of its largest overseas markets in Africa and Latin America and the company is looking at increasing its international capacity by 15-20% this fiscal. Bajaj Auto last month commissioned completely-knocked-down (CKD) assembly lines in **Mexico** and Uganda and is planning more in Kenya, Ethiopia and Angola over the next six months. The investments in these ventures will be made by local partners. "Bajaj Auto will give technical support and export equipment to our distribution partner in various countries," said Rakesh Sharma, head of international business at Bajaj Auto; "The ownership of assembly lines is by our partners, this allows us to focus on market development." Africa and Latin America are the largest foreign markets for the company, accounting for 65% of its exports, which reached 1.6 million units in fiscal 2012. Competition is also set to increase for Bajaj Auto in its existing international markets as rival Hero MotoCorp has set itself a target of increasing its portion of revenues from exports to 10%, up from the current 2%. The market certainly exists: industry data pegs the global motorcycle market at about 50 million units, of which India accounts for a fifth. For the financial year 2013, Bajaj Auto expects to sell total 5 m units including motorcycles and three-wheelers.

India itself is also fast emerging as a new battleground for global carmakers. Competition in the Indian commercial vehicle market is intensifying as global automakers seek to expand in the major emerging economy. While Indian automaker Tata Motors Ltd. dominates the market, Germany's Daimler AG has built a new plant and big Japanese automakers are also making moves to take advantage of the potential for growth. The size of the commercial vehicle market in the country was about 810,000 vehicles in fiscal 2011, which ended in March, up almost 20% from the previous year, according to SIAM. Demand for trucks and other commercial vehicles is expected to expand further once a solid distribution system is established in the country under a government plan to build highways and organize infrastructure. By using the technologies of its group firm Mitsubishi Fuso Truck & Bus Corp., Daimler will launch trucks of various sizes and produce them locally to cut costs and prices. But Daimler is nonetheless aiming to secure a market share of more than 10% in India. Japanese automakers are also seeking to increase their presence, with Isuzu Motors Ltd. building a joint plant in Punjab to produce vehicles, primarily buses. It sold around 13,000 vehicles in fiscal 2011 and is aiming to expand into trucks as well. Hino Motors Ltd. also sells trucks and buses in India produced in Southeast Asia and other regions. It is considering measures to eventually cover the country. But for local residents, Tata is a strong name in trucks and its nationwide maintenance bases remain attractive. Still, there are opportunities for foreign automakers to gain a bigger slice of the commercial vehicle market, in which local automakers hold a combined share of around 90%.

### **India Ups Renewable Energy Commitment**

India's Union Minister of New and Renewable Energy has announced an increase of the country's 2020 renewable energy targets, from 6 to 15%. At the Institute of International and European Affairs in Dublin, Minister Farooq Abdullah also said that an action plan has been developed, which lays the ground for 30 GW of renewable energy generation by 2017. Renewables already account for 12% of India's total installed energy capacity. In terms of solar, a target of 20 GW of grid connected and 2 GW of off-grid has been set, under the Jawahar Lal Nehru National Solar Mission. Solar electricity prices have fallen from US\$0.35/kWh to under \$0.17/kWh in the last year and approximately 1.1 m Indian households are already using solar lighting solutions. Overall, wind accounts for India's lion's share of renewable energy, with a reported installed capacity of 17 GW. "Surplus biomass material could also potentially

be used to generate about 20 GW of power," he added. Outlining the challenges facing the global renewable energy market—investment and technology—he said that India will need an investment of "at least" \$50 billion over the next five years.

