

## NACOR scientists launch expedition to the Arctic

A FIVE-MEMBER team of scientists, led by National Centre for Antarctic and Ocean Science (Nacor) director, Dr Rasik Ravindra, launched the first of a series of expeditions recently, landing at the research base of Nyalesund in the Arctic.

They camped for a month at this desolate station, 745 miles from the North Pole and 79 degrees north of the Equator, to conduct experiments on climate change, earth sciences and microbiology. Indian scientists have done research in the Antarctica for about 25 years now, but this is the first time they are working in the Arctic. They are planning to launch several such expeditions.

India has so far undertaken 24 expeditions to the Antarctic, being a signatory of the Antarctic Treaty since August 1983. The first Indian wintering was conducted in the permanent station of Dakshin Gangotri that it built that year itself on the Prince



Astrid ice shelf. This feat ushered the country into the hallowed Scientific Committee on Antarctic Research (SCAR) in 1984.

Work has already started on the third Indian base in the Antarctica, and the country is all set to add a new ship to its research fleet and a manned submersible for underwater research. A robotic vehicle for deep-sea diving is also being developed with help from Russia. The manned submersible will help in the exploration of cobalt crusts and other energy sources.

India will also be joining the Integrated Ocean Drilling Programme (IODP) as an associate member, which will enable it to go for deep-sea drilling in the Arabian Sea and the Bay of Bengal. With a 7,500-km-long coastline, India's exclusive economic zone encompasses 2.2 million sq km. The country is keen on undersea mining and has been allotted a 75,000 sq km area in the central Indian Ocean.

## AI, Indian merger to result in integrated international, domestic footprint

THE long awaited merger of the two state-owned carriers, Air India (AI) and Indian (Airlines), was formalised recently following approval from the Ministry of Corporate Affairs. The merger has led to the setting up of a new company, named National Aviation Company of India Ltd, which will have a combined fleet of 112 aircraft.

The Civil Aviation Ministry has sought to ensure continuity in management, retaining AI chairman V. Thulasidas as the chairman and managing director of the new company, which, in turn, will retain the 'Air India' brand name. Vishwapati Trivedi has been appointed the joint managing director, and the combined carrier designated to operate on both the domestic and international sectors.

Air India launched its non-stop service between Mumbai and New York beginning August 1, making it the first domestic carrier to offer a direct flight between India and the United States.

Seeking its place among the top 10 Asian airlines and among

the 30 leading airlines globally, Air India is already contemplating an expansion of its fleet size to nearly 200 aircraft by 2011. This year the airline will be inducting 21 new aircraft, including seven Boeing-777s, 10 Airbus-20s and four Boeing-737-800s.

"The merger of Air India and Indian will provide an integrated international and domestic footprint, which will benefit passengers significantly," says Thulasidas. "Domestic and international flights will seamlessly integrate, allowing passengers to check in for their international flight from any domestic point in India."

The merger will provide an opportunity to fully leverage strong assets, capabilities, infrastructure and skilled and experienced manpower available with both the companies to the optimum potential. It will also provide maximum flexibility to achieve financial and capital restructuring through revaluation of assets and provide an increased thrust and focus on airline support businesses. The synergy benefit will be nearly \$200 million and will be realised once the integration is completed.

# Gem and jewellery exports surge by 25.69 per cent during April-July period

THE India International Jewellery Show (IJS) 2007, held in Mumbai from August 30 to September 3, and organised by the Gem & Jewellery Export Promotion Council (GJEPC), attracted 740 exhibitors and over 35,000 visitors

"Since its debut, the IJS is recognised as a trend setter event that is successful in addressing the business and the networking needs of the trade fraternity globally," said Sanjay Kothari, Chairman GJEPC. "It has grown to become a brand in itself on the lines of Basel and Las Vegas shows. IJS provides an opportunity to view the best India has to offer."

India's jewellery industry has grown by 30.61 per cent in the year 2006-07 as compared to 2005-06. The overall exports of gems and jewellery touched \$6.17 billion in the period April – July 2007 showing a growth of 25.69 per cent.

