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(Centre for International Trade in Technology)

Gartner revises 2010 IT spend growth estimate downwards

Gartner has revised its 2010 worldwide IT spending growth estimate downwards to 2.9%, from the earlier prediction of 4.1%. Gartner said IT spending is set to surpass \$2.4 trillion across all industry segments. In 2009, analysts had expected all the industry segments to maintain growth. However, IT spending had declined by 5.9% to \$2.3 trillion when compared to 2008.

“IT market will certainly return to growth in 2010, but we expect it will grow only by 2.9% globally, down from 4.1% as we had forecast earlier this year,” Gartner research director Kenneth Brant said. “The national and international government sector will witness strong growth rate, with IT spending expected to grow 4% in 2010.”

Gartner recommends that technology and service providers should target industry segments that have high growth rate till 2014, as well as undertaking further analysis of large, slow growing segments for unusual growth opportunities at the sub-industry segment level. However, Brant advised technology providers to exercise caution with regard to the economy and its impacts on enterprise IT markets.

(The Financial Express, 11 August 2010)

Dr Reddy’s eyes top slot in biosimilars

Betting big on biosimilars or follow-on biologics, Dr Reddy's Laboratories is gearing up to become the largest biosimilar company by tapping the emerging markets. Biosimilars or follow-on biologics are products that are marketed after expiration of patents and claim to have similar properties to existing biologic products.

The global biosimilars market is expected to be worth \$19.4 billion by 2014, growing at a CAGR of 89.1% from 2009 to 2014. The biosimilars market is segmented into peptides, recombinant glycosylated proteins, recombinant non-glycosylated proteins, and others. The Indian biosimilars market in 2008 was about \$200 million, with an expectation to reach about \$580 million by 2012. While there is an opportunity in the emerging markets, the regulatory pathway is still not developed in the developed markets for biosimilars.

The factors driving the demand in biosimilars market include increasing user acceptance, low costs and large application area, increasing governmental initiatives and the emerging Indian and Chinese economies. The global biosimilars market is highly fragmented with major players such as Biocon, Dr Reddy’s Lab, Intas, LG LifeSciences, Ranbaxy, Reliance LifeSciences, Sandoz, Teva, and Wockhardt.

(The Financial Express, 11 August 2010)

Aban bags order worth Rs 2,285 crore

Aban Offshore has won a contract of an estimated value of Rs 2,285 crore from Brazil’s oil explorer Petrobras to deploy drillship. The leading offshore drilling firm expects to launch the work in the last three months of 2010.

(Business Standard, 11 August 2010)

SMEs bullish about growth: CII

The CII Business Confidence Index for SMEs in the quarter of July-September 2010 indicates healthy expansion of the sector over the first quarter. The overall industry plus services BCI stands at 65.6 on a scale of 0-100 (from most unfavourable to the most favourable change in outlook). This index is based on responses to 14 business outlook indicators that include gross sales, employment generation, new orders, capacity utilisation, expansion, exports, credit availability for working capital among others.

(The Economic Times, 09 August 2010)

Tax sops to SEZs in FY10 seen at Rs 8.4 cr, up 25%

Tax sops, including customs duty exemptions, provided to SEZs are projected to have increased by about 25% to Rs 8,470 crore in 2009-10. The incentives, in the form of direct tax deductions and customs duty exemptions, amounted to Rs 6,783 crore in 2008-09.

The "projected revenue foregone" during 2009-10 on account of various direct tax deductions given to SEZ developers and units is Rs 5,266 crore. The revenue foregone on account of direct tax deductions in 2008-09 stood at Rs 4,459 crore. The revenue foregone on account of customs duty exemptions for SEZs in 2009-10 is estimated at Rs 3,204 crore, while it was Rs 2,324 crore (provisional) in the previous fiscal. As per the latest figures, physical exports from the SEZs account for 84% of their total turnover. A total of 576 SEZs have been approved by the government, of which 114 are operational.

(The Economic Times, 07 August 2010)

MNCs spawn new technologies from Indian campuses

Global tech majors such as IBM, Microsoft and Yahoo have tied up with Indian campuses to lead the innovation race. IBM has announced a partnership with the Indian Institute of Technology, Bombay (IIT-B) to develop a mobile application that can be used by semi-literate or illiterate people. This is part of the strategy to tap opportunities in emerging economies as future growth for the computing major is expected to be driven by these markets. A similar open collaborative research (OCR) project between the Indian and IBM Tokyo Lab, National Institute of Design and Japanese Universities will create more intuitive mobile interfaces for Japan's ageing population.

IBM has given its India Research Lab \$100 million in hand and five years to build the technology. More such innovation will come from the OCR mode where IBM Labs will work with social scientists, designers and academicians within leading universities. We also have more futuristic work, such as the spoken web on the mobile phone and telephone network, which will take some years. We have done some pilots of this with farmers in India, said Dr. Manish Gupta, Director, IBM Research India and Chief Technologist, South Asia.

To access these markets it is very important to work with partners such as IISc, IITs, government, and NGOs, said Ed Cutrell, who manages the Technology for Emerging Markets (TEM) group at Microsoft, which aims to target people for whom access to computing remains largely out of reach. Thiagaraja College of Engineering and Honeywell, the maker of controls for planes and buildings have already joined hands to promote an innovation incubation centre as an industry-institution initiative. TCE is developing imaging system in collaboration with Honeywell, that can see objects behind the wall.

(The Economic Times, 07 August 2010)