



## A Newsletter from Embassy of India, Paramaribo

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### India-US defence, strategic ties get fillip as Hagel meets Modi

Defence and strategic cooperation between India and the US got a major boost on August 8 as visiting US Defense Secretary Chuck Hagel met Prime Minister Narendra Modi and other senior leaders and discussed new ways to take forward the ties.



Hagel's maiden trip to India as defense secretary comes less than a week after that of Secretary of State John Kerry and Commerce Secretary Penny Pritzker. The visits by the three senior US officials in quick succession lays the ground for the summit meeting in Washington between Modi and Obama on Sep 29-30.

*Source: Indo-Asian News Service*

### Hagel supports India's larger footprint in region

US Defence Secretary Chuck Hagel on August 9 called for stronger defence cooperation with India and said Washington is supportive of India playing a larger role in regional security.

In a talk at the Observer Research Foundation (ORF), Hagel referred to ties with China and said both India and the US should "avoid traps of rivalry" in their ties with Beijing.

He also invited India to an expanded trilateral defence cooperation with the US and Japan.



"A stronger US-India partnership is critical for sustained peace and prosperity around the globe. There is bipartisan support in the US for stronger India-US relations," Hagel said. "As our interests align, so should our armed forces. Increased investment towards defence industrial partnership with India is the way of going forward. A robust defence partnership and joint military capabilities are to be the cornerstone of Indo-US relationship," he said.

*Source: Indo-Asian News Service*

## Way paved for foreign equity push for India's railways, defence

India on August 6 took a major step forward in big-ticket reforms, allowing varying levels of enhanced foreign equity in the crucial defence hardware industry and railroad infrastructure, keeping with the promise made in last month's national and rail budgets.

The foreign investment cap in the defence sector, that has an allocation of \$38 billion for this fiscal, has been hiked to 49 percent from the present 26 percent, in a move that can potentially help India curb its import bill on military hardware, 70-75 percent of which is sourced from overseas.



In the crucial railways sector, for which the Modi government has estimated the investment required at a whopping \$38 billion in 10 years, 100 percent foreign equity has been allowed in areas such as high-speed train systems, suburban railroad network and dedicated freight projects to be implemented in public-private partnership mode.

Ranked among the world's top five, the Indian railroad network ferries 23 million people and 2.65 million tonnes of goods daily, or 1.1 billion tonnes annually, from 7,172 stations on 12,617 passenger and 7,421 freight trains over more than 64,000 route km.

With a network stretching from Baramulla in Jammu and Kashmir in the foothills of the Himalayas to the southern tip of Kanyakumari in Tamil Nadu, the Indian Railways is also among the largest employers with an estimated 1.4 million people on its rolls.

*Source: Indo-Asian News Service*

## India won't trade food security, farmers' interest: Minister

India is not opposed to any agreement to simplify the rules of global commerce but cannot wait endlessly for a permanent solution on subsidies, so crucial for food security and welfare of its farmers, Commerce Minister Nirmala Sitharaman said.

"India must have freedom to use its food reserves to feed the poor without any threat of violating any international obligation," the minister said, adding issues of development and food security are critical and cannot be sacrificed to mercantile considerations.



"A permanent solution on food security is a must for us. We cannot wait endlessly in a state of uncertainty, while the WTO (World Trade Organization) engages in an academic debate on subject of food security," she added.

At a meeting of trade diplomats of 160 member countries of the WTO in Geneva last week, India decided to veto an accord on trade facilitation, saying a parallel solution must be found on the permissible subsidy on procurement of food for public distribution.

*Source: Indo-Asian News Service*

## Textile policy to focus on new export markets

With an aim to grab one-fifth of the global textile business and increase exports to \$300 billion in the next decade, the Government proposes to re-jig labour laws, make special efforts to attract foreign investment and enter new markets with high export potential, such as Japan, China, Brazil and Russia.



Source: Business Line

## India's textile export up 12 percent in 2013

Signalling a positive shift in India's textile export, the country shipped \$36.69 billion during 2013 from \$32.88 billion in 2012, up 11.58 percent. According to the Textiles Ministry, \$39.31 billion worth of textile, clothing and handicrafts, during 2013-14 up 12.58 percent.

The country had shipped textile, clothing and handicrafts worth \$34.93 billion during April-March, 2012-13.