Gem and jewellery exports grew by a modest 2.74 per cent in 2006-07, with total exports reaching \$17.1 billion as compared to \$16.6 billion the previous year.

According to the GJEPC, diamond merchandise exports marked a growth of 3.37 per cent. Exports of diamond merchandise touched \$9.77 billion as compared to \$9.45 billion in 2005-06.

It was gold jewellery exports that primarily drove growth in

the sector, surging 34.55 per cent from \$3.87 billion to \$5.21 billion over the past one year. Exports of coloured gemstones at \$246.48 million in 2006-07 shows a growth of 6.08 per cent as compared to \$232.25 million in 2005-06.

"The industry's contribution to the total value addition is to the tune of \$4.1 billion in 2006-07," notes Kothari. "The United States continues to be our largest exporting destination, followed by the UAE and Hong Kong and these three account for 31, 19 and 21 per cent of our exports respectively."

He points out that the council has embarked on a three-pronged strategy to drive the industry's growth, namely, marketing and product development, policy, and sourcing of raw material.

GJEPC has undertaken initiatives to capture a larger market share in regions such as Japan, the CIS and East European nations. "Regular buyer-seller meets, India's presence at Gem & Jewellery trade fairs in these nations, and media exchange programmes are being organised at frequent intervals," adds Kothari.

Sourcing of raw material is yet another significant move undertaken by the industry. A new company, Diamond India Ltd, comprising members of the trade has been formed, which is working constantly towards sourcing of rough diamonds from mining nations directly.



## Global bio-fuels revolution to help marginal farmers

International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), Hyderabad, through some innovative research is attempting to link poor and marginal dry land farmers in developing countries with the global bio-fuels revolution, without compromising on food security.

ICRISAT director general, Dr William Dar, says his Institute's research on ethanol for bio-fuel from sweet sorghum and bio-diesel from pongamia and jatropha crops is not only ensuring energy, livelihood and food security to such cultivators, but also reducing the use of fossil fuels.

This, in turn, can help in mitigating climate change, he adds. He explains that these crops meet the primary needs of these farmers of the semi-arid tropics as they do not require much water, can withstand stress and are not expensive to cultivate.

ICRISAT is working with governments and industry leaders to develop partnerships that can economically benefit the poor and marginal farmers, even while retaining the strong economic competitiveness for the industry.

"We call this our pro-poor bio-fuels initiative for the dry land farmers where food security is not compromised," says Dar. "With fuel prices increasing globally, there is a demand for ethanol from sweet sorghum and bio-diesel from pongamia and jatropha and we believe this provides a wonderful opportunity for dry land farmers to get more money from their farms and wastelands."

Even though ethanol yield per unit weight of feedstock is lower for sweet sorghum, the much lower production cost for this crop more than compensates for this loss, and sweet sorghum has a competitive cost advantage. It costs 29 cents to produce one litre of ethanol from sweet sorghum, while it costs 33 cents to produce ethanol from sugarcane.

"Sweet sorghum's benefit is three-fold," points out Dr Belum V.S. Reddy, ICRISAT's principal sorghum breeder. "It provides the dry land farmer with grain, fodder for the cattle and an additional source of income through bio-ethanol. And besides it requires only one seventh of the water used up by sugarcane."

## Briefs

### Kalyani group acquires German firm

The \$2.1 billion Kalyani Group of Pune has acquired RSB Consult GmbH, the German design and consulting firm in the wind energy sector, for an undisclosed sum. The group pursues wind energy through its two listed companies – BF Utilities, which is into wind farms, and Bharat Forge, which supplies components to this sector. The ultimate aim is to provide the entire wind energy value chain, with an imminent foray into the manufacture of wind turbines, which is considered the most complex in this activity.

