



## ***Trade-Technology E-Zine 18***

(Centre for International Trade in Technology)

### **Exports slip 4.7% in FY10, Europe crisis looms**

Indian exporters managed to battle the global economic crisis with aplomb to close the 2009-10 fiscal with shipments worth \$176.5 billion, a bare 4.7% lower than the previous year, but the shadow of the fresh financial crisis in Europe looms large over the future.

The recovery in exports began in November 2009, after a 13-month fall, with March exports growth touching an all-time high of 54%. Imports grew at an even faster 67% in March, indicating the strong recovery in the domestic economy that is buying capital goods in large quantities to expand capacity to meet rapidly rising demand for goods. Imports for 2009-10 are pegged at \$278.7 billion, down 8.2% from a year ago, leaving a trade deficit of \$102 billion against a deficit of \$118 billion in the previous fiscal.

Sectors that are still negative, such as engineering, readymade garments, yarn, chemicals, oilmeals, electrical goods and leather, account for 40% of exports while gems & jewellery and petroleum, which account for another 30%, had near-zero growth. Sectors that have done well include tea, tobacco, fruits & vegetables, marine products, iron ore and plastic & linoleum.

*(The Economic Times, 09 May 2010)*

### **Kirloskar Brothers acquires 90% in South African Co**

Water management solutions company Kirloskar Brothers Ltd (KBL) has acquired 90% shares of South Africa-based Braybar Pumps Ltd through its wholly-owned subsidiary Kirloskar Brothers International B.V., Netherlands. The deal will help KBL strengthen its position in a pre-eminent South African market, the company said.

In operation since 1980, Braybar Pumps manufactures high head multistage pumps in excess of 1200 m used for dewatering in copper, coal and gold mines and rubber-lined slurry pumps. It is also involved in repairs and servicing of various pumps, especially those supplied to the mining industry.

The acquisition will provide KBL an immediate supply and service base for its products in the South African markets as Braybar has repair and in-house machining facilities. These can be utilised for assembling various pumps required for the whole region as well as for supporting KBL with white metal lined bearings, another of their product range. The mining experience of Braybar Pumps will also enable KBL to set foot in the mining industry.

*(The Hindu Business Line, 06 May 2010)*

### **India opposes move to link CSR, trade**

India is trying to mobilise opinion against the proposed international standard on corporate social responsibility that could give legal sanction to developed countries to reject exports from developing countries like India.

ISO:26000 sets out the basic minimum goals corporates should achieve in areas such as labour, environment and human rights. Complying with this could increase costs for companies from developing countries, eroding export competitiveness of the products produced by them.

The International Standards Organisation (ISO), the world's largest developer and publisher of international standards, is unilaterally developing this standard in response to a growing recognition that corporates need to be socially responsible.

The Commerce Department has asked the Department of Consumer Affairs (the nodal ministry for the purpose) to ask the ISO to ensure that the draft that will be put up for voting at Copenhagen should include the proposed caveat of delinking the standard from international trade. Indian officials fear that this standard could be easily adopted by some developed countries such as Japan and the European Union as a tool to discourage imports from developing countries.

In a submission to the ISO last May, India had argued that for the purposes of the multilateral trading system governed by the WTO, ISO:26000 should not be interpreted as an international standard, guideline or recommendation. The US and Canada had supported India's submission.

Last year when the initial proposal for working on ISO: 26000 was put up for voting, the motion was passed with a large number of developing countries supporting it not realising that they would be adversely affected by it.

*(The Economic Times, 05 May 2010)*

### **'Wind Energy Companies Should Explore Global Biz Opportunities'**

Wind energy companies, including machinery manufacturers, should look at business opportunities in other countries such as Africa and some of the neighbouring nations, according to Dr Farooq Abdullah, Union Minister of New and Renewable Energy.

"I hope India become a master of global energy. This should be our vision," he said after releasing the Indian Wind Atlas published by the Centre for Wind Energy Technology (CWET).

CWET, Chennai, prepared the *Indian Wind Atlas* in association with Riso-DTU, Denmark, under a project funded by the Ministry of New and Renewable Energy. The Atlas is establishing the meteorological basis for the assessment of wind energy resources all over India. The main objective is to provide suitable data for evaluating the potential of wind power output from a wind farm (large electricity producing wind turbine installations).

The CWET has brought out the *Atlas* in a digital form and also in a book form (costing Rs 5,000). The book contains chapters on the general wind climatology of India; the 'meso' and micro scale modeling methodologies and regional wind climate for 52 locations, according to press release issued by CWET.

*(The Hindu Business Line, 30 April 2010)*

### **Jan-March quarter M&A value at \$14 bn**

The first quarter of the calendar year 2010 saw a significant quarterly increase in outbound deal value, with a total M&A transaction value of \$14 billion, according to mergermarket, an independent Mergers and Acquisitions (M&A) intelligence service firm. This makes January-March this year as the second largest quarter in India's outbound deal value.

India's M&A market accounts for over 4% by value of deals in Asia-Pacific and 11% by deal count. The total volume of inbound and domestic M&A deals in India has increased from 40 to 53 compared to Q1 2009, but deal value dropped from \$5.1 billion last quarter to \$4.7 billion, representing a 7% decrease. Inbound activity has also had a strong start to the year, up 81% by value and 69% by volume compare to Q1 2009.

*(The Financial Express, 30 April 2010)*