Source: Indo-Asian News Series

## Indian industry sees green shoots of manufacturing growth

The Confederation of Indian Industry (CII) said green shoots have started to appear in the manufacturing sector, with a majority of segments likely to post higher output.

“After a prolonged period of declining growth and sluggish investment, the industrial activities seem to be picking up and green shoots in manufacturing sector are finally visible,” CII said



Source: Indo-Asian News Service

## Govt readying blueprint for manufacturing revival, easing of SEZ norms: Sitharaman

The Modi government is preparing a blueprint to revive the manufacturing sector, including a new framework for making special economic zones (SEZs) more attractive to investors by easing various restrictions, said minister of state for commerce, corporate affairs and finance Nirmala Sitharaman. Some of the changes to the SEZ scheme may be announced in the forthcoming foreign trade policy.



Source: The Financial Express



## Modi delivers on promised financial inclusion mission

Prime Minister Narendra Modi announced a financial inclusion mission to mark India's 68th Independence Day and extend banking, credit, insurance and pension services to all households.

Named as "Pradhan Mantri Jan Dhan Yojana" or Prime Minister's People's Wealth Mission, it will provide two bank accounts, at least, to every household and an insurance scheme for the poor, among other numerous benefits.



"We want to integrate the poorest of the poor people with bank accounts," the prime minister announced during the course of his I-Day speech from the historic Red Fort in New Delhi on August 15.

*Source: Indo-Asian News Series*

## Modi launches financial inclusion scheme, 15 million accounts opened

Prime Minister Narendra Modi on August 28 launched the pan-India financial inclusion scheme called "Jan Dhan Yojana", a flagship project of his government, under which bank accounts and RuPay debit cards with an insurance cover of Rs.100,000 will be provided to millions still without access to formal banking facilities.



The objective is to provide each of the estimated 75 million households in the country with a bank account and insurance policy.

*Source: Indo-Asian News Service*

## PM to investors: sell anywhere but 'make in India'

Prime Minister Narendra Modi at his inaugural address to the nation on the occasion of Independence Day announced an ambitious plan for financial inclusion of the poorest of Indians, promised that the existing Planning Commission would soon be replaced by an entity imbued with greater spirit of federalism and appealed to the youth to work towards making India a manufacturing hub.



The PM appealed to all countrymen as well as Non Resident Indians and the world at large to contribute in making India a manufacturing hub. He said India needed to balance its import and export baskets as also generate employment for its youth. "Come 'make in India', I appeal to the world," Modi said, adding "sell anywhere but manufacture here."

He said India should be able to make anything from paper to plastic, satellites to submarines. Stressing on the need for skill development in India, he also asked the youth to dream of manufacturing items like electronic goods, which after oil were the second most imported items, in India.

*Source: Business Standard*

## India Inc. welcomes Modi's I-Day speech

India Inc. welcomed the maiden speech of Prime Minister Narendra Modi on the occasion of Independence Day in which he presented a vision to transform India into a global manufacturing hub.

Addressing the nation from the ramparts of the historic Red Fort, Modi said: "I tell the world, Make in India! Sell anywhere but manufacture here. We have the skill and talent." He said it should be every Indian's dream to see "Made in India" products around the world -- environment-friendly and with zero defects.



Industry body Confederation of Indian Industry (CII) welcomed the prime minister's speech citing high importance attached to manufacturing and investment in it.

*Indo-Asian News Service*

## Medical technology can be \$50 bn industry by 2025: CII

The \$6.3 billion medical technology industry in India has the potential to expand to \$50 billion by 2025 if it receives the appropriate policy support, the Confederation of Indian Industry said.

The sector deals in medical devices, equipments as well as diagnostics used in healthcare services.



*Source: Indo-Asian News Series*

## Pharma players gear up to cash in on overseas opportunities

The Indian pharmaceutical industry can benefit significantly from the huge emerging export opportunity. For long acknowledged as the generic drug manufacturing capital of the world, India with its several low cost generic manufacturers, can exploit the fact that over the next few years, a large number of drugs will be going off-patent.



Ratings agency Crisil said drugs worth \$130-150 billion will be going off patent between 2012 and 2017. To capitalise on this, it expects that India's top 20 pharmaceutical companies will crank up capital expenditure by around 40 per cent to over Rs. 50,000 crore by 2017-18.