Surat meanwhile will become **India's first 'eco city'**. After selecting Surat as one of the three cities for a demonstration project for "eco city" development, UK-based charity "The Ecological Sequestration Trust" (TEST) will spend nearly \$8.8 m to build a sustainable development model that will be more environment-friendly, including a pilot project of green buildings, an intelligent transport system, a system to periodically forecast traffic and weather at different spots on cell phones through global positioning system, road mapping to suggest better routes for travel by own vehicles, setting up prototypes of recycling of used water and setting up efficient transport system. The world's fifth-largest wind turbine manufacturer, India's Suzlon Energy has set its sights on **Mexico** with plans to invest some \$3 b in wind energy projects in Baja California and Oaxaca. It has also unveiled a new machine designed for low wind speed sites: the S111, a new low-wind speed turbine with an output of 2.1 MW that will deliver up to a 29% increase in energy production. Greening of the construction sector is also gaining momentum. The country has 1.2 b sq. ft. of green buildings being built or ready, and pre-certified by Leadership in Energy and Environmental Design (LEED). India's total built-up space is 25 billion square feet, and it is expected to increase to 80 b by 2030, where the share of green buildings could be as high as 20%. New cities, such as those coming up along the Delhi Mumbai Industrial Corridor, would have a substantially higher green building component. With 60% of the buildings that would exist in 2030 yet to be built, there is a big opportunity to develop environment-friendly cities in the country. Green building products provide an estimated \$100-b opportunity by 2015. Also, in city schools, children are being motivated to become champions of energy conservation. Conservation clubs in different parts of the country are organizing and spearheading mass sensitization activities. The tourism sector is also going green: the Kalka-Shimla toy train - Himalayan Queen - has become the first in the country to have coaches operating on solar-based power. Each coach has been fitted with a 100-watt solar panel, enabling the coaches to run for two days without the sun. The railways will also earn carbon credits through this green initiative. The 96km Kalka-Shimla track is on the heritage list of UNESCO.

### **Pharma: More Emulating India IPR Approach**

India's Intellectual Property Rights (IPR) approach in pharma is being emulated worldwide. A growing number of countries are adopting India's intellectual property regulations, which give enough flexibility to local companies to produce generic versions of popular drugs to safeguard public health. China, Argentina and the Philippines are adopting similar provisions. Last month. Experts say IP laws were earlier framed in the West and adopted by developing countries, but now India is setting the IP laws for developing countries. India issued its first compulsory licence in March for the production and marketing of a low-cost version of Bayer AG's patented cancer drug, Nexavar, at 3% of the original medicine's price for meeting public health requirements – a month's dosage of Nexavar, at \$5,028, is unaffordable for the poor. At the pharmaceutical Round Table in Sao Paulo from June 13-14, Mr. Anand Sharma, Minister for Commerce, Industry and Textiles, as the leader of a high-level trade delegation that included pharmaceutical companies, observed that Brazil and India could further strengthen their ongoing cooperation in making drugs and medicines available at affordable prices and pointed out that the TRIPs provision of compulsory licensing for making available cheaper drugs, though introduced at the behest of developing countries, was in fact used more often by developed countries. The two countries agreed to constitute an industry level working group to identify hurdles in further strengthening of the pharmaceutical cooperation and relay concrete suggestions towards this end to the governmental channels. The Indian industry size is estimated to be \$20 b and India is one of the prominent generic medicine producing countries. Indian companies export low-cost versions of off-patent drugs to over 200 countries and India is often referred to as the global pharmacy. Exports of drugs, pharmaceuticals and fine chemicals grew 27% to \$10.6

b in the last fiscal. The US absorbs over 50% of these exports. Ranbaxy, Sun Pharma, Lupin, Cipla, Dr Reddy's and Aurobindo Pharma are the major exporters. India's pharmaceutical market has seen a compound annual growth rate over the past three years of 12.4%. Growth is expected to be 15.3% from 2011-12 to 2013-14 due to factors like new product launches and favourable pricing environment. India's generic drug industry is generally receptive to the proposed US law on medicine even though it seeks to enhance USFDA inspection of the manufacturing facilities globally for a fee, as it feels that through such fees, USFDA will build resources it needs to complete inspections fast.

### **India ahead in Cyber Security**

India may have low penetration of computers, but it is ahead of countries like US, Japan and Singapore when it comes to basic PC protection, says a report by security software maker McAfee. It conducted a global study across 24 nations, analysing data from voluntary scans of an average of 27-28 million PCs per month to determine a global estimate of the number of consumers who have basic security software installed. Finland had the highest number of 90.3% PCs with a basic security software solution in place, followed by Italy and Germany. Basic security protection is defined as working anti-virus, anti-spyware and firewall technologies. India ranked 14th on the list with 82.67%, while China ranked 17th, followed by Japan and US at the 19th spot and Singapore at 22nd position. According to estimates, India had a total installed base of over 60 million PCs at the end of 2011. Protecting digital devices against cyber crime from malware not only benefits each of us personally, but also serves to discourage illicit activity as well as to preserve the integrity of the Internet.

