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(Centre for International Trade in Technology)

Jindal Steel acquires Oman's Shaheed Iron for \$464 mn

Jindal Steel and Power Ltd (JSPL) have completed the acquisition of Oman-based Shadeed Iron and Steel Co LLC (Shadeed). The acquisition was completed for \$464 million, which includes the assumption of liabilities and was carried through by JSPL's 100 % subsidiary, Jindal Steel and Power (Mauritius) Ltd (JSPLM).

Shadeed is also installing 1.5 million tonnes a year gasbased hot briquetted iron plant at Sohar Industrial Port area of Sohar, Oman.

(The Hindu Business Line, 21 May 2010)

Essar Oilfields gets \$40-mn drilling contract in Vietnam

After completing the drilling campaign of Gujarat State Petroleum Corporation (GSPC) in the Krishna-Godavari Basin, Essar Oilfields Services Ltd (EOSL) has been awarded a \$40-million contract in Vietnam, to be completed in October 2010, the company said. This will be the first global contract of EOSL, a wholly-owned subsidiary of Essar Shipping and Ports Logistics Ltd (ESPLL), awarded by Vietsovpetro JV (VSP), an E&P company operating in Vietnam, for drilling a 4,800-metre offshore well. The company will be deploying Essar Wildcat, the semi-submersible rig owned by EOSL, for drilling in Vietnam.

(The Hindu Business Line, 21 May 2010)

A fifth of Indian cos can't produce quality products

"Nearly 20% of Indian companies in sectors like automobiles, textiles, engineering and power equipment are unable to produce quality products as they have obsolete machinery and fail to absorb the latest technology," the study by Assocham says.

The study says R&D activities in India have been primarily government-driven and private sectors have traditionally made less investment in R&D.

"... The total R&D expenditure have been about 0.8% of the country's Gross National Product in the past few years, which is quite less compared to other developed nations," Assocham said.

(The Economic Times, 21 May 2010)

Indian engg, R&D services mkt to top \$45 bn by 2020

India's Engineering and R&D (ER&D) services market is projected to reach \$40-45 billion by 2020, with export revenues of \$35-40 billion and domestic revenues at \$4-6 billion, and to be the next growth engine for 'desi' IT-BPO industry.

According to NASSCOM study, "Global ER&D: Accelerating Innovation with Indian Engineering", infrastructure, aerospace and energy are expected to contribute more than 80% of the domestic revenue.

Indian ER&D services market reflected revenue growth of over 40% in the last three years with 2009 revenues amounting to \$8.3 billion and an increase in employee base from 54,000 in 2006 to 150,000 in 2009.

"India is now an epicentre for global ER&D services with a compelling value proposition, based upon the growing depth and breadth of services, flexible business models, large engineering base and global footprint with greater proximity to customers".

The study says global ER&D spend surpassed one trillion dollar in 2009 and is expected to touch \$1.4 trillion by 2020. Automotive, consumer electronics and telecom are the top spenders on ER&D.

Partner, Booz & Company, Mr Vikas Sehgal, said a \$40-45 billion industry has potential to create more than five million employment opportunities in engineering and related fields. However, it said collaborative stakeholder action would be imperative to achieve \$40-45 billion industry in 2010.

(The Economic Times, 21 May 2010)

IT-BPO revenues from Germany, Switzerland, Austria may grow to \$10 bn by 2020

Indian information technology (IT) and business process outsourcing (BPO) sectors may get almost \$10 billion from Germany, Switzerland and Austria by 2020, up from the \$2.6 billion they earn from this region across the IT, BPO and engineering services space, against the addressable market size of more than \$53 billion.

Business from this region, which is the largest market in Europe, has the potential to grow so much, provided Indian companies take the strategic and tactical steps required to succeed in this market, according to the latest report by Nasscom and consulting firm PricewaterhouseCoopers.

The report called, "Opportunities for Indian IT-BPO Industry in Germanic Countries", pegged the BPO market to be around \$4 billion and offshored engineering services around \$3.4 billion. Germany and Austria each spend close to 2.5% of the GDP on IT, whereas Switzerland leads the norm by spending over 5%.

"There is a huge demand in the small and medium enterprise (SME) sector that has largely remained untapped, and verticals like automobile, manufacturing and logistics have emerged as quick-win opportunities for Indian companies," said Mr Sankar Ramamurthy, executive director, PricewaterhouseCoopers.

The report reveals that there also lies a huge opportunity in the large mid-market segment in the Germanic region. It added that over 95% of the enterprises in the Germanic countries operate in chemical, machine building, automotive and electrical sectors and belong to the SME segment, which is expected to give the most business.

(Business Standard, 20 May 2010)