*Source: The Hindu*

## FDI policy for medical devices on the cards

The government is actively considering a proposal to have a separate policy for allowing 100 per cent foreign direct investment (FDI) in the manufacture of medical devices, through the automatic route. Consultations between ministries, led by the ministry of commerce, are on. A policy and rules could be framed soon, a senior official said.

The aim is to encourage greater investment from abroad in the sector. The health care and diagnostic segment is growing rapidly, creating a major potential market for manufacturing of medical equipment and medical devices in India.

According to a recent report from The Boston Consulting Group and Confederation of Indian Industry, the medical technology sector in India was estimated at \$6.3 billion in 2013, growing annually at 10-12 per cent. The report says the sector is highly under-penetrated, contributing merely seven to eight per cent of the spending on health care, compared to 18 per cent on pharmaceuticals.

It says the medical technology sector has the potential to touch \$50 billion by 2025, if it gets ample government support and clarity, in terms of policy and regulation.

*Source: Business Standard*



## Jaitley, US Fed chairperson likely to meet in Nov

After Prime Minister Narendra Modi's scheduled visit to Washington in late September, New Delhi is likely to host a bilateral meeting between finance minister Arun Jaitley and Federal Reserve chairperson Janet Yellen in November to focus on Indo-US economic ties.

While Modi and US President Barack Obama will discuss a range of issues including civilian nuclear cooperation, defence and strategic affairs, besides economic ties, the meeting between Jaitley and Yellen will be more focused on trade, taxation and monetary policy, government officials said.



*Source: The Financial Express*

## FDI jumps 34% to \$1.92 bn in June

Foreign direct investment (FDI) flows to India surged by about 34 per cent to \$1.92 billion in June, according to the official data.

In June 2013, the country had received FDI worth \$1.44 billion.



During April-June in this fiscal, the foreign inflows recorded a growth of 34 per cent. FDI was at \$7.23 billion in April- June, 2014-15 compared to \$5.39 billion in April-June 2013-14, the data by Department of Industrial Policy and Promotion showed. In May, the FDI figure (\$3.60 billion) was the highest since September 2013 when the country received foreign investment of \$4.13 billion.

*Source: Press Trust of India*

## **Exports projected to touch \$750 bn by 2018-19**

Boosted by a forthcoming foreign trade policy, India's exports are expected to cross the \$350 billion mark in 2014-15 and reach \$750 billion by 2018-19, the Federation of Indian Export Organisations (FIEO) said.



*Source: Indo-Asian News Service*

## **India takes top spot in Nielsen's global consumer confidence**

India has touched the top spot in consumer confidence among the 60 countries measured in Nielsen's Global Survey of Consumer Confidence and Spending Intentions in the second quarter (April-June) of 2014.



The country's ranking increased seven index points to 128, surpassing the 123 logged by Indonesia, which previously held the top spot for five consecutive quarters.

*Source: Indo-Asian News Service*

## **Economy to grow much faster in coming quarter: Jaitley**

Finance Minister Arun Jaitley said that the economy is expected to grow much faster in the coming quarters than the growth of 5.7 percent in gross domestic product (GDP) achieved during the first quarter of the current fiscal.



"Growth rate of 5.7 percent in first quarter is encouraging. The recent GDP figures show that the economy is on a recovery path. We expect the economy to grow much faster in the coming quarters," Jaitley said in New Delhi on the occasion of the new government completing 100 days in office.

*Source: Indo-Asian News Service*



## **In signs of revival, Indian economy expands 5.7 percent**

Beating expectations and showing another sign of revival, the Indian economy expanded by 5.7 percent during the first quarter of the current financial year to log the highest growth yet in nine quarters or over two years, official data showed on August 29.



*Source: Indo-Asian News Service*

## **Inward foreign investment \$30 bn for 2014, cumulative over \$200 bn**

Investments by overseas investors in India this year reached \$30 billion, while cumulative total inflows into the country crossed the \$200-billion mark.

Data from November 1992 since foreign institutional investors (FIIs) began investing in Indian markets shows the cumulative figure is made up of about \$159 billion investments into equities and about \$42 billion in debt markets.



*Source: Indo-Asian News Service*