### **Ayurveda: A Complete System of Medicine**

Ayurveda, translated to the science of life, is a 5,000-year-old Indian health system. Those who use it believe it to be a complete system of medicine and without side-effects, whether the area for treatment is internal and external—all, they say can be cured by a combination of its eight branches. It has now been approved by the Dubai Ministry of Health and the Dubai Health Authority as well. "The basic principle of Ayurveda is that there are three energies in our body, Vata, Pitta and Kapha, which are controlling all of our functions," explained Dr Asha Jones, an Ayurvedic Practitioner at the Dubai Herbal Treatment Centre (DHTC). Vata is responsible for all movement in the body and is the most important of the three doshas. Pitta is responsible for all metabolisms in the body. Kapha provides the structures and the lubrication that the body needs. "If they are balanced, our body will be perfectly healthy," she said. "When we see a patient, we see what energies have gone up or down with the main purpose of balancing these energies. The main aim of treatment is to remove toxins from the body and healing from ourselves," Dr. Jones said. "It is very popular in India and now it is accepted worldwide. Ayurveda has no side effects if you are diagnosed properly." Dr. Jones also advises lifestyle changes and prescribes purely herbal medicines for people in the early stages of depression, anxiety and insomnia. She gave the example of a 12-year-old girl with psoriasis, a skin condition that causes skin redness, irritation and severe itching. "In one month her condition had improved, it took three months for almost full recovery. She was given herbal medicines and external applications and a special diet," she said. The girl's father agreed. "The better treatment for this was Ayurveda," he said. "Taking antibiotics from a young age will collapse the immune system. The Ayurveda medicine will have long-term goals and strict restrictions on the food, but I am willing to sacrifice this for my child's health." More and more patients are beginning to realise the benefits of traditional healing.

***A regenerate outgrows the original taint, even as purified gold outgrows the original alloy.***  
**- Mahatma Gandhi**

### **India Steel Tycoon's, Musician's Tributes to London Olympics**

"Steel. Art. Sport. A bold combination." This is the tagline at the top of the invitation to a Champagne reception hosted by the Indian steel magnate Lakshmi Niwas Mittal this 15th night to

celebrate the newly opened ArcelorMittal Orbit at Olympic Park in London. The project came about after Boris Johnson, the mayor of London, bumped into Britain's richest man in a cloakroom in Davos, Switzerland, and convinced him to do something for the Olympics. The Orbit was the result of that conversation. Mittal, who is chairman and chief executive of ArcelorMittal, is a big sponsor of the London Olympics, and covered £19.6 m, of the £22.7 m cost of the Orbit. The curling steel structure is designed by Mumbai-born Anish Kapoor, the Turner prize-winning artist known for his large-scale installations. The aim, he says, was to create a piece of art that "engages a real public." The 114.5 m spiralling red structure is the tallest in Britain and about 22 m taller than the Statue of Liberty. It can accommodate an estimated 5,000 visitors a day who can travel to two platforms on two elevators. There they can look at a panoramic view of London, before descending 455 steps. Kapoor said he wants visitors to the Orbit to experience the sculpture not simply as a piece of art to be observed, but also from within by winding up and down its steps. The Orbit is made from 2,000 tonnes of steel, 57% of which is recycled. At the top platform two large mirrors stretch around the inside, designed to distort vision. They reflect images of visitors that are larger and more imposing than the buildings in the distance. And the view is like no other in London, revealing a magnificent skyline as the sun begins to drop on the hills. On the descent, the Orbit comes to life. It's a mass of twisted blood vessels that glow and pulsate at night. The strips of steel seem like glow sticks that have to be broken to be allowed to bleed and come alive in the dark. Besides, legendary music composer A R Rahman and Hollywood filmmaker Danny Boyle will jointly compose a part of the score for the opening ceremony of London Olympics 2012. "I am doing a track for him (Boyle) for the Olympics. It's one of the songs for the opening ceremony," said Rahman. Apart from Rahman, Indian music composer Ilayaraja's composition too will be a part of the inaugural programme. His Tamil song, Naanthaan Ungappanda, from Kamal Hassan's 1980 film Ram Lakshman, has made it to the playlist.

