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(Centre for International Trade in Technology)

ICT vital for manufacturing: NASSCOM study

The NASSCOM and the National Manufacturing Competitiveness Council (NMCC) said the manufacturing sector in India needs to go in for ICT, in a big way for robust growth. The report points out that over the last couple of years the contribution of the manufacturing sector in the country's GDP has been stagnant at around 15%. In comparison the manufacturing sector contributes 39.3% of GDP in China, 35.2% in Thailand, 31.1% in Malaysia and 24.7% in Indonesia.

“Information and communication technologies could be the transformational catalyst to accelerate the growth and make the industry globally competitive. The report recommends to have shared responsibilities between government, technology companies, associations, academia and the manufacturing firms,” said Som Mittal, President, NASSCOM.

(The Hindustan Times, 16 April 2010)

India will be one of five manufacturing hubs for Sany Group

India will be one of five global manufacturing hubs for the China-based construction machinery major, Sany. The company inaugurated its first overseas manufacturing facility at Chakan.

Built with an investment of \$70 million, Sany India will manufacture trailer-mounted concrete pumps, truck-mounted concrete pumps, concrete batching plants and transfer mixers initially, and excavators and backhoe loaders in the future. “India will be a huge hub for our overseas business,” Mr Wang Zuochun, Chairman, Sany Heavy Industry India, said.

Sany has been in India since 2003 and has supplied construction machinery for infrastructure projects such as the Adani Power plant and the international airports at Mumbai and New Delhi.

With plans to maximise the local content in its products, Sany India has identified 165 suppliers for engine, hydraulics and electric parts, and is looking to enter into joint venture partnerships, that cover both financial as well as technology transfer. The company plans to double its dealer network to 15 in the next two years.

(The Hindu Business Line, 13 April 2010)

Global IT spending

As the global economy recovers, spending on information technology worldwide is expected to increase by 5.3% to \$3.4 trillion this year. IT spending in exchange-rate-adjusted dollars is expected to grow by 1.6 percentage points this year after seeing a decline of 1.4% last year. A report by Gartner says spending on software is expected to increase to around \$232 billion this year as companies will spend more on software to cut costs.

Interestingly, the telecom sector is expected to spend close to \$2 trillion this year, which would be about 5.1% more than what the sector had spent worldwide last year. Between 2010-14, the Gartner report expects the mobile device share of the telecom market to increase from 11% to 14%. Enterprise network service spending is forecast to grow 2% in revenue this year. Consumer spending on personal computers will also continue, with nearly 4 percentage points growth in hardware spending this year, which will be aided by strong consumer spending on mobile personal computers.

(The Financial Express, 13 April 2010)

IT, electronics output up 10.4% in 2009-10

The IT and electronics production in India increased by an estimated 10.4% during 2009-10 – the growth rate less than half the previous year's level – as global downturn dented the performance of mainstay software sector.

According to the Department of IT (DIT) figures, the production of computers and software; consumer, strategic and industrial electronics; communications and broadcast equipment; and hi-tech components all taken together grossed Rs 4.11 lakh crore in FY10, against Rs 3.72 lakh crore during the previous fiscal. The domestic electronics and IT production had registered nearly 26 per cent growth in FY09 compared with FY08.

Meanwhile, software and services exports continue to dominate the industry profile – it accounted for 57% of the total revenue aggregate in FY10, according to the annual report. For 2009-10, the software exports are an estimated \$49.7 billion (Rs 2.35 lakh crore) compared with \$47.1 billion (Rs 2.16 lakh crore) during the previous fiscal.

This works out to an estimated growth of 8.7% in rupee terms and 5.5% in dollar terms, in line with the annual dollar forecast given out by the software association Nasscom. The domestic software production stands at about Rs 66,200 crore, about 12 % higher than the previous fiscal.

The production figure for computers is at an estimated Rs 14,430 crore (7% growth), while communications and broadcasting sector logged an estimated Rs 31,390 crore (18% growth). In consumer electronics and industrial electronics sub-segments, production values were Rs 30,150 crore and Rs 13,630 crore respectively during 2009-10. For the record, consumer electronics production formed over a quarter of the total electronics hardware manufacturing in the country.

(The Hindu Business Line, 12 April 2010)

DRDO to invest heavily in aeronautics research

The Defence Research and Development Organisation (DRDO) plans to invest heavily into R&D programmes in the aeronautics space over the next five years.

Speaking on the sidelines of the two-day national convention on “The Frontiers of Aeronautical Technologies” organised by The Aeronautical Society of India, Dr Prahlada, Chief Controller – R&D (SI), DRDO, said that the organisation would make huge investments towards R&D in aeronautics, and also support front-line research in many areas to bring in synergy between goal-driven top-down approach and innovation-driven bottom-up approaches.

According to Dr Prahlada, about 200 aeronautical engineers graduate from the IITs, while private engineering colleges produce about 500 aeronautical engineers each year. “We are not able to absorb these engineers. They are being absorbed by sectors like IT,” he added.

(The Hindu Business Line, 12 April 2010)