### India adds 7 million new cell phone subscribers a month

INDIA added nearly six million new GSM mobile phone subscribers in August, taking the total GSM mobile phone base to 147.7 million. During the first months of the current fiscal (April to July), India added 28 million mobile phone users – both GSM and CDMA – averaging seven million a month, making the country the fastest growing cellular market in the world.

### Bangalore plans new residential, industrial layouts

THE Bangalore Development Authority (BDA) plans two new high-tech industrial layouts, which will be contiguous to the five new housing layouts that have been planned for the city. The new layouts are part of a plan to decongest Bangalore. The integrated township scheme will ensure that residents do not have to travel for long to go to work.

### Gurgaon to host India's first F1 circuit

GURGAON near Delhi will get India's first F1 circuit, following an agreement between the Indian Olympic Association and Formula One organisers. The new circuit is expected to come up at the special economic zone (SEZ) being developed by leading developer DLF Ltd in Gurgaon.

## FDI inflows surge by 185 per cent in Q1 of fiscal 2007-08

THERE has been a phenomenal spurt in foreign direct investment (FDI) equity inflows into India during 2006-07. According to Kamal Nath, the Union Minister of Commerce and Industry, FDI equity inflows during financial year 2006-07, amounted to \$15.7 billion as compared to \$5.5 billion received during 2005-06.

This is also the first time that FDI equity inflows into India have crossed the \$10 billion mark. If reinvested earnings and other capital inflows are also included, the total inflows in 2006-07 add up to \$19.5 billion compared to \$7.7 billion during the same period last year, showing a growth of 153 per cent.

During the first quarter of financial year 2007-08, FDI inflows amounted to \$4.9 billion as against \$1.7 billion in the corresponding quarter of 2006-07, registering a growth of more than 185 per cent. The first six months of the current calendar year (January-June 2007) witnessed FDI inflows of \$11.4 billion as against \$3.6 billion in the same period in 2006, a growth of 218 per cent.

Meanwhile, industrial production registered a double-digit growth of 11 per cent in the first quarter of the current fiscal (April-June) as compared to the corresponding period of the previous year, as per the quick estimates of industrial production released by the Central Statistical Organisation.

The manufacturing sector, which has around 80 per cent weightage in the Index of Industrial Production, has also shown a double-digit growth of 11.9 per cent during the first quarter of current fiscal compared to a growth of 11.7 per cent in the previous year. For financial year 2006-07, the manufacturing sector registered a growth of 12.5 per cent, up from 9.1 per cent in 2005-06. This was the highest growth registered by the manufacturing sector since 1995-96.

## Indo-Swedish bilateral trade up by 55 per cent in 2006-07

BILATERAL trade between India and Sweden grew by 55 per cent in 2006-07. While India's exports to Sweden rose by 19 per cent, Swedish exports to India shot up by 65 per cent.

"Sweden with its large number of multinational corporations has had a long history of presence in India," Kamal Nath, the Union Minister of Commerce and Industry, told Sten Tolg-fors, the Swedish Minister of Foreign Trade, during his recent visit to Delhi. "There has been traditional reluctance on the part of the Swedish small and medium industries to come forward to invest in India, but in recent years these industries are also exploring India due to inherent advantages of cost benefits and a growing market. We, as governments, must do our best to help the SME sector engage bilaterally."

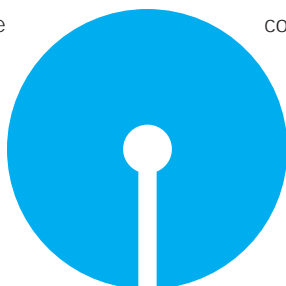
While appreciating the Swedish Government's desire for enhanced engagement with India, he welcomed Sweden's strong interest to deepen and diversify relations with India in the area of trade and commerce.

Sweden is the 12th largest investor in India. India's main imports from Sweden are in the areas of electronic goods, computer software in physical form, machinery and gold. India's main exports to Sweden are readymade garments, cotton including accessories, manufacturers of metals, cotton yarn, fabrics and carpets.