### **Indian-Americans Top in Income, Education**

Indian-Americans are the highest-income and best-educated people in the United States and the third largest among Asian-Americans who have surpassed others as the fastest-growing racial group, according to a new survey. Asians as a whole are also better educated and earn more than the general US population, according to the Pew Research Centre report on "The rise of Asian-Americans" just released. Indians, who now number 3.18 m, the third largest after the Chinese (4 m) and Filipinos (3.4 m) have a median household annual income of \$88,000, much higher than for all Asians (\$66,000) and all US households (\$49,800). Median annual personal earnings for Indian-American full-time, year-round workers are \$65,000, significantly higher than for all Asian-Americans (\$48,000) as well as for all US adults (\$40,000). 70% of the Indian-Americans of ages 25 and older have obtained at least a bachelor's degree; this is higher than the Asian-American share (49%) and much higher than the national share (28%), the survey found. More than half of Indian-Americans (57%) own a home. Indian-Americans also stand out from most other US Asian groups in the personal importance they place on parenting.

### **Indian Duo Win French Open Mixed Doubles**

India's Sania Mirza and Mahesh Bhupathi defeated Poland's Klaudia Jans-Ignacik and Mexico's Santiago Gonzalez 7-6, 6-1 in their mixed double final match of the French Open tennis tournament at the Roland Garros stadium in Paris, on June 7. The 2009 Australian Open champions rallied from a 5-3 deficit to force a tiebreaker in the first set before cruising in the second. "I am the proudest, happiest wife," said Lara Dutta after her husband Mahesh Bhupathi and Sania Mirza won the mixed doubles title at the French Open. Dutta is a former Miss universe and a leading actress in India's Hollywood.

### **They Said It...**

"This year, we are planning to invest about \$ 1 billion in India alone. This will be the largest investment in a single country by IFC in a year. Also, IFC's largest country exposure is in



India at \$3,766 million worth of committed portfolio, which is about 9 per cent of IFC's global portfolio."

**- Karin Finkelston, Vice President, International Finance Corporation**

***Assaults have been made on my life in the past, but God has spared me till now, and the assassin's have repented for their action. But if someone were to shoot me in the belief that he was getting rid of a rascal, he would kill not the real Gandhi, but the one that appeared to him a rascal.***  
**- Mahatma Gandhi**

**TRADE ENQUIRIES FROM INDIA**

<b>Company</b>	<b>Interest Areas</b>
<b>SARA TEXTILES LTD.</b> Sara House, B8-Sector 4, Noida-201301 Tel: (91 120) 4667272, Fax: 4667299, Mob: (91) 9899193302 Contact: Ms.Esha Kumar Email: ekumar@sara-intl.com, info@saratextiles.com Web: www.saratextile.com	Home textiles like towels, bathmats and bathrobes
<b>MACHT EXIM LLP</b> 702, Safal Prelude, Prahladnagar Corporate Road, Ahmedabad-380015 Tel: (91 79) 40087600, 40087601, Mob: (91) 9824614337 Contact: Ms. Archana Kekre, International Business Head Email: archana@machtexim.com, Web: www.machtexim.com	Machine tools
<b>JESONS INDUSTRIES LTD.</b> 904, Peninsula Tower-1, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai-400013 Tel: (91 22) 66515248, Fax: 66515252 Contact: Ms. Varsha Sawant, Export Manager Email: varsha.sawant@jesons.net, Web: www.jesons.net	Polymer emulsions, and pressure sensitive adhesives
<b>SU-KAM POWER SYSTEMS LTD.</b> Plot No. 54, Udyog Vihar, Phase VI, Sector-37, Gurgaon-122001 Tel: (91 124) 4030700 Fax: 4038700, Mob: (91) 9910095769 Contact: Mr. Sachin Sharma, Manager-Global Business Email: sachinsharma@su-kam.com, Web: www.su-kam.com	Power back-up products
<b>RAMYAM INTELLIGENCE LAB PVT. LTD.</b> 3rd Floor, Mithra Towers, 10/4, Kasturba Road, Bangalore-560001 Tel: (91 80) 67269266, Fax: 57269260, Mob: (91) 9916096142 Contact: Mr.Arathi Ajay Kumar, Strategic Alliances Email: arathi.ak@ramyamintel.com, Web: www.ramyamintel.com	Enterprise grade customer experience management solutions
<b>SERUM INSTITUTE OF INDIA LTD.</b> 212/2, Off Soli Poonawalla Road, Hadapasar, Pune-411028 Tel: (91 20) 26602325, 26993900, 26993921, Fax: 26602325 Mob: (91) 9764950022 Contact: Mr.Sanjay Wadhwa, Deputy Director (International Business) Email: sanjay.wadhwa@seruminstitute.com, sw.siil@yahoo.com, Web: www.seruminstitute.com	Human Vaccines, Sera & Blood Products (pantoprazole Sodium for injection in 40mg vials)
<b>T.T. LTD.</b> 879 Master Prithvi Nath Marg Opposite Ajmal Khan Park, Karol Bagh, New Delhi-110005 Tel: (91 11) 45060708, Fax: 45060741, 23632283 Contact: Mr.Arun Kumar Shrama, Assistant Manager (Marketing) Email: arunsharma@tttextiles.com, jppain@tttextiles.com, export@tttextiles.com, Web: www.tttextiles.com	Yarns and fabrics

