



सत्यमेव जयते

Embassy of India, Moscow Commerce Wing

NEWSLETTER

No. 3

May 2016



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News from India

India's economic progress will turn South Asia into world's fastest-growing region

India's economic progress will turn South Asia into world's fastest-growing region: World Bank in its latest biennial South Asia Economic Focus report, the global body projected that the country's growth will jump from 7.15% in 2016 to 7.3% in 2017. India's economic growth is projected to climb to 7.3% in 2017 from 7.15% in 2016, despite the global economic slowdown, the World Bank said in its latest biennial South Asia Economic Focus report. It added that India's prominence in the region "sets the pace for South Asia as a whole" and will make it the world's fastest-growing region.

India ranks 6th among World's 10 largest manufacturer countries

The United Nations Industrial Development Organization (UNIDO) report ranked India sixth among the world's 10 largest manufacturing countries, up by three positions. India previously held the 9th rank. The Yearbook, published by the UNIDO, found that in India, the Manufacturing Value Added (MVA) grew by 7.6% in 2015 compared to the previous year. It also said that the quarterly index of industrial production (IIP) shows 1% growth of manufacturing output in the fourth quarter of 2015 compared to the same period of the previous year. "India is now the sixth largest manufacturer in the world," the report said.

RBI notifies 49% FDI under automatic route in insurance sector

Reserve Bank has notified 49 per cent foreign direct investment (FDI) under automatic route in insurance sector. The extant FDI policy for insurance sector has since been reviewed by the Government of India and accordingly it has been decided to enhance the limit of foreign investment in insurance sector from 26 to 49 percent under the automatic route.

Union Budget 2016

Finance Minister, Mr. Arun Jaitley presented Union Budget 2016 in the parliament. The important highlights of budget speech are as follow:

- ❖ Growth of Economy accelerated to 7.6 per cent in 2015-16.
- ❖ India hailed as a 'bright spot' amidst a slowing global economy by IMF. Robust growth achieved despite very unfavorable global conditions and two consecutive years shortfall in monsoon by 13 per cent
- ❖ Foreign exchange reserves touched highest ever level of about 350 billion US dollars.
- ❖ Corporate Tax for new manufacturing units fixed at 25%
- ❖ To achieve fiscal deficit of 3% of GDP by (2017-18)
- ❖ Fiscal Deficit target 3.9% in 2015—16, 3.5% in 2016-17
- ❖ Doubling farm income by 2022
- ❖ Certain equipment for dialysis exempt from basic customs duty, Excise CVD
- ❖ 100% rural electrification by May 1, 2018
- ❖ Start-ups to get 100% tax exemption for 3 years

- ❖ 359.84 billion rupees (USD553.6 million) earmarked for farmer welfare; to spend 865 billion rupees (USD 1.3 billion) on irrigation in 5 years
- ❖ Stand Up India allocated 5 billion rupees (USD7.7 million)
- ❖ Roads and highways allocation at 550 billion rupees (USD 846.15 million)
- ❖ 90 billion rupees (USD 138.46 million) allocated to Swachh Bharat Abhiyaan
- ❖ Targets 10,000 km national highways, upgradation of 50,000 kms of state highways
- ❖ Further relaxation of FDI rules in insurance, pension, stock exchanges, asset reconstruction companies
- ❖ 100% FDI in food products made domestically
- ❖ 250 billion rupees (USD384.62) million for recapitalisation of public sectors banks
- ❖ Health insurance scheme to provide 0.5 million rupees (USD7.7 thousand) per family
- ❖ To amend Companies Act for registration of firms in a day
- ❖ 10% tax rate on income from worldwide exploitation of patents developed and registered in India by a resident
- ❖ Unified agriculture market e-platform will be dedicated to the nation on the birthday of Dr. B R Ambedkar

Modi's 'Make in India' a success: Moody's

Ratings agency Moody's said PM Narendra Modi's 'Make in India' initiative is bearing fruits. Moody's stated the net Foreign Direct Investment (FDI) inflows hit an all-time high at \$3 billion in early 2016 since 2004. "The rise in FDI points to stronger investor interest in India on the back of robust economic growth. Higher inflows also suggest that recent government policies, such as efforts to liberalize foreign investment limits in several sectors and the 'Make in India' initiative, are bearing fruit," stated the ratings agency in its report.

Moody's said that development initiatives such as building industrial corridors, setting up investment & manufacturing zones and smart cities will further enhance investment inflows. In particular, flows into the manufacturing sector are likely to accelerate as the government seeks to boost the sector's share of gross domestic product (GDP) to 25% by 2022," the report added. The strength of inflows reflects India's relatively strong growth prospects and government efforts to liberalize foreign investment regulation.