## SBI plans to raise \$2.5 billion by end-2007

STATE Bank of India (SBI), the commercial bank, plans to raise sale of shares by the end of chairman, O.P. Bhatt.

While the bank has still it would be a public or private offering, the new capital. SBI expects a 25 per cent growth in lending in the current fiscal. Other leading private sector Indian banks have also been raising funds recently.



country's largest commercial bank, plans to raise \$2.5 billion through a public offering this year, according to O.P. Bhatt.

not decided whether to offer a public offering, the new capital. SBI expects a 25 per cent growth in lending in the current fiscal. Other leading private sector Indian banks have also been raising funds recently.

ICICI Bank, the largest private bank, raised \$4.9 billion, while HDFC Bank got \$698 million through the sale of American Depository Shares.

SBI has also begun the move to consolidate its operations. It has decided to merge State Bank of Saurashtra (SBS) with the group initially, to be followed in due course by the six other associate banks. SBS, which is unlisted, is also the smallest among the seven associate banks of State Bank, though it has a network of 460 branches. SBI has over 14,000 branches.

Of the seven associate banks, three – State Bank of Bikaner and Jaipur, State Bank of Mysore and State Bank of Travancore – are listed. The other associates include State Bank of Hyderabad – the largest of the lot – State Bank of Indore and State Bank of Patiala.

## India, China to drive global economic growth: IMF

THE International Monetary Fund (IMF) expects India and China to contribute to global growth over the coming years.

According to Rodrigo de Rato, managing director, IMF, "major emerging markets like China and India will grow at close to or above double digit rates thereby increasing their contributions to global growth."

The IMF chief is confident that the global economy will continue to perform well, despite the turbulence in international financial markets following the subprime crisis. Many of the major emerging markets, including India and China, have strong economic fundamentals, ensuring that they can withstand the crisis, he adds. "More flexible exchange systems and the ability to issue debt in local currency have minimised two sources of vulnerability compared with previous episodes of financial market strains," added Rato.

According to IMF projections, the world economy is expected to grow at around five per cent, both in 2007 and 2008.

India's gross domestic product (GDP) expanded by 9.3 per cent in the first quarter of the current fiscal (April-June), on the back of a stellar performance by the manufacturing sector, which grew by 11.9 per cent. India's GDP grew by 9.4 per cent in financial year 2006-07.

The services sector also saw explosive growth. While trade, hotels, transport and communication as a sector saw a growth of 12 per cent, finance, insurance, real estate and business services grew at 11 per cent during the quarter.

## Briefs

### IGI opens 3rd Indian lab in Kolkata

THE International Gemological Institute (IGI) has opened the first diamond, gemstone, and jewellery certification laboratory in Kolkata, which is also its third laboratory in India. The first two IGI labs are in Mumbai. Kolkata accounts for over 10 per cent of total diamond consumption in India.

### Schneider Electric plans 10th unit in Hyderabad

SCHNEIDER Electric, a world leader in electricity and automation management, plans its 10th Indian manufacturing unit in Hyderabad. According to Jean-Pascal Tricorie, president and ceo of the firm, the Hyderabad plant would manufacture air circuit-breakers. The company has manufacturing units, automation solutions centre and a technology centre in Bangalore.

### 'Medical park' being planned near Chennai

THE Indian government plans to set up a 200-acre 'medical park' near Chennai, the first in a series of such parks to be promoted across the country. These parks would enable the manufacture of medical equipment on a large scale. The Chennai facility would be a vaccine and medical devices park.

### Emirates starts Dubai-Ahmedabad flights

EMIRATES is launching flights from Dubai to Ahmedabad, which will be its ninth destination in India. The airline will operate six flights a week between Dubai and Ahmedabad. The airline began operations to Mumbai in 1985, and has seen phenomenal growth in its India business.

### Turkey's Bank Asya keen on rep office and full-fledged branch

BANK Asya, one of Turkey's largest banks, plans to open a representative office in Mumbai. The bank is keen on opening its first overseas branch in India, and will be seeking the necessary clearances.