<p><b>KUMAR IMPEX</b>                  B-11, Prashant Vihar, New Delhi-110085                  Tel: (91 11) 27861999, 27863999, 27864999, Fax: 27551888                  Mob: (91) 9811012712, 9310496112                  Contact: Mr.Ashok Garg, Director                  Email: exportpromotion@kumarimpex.com                  Web: www.papersindia.com, www.kumarimpex.com</p>	<p>Writing &amp; Printing paper</p>
<p><b>SIDAK EXPORTS</b>                  Shop No. 30 &amp; 31, WZ-345, Commercial Complex, Near C-Block, Gurudwara, Hari Nagar, New Delhi-110064                  Mob: (91) 9810964929, 9953476617                  Contact: Mr.Harjit Singh Jassal and Mr.Baljit Singh                  Email: jitjassal_234@yahoo.com, info@sidakexports.com                  Web: www.sidakexports.com</p>	<p>Indian traditional women's dresses, Jewellery and Purses</p>
<p><b>KOCHAR INDUSTRIES</b>                  15480, Street No.13, Parbhat Nagar, Dholewal, Ludhiana-141003                  Tel: (91 161) 2535496, 2522496, Mob: (91) 8728813460                  Contact: Mr.S.C.Kochar, Chief Executive Officer                  Email: industrieskochar@gmail.com, kocharindustries@yahoo.in                  Web: www.kocharindustries.com</p>	<p>Bolts, Nuts, Washers, Studs construction machines, heavy auto industry &amp; railways</p>
<p><b>EURRO EXPORT</b>                  T- 11, Alankar Plaza, A-10, Central Spine, Vidhyadhar Nagar, Jaipur-302023                  Tel: (91 141) 2232057, 2232047, 2235726, 2235627 Fax: 2233247                  Skype: rsharma.1975                  Contact: Mr.Rameshwar Sharma                  Email: info@euroexport.com, Web: www.euroexport.com</p>	<p>Sandstone, Limestone, Slate, Paving, Marble, Granite, Quartzite etc</p>
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<p><b>AMBITIONS JEWELLERS</b>                  Tilak Bhawan, 5/A Tilak Marg, C-scheme, Jaipur-302005                  Tel: (91 141) 4002269, Mob: (91) 9829062269                  Skype: ambitions.jewellers                  Contact: Mr.Narendra Bakliwal,                  Email: info@ambitionsjewellers.com, bakliwaljaipur@gmail.com                  Web: www.ambitionsjewellers.com, www.ambitionsjewellers.co.in</p>	<p>Studded gold, Silver &amp; Victorian, Kundan, Meena &amp; Costume, Metal &amp; Wooden jewellery</p>
<p><b>TEXPERTS INDIA PVT. LTD.</b>                  504-506, 5th Floor, ECO House, Vishweshwar Colony, Off Aarey Road, Goregaon (East), Mumbai-400063                  Tel: (91 22) 40777361, Fax: 40777300, Mob: (91) 9870077433                  Contact: Mr.Samir B.Tivad &amp; Mr.Sharad Sanghai                  Email: samir@thetexperts.com, sharad@thetexperts.com                  Web: www.thetexperts.com, www.texperts.com</p>	<p>Different types of cotton and synthetic yarns</p>
<p><b>WORLDING IMPEX</b>                  UL-9, Nidhi Complex, Near Gormoh Hotel, Judges Bungalow Raod, Bodakdev, Ahmedabad-380054                  Mob: (91) 7600051168, 9879133427, 9824890406, 9974094565                  Contact: Mr.H.L.Solanki &amp; Mr.S.B.Thakor                  Email: worldingimpex@gmail.com, info@worldingimpex.com                  Web: www.worldingimpex.com</p>	<p>Spices &amp; Herbal products, Reverse osmosis water filtering and treatment systems</p>

