<u>Trade-Technology E-Zine 5</u>

(Centre for International Trade in Technology)

DRDO inks six MoUs with industry players

Premier defence research organisation DRDO signed six MoUs with leading industry players to commercialise the technologies developed by it. The MoUs signed under the DRDO-FICCI Accelerated Technology Assessment and Commercialisation (ATAC) initiate will enable transfer of DRDO developed technologies to the partner industries and, in turn, make them globally competitive.

(*The Hindustan Times*, 26 January 2010)

'Electronics import may surpass oil import bill'

India's electronics import bill may soon surpass the oil import costs unless domestic production of electronics items is increased substantially.

The National Task Force is to suggest measures to stimulate growth in IT, ITeS and manufacturing industry in India. The demand-supply gap in the electronics sector would widen considerably by 2020. According to the Task Force report, the import of electronics goods has the potential to increase to 16% of India's GDP. The domestic demand, it pointed out, is expected to grow by 22% annually to reach $400 billion in 2020.

At the current growth rate of 16 %, electronics production is projected to rise to $104 billion by 2020. This will result in a rise in the demand-supply gap to $296 billion in 2020 from $25 billion in 2008-09.

(*The Hindu Business Line*, 22 January 2010)

Alstom JVs with Bharat Forge get Govt. nod

The government has approved French power equipment maker Alstom's proposal to invest Rs 490 crore in two joint ventures with Kalyani Group flagship company Bharat Forge for setting up manufacturing facility in the country.

The Alstom-Bharat Forge JVs will set up manufacturing facilities for supercritical and sub-critical power equipment in India. JVs would result FDI of 70.5 million euro (Rs 490 crore approximately) in the country. The FDI investment approval has been given to Alstom Power Holdings of France, Alstom Technology of Switzerland and Alstom France. The two companies decided to form joint venture company last month and said that entities would invest Rs 2,400 crore in setting up a facility in Gujarat for manufacturing 300-800 MW subcritical and supercritical equipment with an annual capacity of 5,000 MW. One of the two JVs would manufacture steam turbines and generators and the other all auxiliaries. The JV would also explore possibilities of manufacturing turbines and generators for gas-based plants and nuclear applications.

(*The Economic Times*, 22 January 2010)

JSW Energy to invest Rs 4,500 crore in coal mines abroad

The Sajjan Jindal-promoted JSW Energy is planning an investment of Rs 4,500 crore to acquire coal mines abroad and another of Rs 10,000 crore in West Bengal through a joint venture with group company JSW Bengal Steel.

The company will form a special purpose vehicle (SPV) with group company JSW Bengal Steel to set up a 1,600-Mw (2x800 Mw) power plant at Ichhapur in West Bengal. JSW Energy will hold 74% in the SPV and JSW Bengal Steel the balance 26%. The SPV will develop the power project and captive coal mines in Ichhapur at an estimated cost of Rs 7,680 crore and Rs 2,000 crore, respectively. The project is proposed to be financed with a debt equity ratio of 3:1. The steel producer will buy 51% of the power produced from this unit and the rest will be up for sale, said the release.

(www.*Business-standard*.com, 22 January 2010)

BEL implements major shift in R&D policy

Bharat Electronics Ltd (BEL) is in the process of implementing a major shift in its R&D policy. The R&D spend will increase to Rs 600 crore-Rs 700 crore in the next two-three years when the company is expected to fetch revenue in the range of Rs 7,000 crore to Rs 8,000 crore. In the last fiscal, the company's R&D investment stood at Rs 250 crore when the company witnessed a turnover of Rs 4,618 crore.

The objective is to deliver new products with innovative technologies on par with international standards and enhance indigenous levels. Earlier the company was developing products based on the specifications provided by its clients (primarily army & air force).

The company has decided to develop projects proactively with innovative technologies and bring out new products. The specification of BEL’s new products will become the specification for army and air force and gap between its standards and international ones will be bridged.

Currently, 55% of products in value are being made out of in-house technology while 20-25% products are based on technology by DRDO and ISRO followed by 20-25% through foreign collaborations. With a change in R&D policy, the products with ingenious technology will be increased up to 75% in the next two-three year from the current 55-60%.

(*Financial Express*, 18 January 2010)

Tech players to win engineering services outsourcing deals

Indian Engineering Services Outsourcing (ESO) vendors enable computerised design and virtual testing of various automotive and industrial components by using advanced engineering techniques such as computer aided design, computer aided manufacturing and other relevant technologies. India is expected to garner one-fourth of the global ESO business by 2020, generating a whopping $40 billion, as per a joint study by Nasscom and Booz & Co.

(*The Hindu Business Line*, 18 January 2010)

M&A deals dip 34% in 2009; H2 sees revival

The overall merger & acquisition (M&A) activity in India declined 34% 2009. However, the activity in deals picked up in the second half of the year. During 2009, Indian firms were involved in a total of 356 M&A deals, down 34% from 2008, according to a study by Venture Intelligence, a research service focused on private equity and M&A transaction activity in India.

The figures are lower than those for 2008, which witnessed a total of 543 M&A deals (including 265 deals with an announced value of $26.4 billion). The total announced deals in 2009 were estimated to be around 151, with an announced value of $12.9 billion. However, M&A activity in the second half of 2009, which witnessed 204 deals, was higher compared to H1'09 which saw a total of 152 M&A deals.

(*The Financial Express*, 16 January 2010)

Expenditure on R&D as % of GDP for selected countries, 2004-06

0.0-1.0 (%)		1.01-2.0 (%)		Above 2.0 (%)	
Sri Lanka	0.19	Russian Fed	1.08	France	2.12
Venezuela	0.23	Italy	1.10	Singapore	2.39
Pakistan	0.44	Spain	1.21	Denmark	2.44
Argentina	0.49	China	1.42	Austria	2.46
Mexico	0.50	Norway	1.49	Germany	2.52
Brazil	0.82	Czech Rep	1.54	US	2.61
India	0.88	Netherlands	1.69	Korea, Rep	3.23
Hungary	1.00	Australia	1.78	Japan	3.40
		UK	1.80	Finland	3.43
		Canada	1.97	Sweden	3.82
				Israel	4.53

Source: Department of Science & Technology, Goi 2009
Note: China excludes Hong Kong

www.financialexpress.com

GM India to export 20% of cars by year-end

General Motors India aims to make 2 lakh cars by 2013 with a percentage of it meant for exports to the European and Asia Pacific markets. GM India manufactured 65,000 cars in 2008, which grew by 6% in 2009 to 70,000 cars. This year it is expected to make 100,000 cars; and within three years from now it should to touch 200,000.

GM would export 20% of the total number of Chevrolet Beat manufactured in India, to the European and the Asia Pacific markets. Exports would start from 2011. GM will also export 10% of its total number of LCVs manufactured in India to Europe and Asia Pacific countries after it is launched in 2011.

(*Financial Express*, 15 January 2010)

Punj Llyod bags Rs 574 cr Thailand project

Engineering and construction company Punj Lloyd said it has bagged a Rs 574-crore project in Thailand for an offshore oil facility. The project, secured from Thailand's state-owned oil and gas firm PTT Public Company, entails installing three compressor units for a platform station in the Gulf of Thailand.

(*The Economic Times*, 15 January 2010)