



## ***Trade-Technology E-Zine 23***

(Centre for International Trade in Technology)

### **Jubilant organosys to set up two units in Bharuch SEZ**

Integrated pharma player and India's largest Custom Research and Manufacturing Services (CRAMS) company Jubilant Organosys is setting up two 10,000 tonnes per annum (tpa) plants each for Niacinamide and 3-Cyanopyridine at its upcoming SEZ in Bharuch in Gujarat.

The Company is expected to export life sciences ingredients comprising advance intermediates, fine chemicals, nutrition ingredients from the SEZ.

Jubilant is currently ranked amongst the top three manufacturers of Niacin & Niacinamide (Vitamin B3) worldwide and is the only manufacturer of Niacinamide with complete backward integration to the basic feed-stock. It is also the largest producer of Beta Picoline globally, a critical raw material for the manufacture of Vitamin B3.

The company's customer base is spread across 65 countries across the world that include pharmaceutical, life sciences and agro-chemical companies. Its key markets lie in North America, Europe and China. Jubilant's total revenue for the 2009-10 fiscal was Rs3,362 crores. International revenues that comprises 65% of its overall revenues stood at Rs 2,454 crore, up by 15%. The nutrition ingredients business during FY 2010 was at Rs 197 crores registering a growth of 19%. The company currently has an order book of \$1 billion in the CRAMS business.

*(Business Standard, 13 June 2010)*

### **Volvo to make India global hub for engines**

The Sweden-based Volvo Group has decided to develop India as a hub for manufacturing medium-duty engines for trucks and buses through Volvo Eicher Commercial Vehicles (VECV), a 50:50 joint venture between it and Eicher Motors.

VECV would invest Rs 288 crore to set up a new engine making unit at the company's factory in Pithampur, MP, to manufacture 5-litre and 8-litre engines for medium and heavy duty trucks and buses, globally and for India. VECV is already producing 40,000 engines per year at Pithampur.

The new unit, expected to be operational in the second half of 2012, would manufacture 85,000 engines a year. Around 55,000 of these would meet Volvo's global requirement for Euro-III and Euro-IV, engines as well as VECV's requirement of Eicher heavy-duty commercial vehicles. The remaining 30,000 base engines would be exported to Venissieux in France from 2013, to cater to the Group's Euro-V and Euro-VI requirements.

*(Business Standard, 12 June 2010)*

### **Ford India exports engines to Thailand, Figo to S. Africa**

Ford India has started shipping out diesel and petrol engines to Thailand and the fully built Figo small car to South Africa.

The company had booked orders for around 21,000 Figos and delivered around 16,000 units till date. About the market response to Figo, the good response is due to an overall package - price and cost of ownership in terms of fuel economy, cost of parts. Around 60% of Figo sales comprise of diesel engines.

*(The Economic Times, 11 June 2010)*

### **US-based firms announce solar venture in India**

US-based solar integrator American Capital Energy, Inc (ACE) and MSM Energy, a subsidiary of MSM Industries Inc, USA, have announced a solar energy joint venture for the Indian market. The new entity, ICE Solar, will offer photovoltaic technology-based solar engineering, procurement and construction (EPC) solutions.

Speaking about the venture, Mr Madhav Muvvala, President, MSM Energy, said: "ICE Solar, is uniquely positioned to capitalise on this growth opportunity through MSME's significant business development efforts and American Capital Energy's considerable engineering, procurement and construction experience."

*(The Hindu Business Line, 11 June 2010)*

### **New tech, capital flows to drive global IT growth by 9.3%**

The global IT market is expected to witness an exponential growth of 9.3% and touch \$1,534 billion in 2010 on the back of new technology cycles and improved capital investments in computer hardware and software purchases, said research firm Forrester. However, this is much higher when compared to recent Gartner predictions that said IT spending worldwide would see a growth of 5.4% to reach \$3,394 billion.

Forrester said its forecasts are driven on the back of nominal GDP growth globally, business profits, productivity trends and presence or absence of recession. The prediction was also based on technology innovation and growth cycle, instead of technology digestion cycle and value of dollar versus euro, yen and other major currencies.

The report says that the spending in the computer equipment category would increase by 11.1%, communications equipment by 7.2%, software by 10.5% , IT consulting services by 6.4% and IT outsourcing by 5.7%. However, according to Forrester, the overall growth would slightly mellow down to 8.5% to touch \$1,664 billion in 2011.

*(The Financial Express, 03 June 2010)*

### **Biocon bets big on bio clones of key drugs**

Biocon has carved out a strategic shift in its growth plan with biosimilar drugs expected to garner more than a quarter of its revenues over the next five years. Biosimilar medicines, which include insulin and various vaccines, are made through biological processes and not by chemical synthesis. At present, biosimilar drugs account for about 10% of the company's revenues.

Biocon plans to tap the emerging markets of Latin America, North Africa, China, Korea, India and Russia with its range of biosimilar products.

The market for biosimilar products is growing at around 30% per annum in the emerging markets, which will bolster growth. The market for biosimilar products in emerging countries is estimated at around Rs 4,600 crore and the same accounts for around Rs 750 crore in India.

The regulatory path for biosimilar drugs is more challenging than the chemically synthesised generic drugs, since the pharma company needs to prove clinical efficacy and efficiency in order to manufacture a biosimilar product.

Approvals for the manufacture of biosimilar products are granted only after a firm shows abilities to conduct clinical trials and that its biosimilar medicine is comparable and not inferior to the innovator product. Insulin and antibodies offer the biggest opportunities in biosimilar drugs.

*(Hindustan Times, 31 May 2010)*

### **Sujana Energy in pact with Japanese co for LED products**

Sujana Energy Ltd has entered into an agreement with Japanese major Nichia Corporation, a global supplier of LED systems, and plans to roll out a range of products in the domestic market.

Part of the diversified Sujana Group of Hyderabad, Sujana Energy is investing \$5 million (Rs 24 crore) in assembling and introducing its LED products customised for both commercial deployments and use in domestic applications, according to Mr Hari Kiran Chereddi, Managing Director of Sujana Energy.

Mr Chereddi said that the country's replacement market is estimated at over \$1 billion (over Rs 4,700 crore) a year and posting a steady double-digit growth. As LED products come into the market, not only will commercial establishments reason out to buy them, even those replacing traditional bulbs at homes will opt for LED bulbs.

*(The Hindu Business Line, 28 May 2010)*

### **Automotive research body inks pact with Dutch co DSM Engg**

Pune-based Automotive Research Association of India (ARAI) and DSM of the Netherlands have entered into an alliance to develop new lighter materials that could substitute metals in the automotive industry, and help auto components shed weight.

As a result of the new partnership, DSM Engineering Plastics (DSM EP) will provide the know-how on newer materials, while ARAI will provide the expertise to develop and test automotive parts developed by using them. "Over the next decade, the auto industry will concentrate on saving 8-10% of the weight of its products," Mr Shrikant Marathe, Director, ARAI said.

The alliance will lead to development of materials that could substitute metals currently used to make components. The benefits of this included reduced costs, higher fuel-efficiency, improved cost competitiveness and fewer emissions. Among the new initiatives planned is the use of bio-plastics that will help reduce the carbon footprint. DSM's engineering plastics business accounts for nearly 10% of its total revenue of \$10 billion.

*(The Hindu Business Line, 28 May 2010)*