<p><b>RESHLON COSMETICS PVT. LTD.</b>                  73, Sanskruti Prasad, Ram Maruti Rd., Thane (W)-400602                  Tel: (92 22) 61283417, Fax: (91 22) 25434546                  Contact: Mrs.Bharti More                  Email: bharti@reshlon.com, rekha@reshlon.com                  Web: www.reshlon.com, www.mehndimanufacturers.com</p>	Henna paste (for body decor), Cosmetics
<p><b>SOLACE INTERNATIONAL</b>                  B-3/453, Paschim Vihar, New Delhi-110063                  Tel: (91 11) 42345180, Fax: 25286319, Mob: (91) 9910068955,                  Contact: Mr.B.Lal                  Email: solaceinternationalrice@gmail.com</p>	Sugar
<p><b>SONALE FABRICS PVT. LTD.</b>                  13/15, Anant Wadi, 1st Floor, Room No.8, Bhuleshwar, Mumbai-400002                  Tel: (91 22) 22087202, 32472044                  Contact: Mr.Vinayak Rajpurohit                  Email: sonalefabrics@yahoo.com, Web: www.sonalefabrics.com</p>	Textiles
<p><b>MULTANI PHARMACEUTICALS LTD.</b>                  H-36, Connaught Place, New Delhi-110001                  Mob: (91) 9654350717                  Contact: Mr.R.K.Tuli, General Manager (Exports)                  Email: gmexports@multaniayurved.org                  Web: www.multaniexports.com, www.multaniayurved.org</p>	Traditional Indian Ayurvedic and Herbal medicinal products
<p><b>PATGRO EXIM PVT. LTD.</b>                  207 Royal Square, Near Shilp Tower, Godown Road, Rajkot-360002                  Tel: (91 281) 3045481, Mob: (91) 9909905481                  Contact: Mr.Mukund Vasoya                  Email: info@patgro.com, Web: www.indiamart.com/company/4926274</p>	Spices, rice and other agricultural products

**Trade Fairs & Business Exhibitions in India in August-October 2012**

<b>Event</b>	<b>Organizer</b>	<b>Product Profile</b>
Media, Giftsworld, & Office Expo, New Delhi (Aug 4-6)	Media Exposition and Events www.themediainexpo.com/delhi	Machines, signages, displays, security, audiovisual & telecom equipments, gifts, art material, healthcare products, office/home items
Delhi Book Fair 2012, New Delhi (Sept 1-9)	ITPO Web: www.indiatradefair.com	Books, Publications, Journals
15th India International Security Expo, New Delhi (Sept 13-16)	ITPO Web: www.indiatradefair.com	Security and Safety equipment and systems incl. disaster management
4th International Hospitality Fair 2012 (Sept 20-22)	Confederation of Indian Industry Web: www.cii.in	Food & beverage equipment and services, dairy products, housekeeping, wines & spirits
RBSM at Chemical Meet 2012, Mumbai* (Oct 4-6)	Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council (Chemexcil) Web: www.indiachem.in	Chemicals, petrochemicals, plastics, technologies, process plant machinery, control & automation systems, pharmaceuticals
Jewellery Wonder 2012 (Oct 6-8)	Jewellery Market Web: www.jewellerywonder.net	Gold & silver jewellery, gems, precious stones, and related machinery

\*With sponsorship. For more information, contact the Embassy at trade\_eoimex@prodigy.net.mx

**PRIME MINISTER DR.MANMOHAN SINGH @ LOS CABOS**



**Prime Minister Dr.Manmohan Singh with President Felipe Calderon during their bilateral meeting on the sidelines of the G20 Summit at Los Cabos on June 18**



**Prime Minister Dr.Manmohan Singh in a group photograph with the G20 Leaders at Los Cabos on June 18**