International Monetary Fund cuts global growth forecast; retains 7.5% projection for India

The International Monetary Fund (IMF) on Tuesday retained its growth forecasts for India at 7.5 per cent in FY17 and FY18, but further trimmed projections for global economic growth for 2016 and the year after that due to some loss of growth momentum in the advanced economies and continuing headwinds for emerging countries. It has estimated India's FY16 GDP growth at 7.3 per cent before moving up to 7.5 per cent in the next two fiscals. Sustaining strong growth over the medium term would require labour market reforms and dismantling of infrastructure bottlenecks, especially in the power sector, it said in its latest World Economic Outlook.

GLOOMY WORLD OUTLOOK (% GROWTH, YoY)



Government eases norms for foreign firms to set up branch offices in India

The government relaxed the approval process for foreign firms to set up their branch, liaison and project offices in the country. Except for defence, telecom, private security, information & broadcasting, and non-government organisation sectors, such approvals can now be given by designated banks. Earlier, the Reserve Bank of India was the approving authority. "Further, anyone who has been awarded a contract for a project by a government authority/PSU (public sector unit) would be automatically given approval to open a bank account," the finance ministry stated.

Cabinet clears seven railway projects worth 107 billion rupees (USD164.62 million)

The Cabinet Committee on Economic Affairs (CCEA) approved seven new rail projects, including six railway lines and a railway bridge, together worth USD164.62 million, at a meeting chaired by Prime Minister Narendra Modi. The projects will be completed during the 13th five year plan period, from 2017 to 2022.

India gets its own GPS with successful launch of 7th navigation satellite



India entered an exclusive club of five nations that have their own satellite navigation and positioning system with the launch of IRNSS-1G, known as Navic, the country's seventh

navigation satellite. It caters to the needs of civil aviation and for positioning, navigation and timing. IRNSS is similar to the global positioning system (GPS) of the US (24 satellites), Glonass of Russia, and Galileo of Europe, as well as China's Beidou. The 44.4-metre and 320-tonne Polar Satellite Launch Vehicle (PSLV-C33) which carried the satellite system blasted off from the Sriharikota space station.

Bilateral

Amtel Properties plans 3000-bed hostel in Moscow

Amtel Properties, a company owned by Indian businessman Sudhir Gupta, said earlier this year that it plans to enter the hostel market. Its first project in this area will be a hostel with 3000 beds. "We are embarking on the construction of the largest modern hostel in Moscow," said Gupta in an interview with Vedomosti. The first phase, he said, would provide roughly 1000 beds. "We believe that there will definitely be demand for 1000 beds in a great metropolis like Moscow, where domestic tourism is growing.

KAMAZ to resume selling vehicles in India

Russia's largest truck manufacturer KAMAZ is set to restart assembling vehicles and selling vehicles under contract in India in the second half of 2016, said Sergey Kogoghin, General Director of the enterprise. "In India, our work for now has been, so to speak, frozen. This is mostly due to the problem of our lack of knowledge of the labour market of India. In India, they have special labour legislation, which placed us in a very difficult situation, and we had to stop our own production and sell-off all our facilities. However, we just signed an agreement for the contract assembly of vehicles and in the second half of this year, we will re-enter the Indian market," said Kogoghin in an interview with the TV channel Russia 24.

North-South corridor will compete with the Suez Canal

The corridor involves the use of marine, rail and road transport. Russia has agreed to start substantive elaboration work for implementation of the North-South transport corridor after talks with the foreign ministers of Azerbaijan and Iran. The corridor will be routed along the western coast of the Caspian Sea, from Russia to Iran through Azerbaijan, Russian Foreign Minister Sergey Lavrov said. The North-South transport corridor is a route from St. Petersburg to the Mumbai Port in India. It is estimated to be 7,200 kilometres long. The corridor is aimed at transporting goods from India, Iran and other Persian Gulf countries to Russia via the Caspian Sea and on towards Northern and Western Europe. The current flow of goods from India towards the European part of the Russian Federation happens through maritime transport. From St. Petersburg, the cargo has to sail around the entire western part of Europe and through the Suez Canal.

Bilateral /Multilateral Visits

Indian External Affairs Minister Sushma Swaraj met with Russian Deputy Prime Minister Dmitry Rogozin in Moscow, on April 18, 2016 and discussed on strategic cooperation in energy and

defence sectors between two countries. In the day, the top Indian diplomat met with Russian Foreign Minister Sergei Lavrov and their Chinese counterpart Wang Yi in the Russia-India-China (RIC) format in the Russian capital.

According to Mr. Vikas Swarup, official Spokesperson of India, the two leaders also reviewed progress in Russia's participation in India's defence sector under the Make in India program launched to transform India into a global design and manufacturing hub. A defence cooperation deal between the two countries was signed in December 2015 and envisions the Russian Kamov Ka-226T helicopter being built in India. The two sides are looking forward to the next summit of the India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation in India, Swarup added. Russia and India have enjoyed mutually beneficial strategic relations, especially in the field of defence and military cooperation, since the 1960s.



Minister of External Affairs of India Sushma Swaraj with Foreign Minister of Russia Sergei Lavrov

India's Foreign Minister Sushma Swaraj (L) and Russia's Foreign Minister Sergei Lavrov hold bilateral talks as part of the 14th Russia-India-China (RIC) meeting of foreign ministers on April 18, 2016. On a day Russia said it would "in every way" support programmes outlined by the Indian presidency of the BRICS.

Events

Business to Business Tourism Professionals Meeting



Ambassador of India to RF Pankaj Saran Addressing in B2B Meeting

The Embassy of India organized a Business-to-Business (B2B) meeting between Indian and Russian tourism professionals at Four Seasons Hotel in Moscow on March 24, 2016. The objective of the event was to provide a platform for presenting tourist destinations in India for Russian nationals and to facilitate development of direct linkages between tourism professionals of the two countries.

In his speech, Ambassador Pankaj Saran highlighted huge potential for cooperation in tourism sector and informed about important decisions taken by the two countries for facilitating tourism between India and Russia. Important steps taken were to enable Russian citizens to get 6 months multiple entry tourist visas as well as GoI's introduction of electronic-tourist visa scheme.

The event was attended by more than 200 persons which included Russian government officials, Regional representatives, prominent media houses, etc. Representatives of GOITO Frankfurt and Milan also participated in the event. The event was well attended and positively received by Indian and Russian participants. The Embassy of India would be organizing similar promotional events during the year for increasing tourist flows between India and Russia.

Forthcoming Exhibitions/Fairs in India

Global Investors Summit (GIS 2016): With the objective of making Madhya Pradesh a Global Investment Hub, the Government of Madhya Pradesh is hosting 'Global Investors Summit' (GIS 2016) on 22nd & 23rd October, 2016 in Indore, Madhya Pradesh. This biennial event provides

multiple business opportunities for private sector investment in the state. For more information and registration please visit www.investmp.com .

INDIA PHARMA 2017 & 2nd International Exhibition & Conference on Medical Devices

An International Exhibition & Conference on Pharmaceutical Industry will be held in Bangalore International Exhibition Centre from 9th-11th January 2017 on joint initiative of Department of Pharmaceuticals, Government of India and Federation of Indian Chambers of Commerce & Industry (FICCI) to provide a common platform pharmaceutical industries to enhance their brand value by displaying their product and the capabilities. More details about the event are available at www.indiapharmaexpo.in.

India International Leather Fair, New Delhi (5 -7 August, 2016)

Leather & leather products, fashion accessories, machinery and equipment, chemicals etc.

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India Delhi Book Fair, New Delhi (27 August-4 September, 2016)

Books & publications, journals etc.

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Forthcoming Exhibitions/Fairs in Russia

Navitech 2016 (10 -13 May, 2016)

City: Moscow

International Exhibition for Navigation Systems, Technologies and Services "Navitech 2016"

Venue: Expocentre

Site of the organizer: www.navitech-expo.ru

Marine Industry of Russia 2016 (17- 19-May, 2016)

City: Moscow

IV Maritime Forum "Marine Industry of Russia" 2016

Venue: Gostiny Dvor

Exhibition site: <http://www.mir-forum.ru/>

INNOPROM: It is held annually in Ekaterinburg since 2010. VII INNOPROM will be held from 11th to 14th July 2016 at Yekaterinburg. India is the partner country for INNOPROM 2016. (Website: <http://www.innoprom.com>)



INDIA

Partner Country at Innoprom 2016

Over 100 Indian engineering companies to participate at

INNOPROM
11-14 July 2016
Yekaterinburg, Russia

India, the world's fastest growing economy, will be the Partner Country at the Innoprom Industrial Exhibition in Yekaterinburg July 2016. The leaders of both Russia and India had recently set targets of US\$30 billion in bilateral trade and US\$15 billion in mutual investment by 2025.

The Indian team will comprise the Ministries of Heavy Industries, Power, Communication and IT, and Tourism; blue-chip companies from the public and private sectors such as BHEL, NTPC, NHPC, Reliance, Wipro, and TCS. Teams from major State Governments will also be present.

The Business Forum will be attended by senior bureaucrats, CEOs, and heads of Indian companies.

EEPC India, India's largest trade promotion body, is the official organizer of India's participation at Innoprom 2016.

Focus products of Indian participation

- Equipment & Technologies for Material Processing
- Pharmaceutical Machinery
- Automobile Components & Parts
- Metropolitan Technologies
- Mechanical Engineering
- Agricultural Machinery
- Oil & Gas Related Products
- Power Engineering Technologies
- Industrial Automation
- Component Manufacturing for Mechanical Engineering

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