



सत्यमेव जयते
Embassy of India
in Israel

Indian Economic and Business News Bulletin September 2013

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Second India International Textile and Apparel Show and BSM November 25-26, 2013

The Second India International Textile and Apparel Show will be held in Tel Aviv at Hall 10A, Israel Exhibition Grounds on the 25-26 of November 2013. The BSM is being organized by the Apparel Export Promotion Council of India (AEPC) and the Embassy of India in Israel. Around 30 major Indian exporters of textiles, apparel, ready made garments, t-shirts, fabrics and handlooms will participate in the show and display samples. Israeli importers, textile manufacturers, fashion designers, chain store buyers, independent retailers, boutique owners, agents, wholesalers / distributors and other industry trade professional who are keen to buy these products from India are invited to attend. Although entrance is free of charge, pre-registration is required. For more information and to register please contact Nativ Consulting at expo@netvision.net.il or call Ms. Lauren Pantol at 03-6962143.

Don't miss this great opportunity and register today!!!

Indian Economy Trends

RBI allows banks to borrow from international and multilateral financial institutions

The Reserve Bank of India (RBI) has granted permission to banks to borrow from international/multilateral financial institutions for a limited period of up to November 30, said RBI. RBI also said such borrowings should be for general banking business and not for capital augmentation. According to the central bank, such borrowings shall be eligible for the concessional swap facility of RBI. Earlier, RBI had allowed banks to borrow from their head office of overseas branches or correspondents outside India up to 100% of its unimpaired Tier-I capital or \$10 million, whichever is higher.

Henkel opens first innovation centre in India

Henkel Adhesive Technologies India, a subsidiary of Henkel AG & Co of Germany, has set up its first Innovation Centre in India. The centre will focus on technologies and solutions for customers across the automotive and transportation industry in South Asia, West Asia and Africa. Located in the Pune auto hub, it is designed to be a one-stop solution provider to Henkel's customer base in the region, and around 800 automotive suppliers and 20 manufacturing companies will directly benefit from it. By 2016, Henkel expects to grow sales to €20 billion (around Rs 1.7 lakh crore today), of which, €10 billion is expected from emerging markets such as India. This innovation centre will nurture a strong mix of global expertise and local know-how to benefit customers across the region.

Ceragon boosts Idea Cellular's backhaul

Israel's Ceragon Networks Ltd a world leader in wireless backhaul, announced that Idea Cellular, the third largest mobile services operator in India, has selected Ceragon to modernize thousands of wireless backhaul connections around the country to support the data growth visualized from 3G and future technologies. The multimillion dollar orders include Ceragon solutions and services and will enable Idea Cellular to upgrade its TDM network and deliver advanced data-rich services to its over 125 million customers. India is the world's second largest mobile market with approximately 900 million mobile connections. The mobile penetration rate, based on connections, is currently 72% and is forecast to rise to almost 100% by 2017. Mobile broadband adoption in India is set to rocket over the next five years, from about 35 million mobile broadband connections to a potential 400 million mobile broadband connections by the end of 2017, the target date according to India's National Telecom Policy for high availability broadband throughout the country.

Luminous to start inverter plant at Hosur in November 2013

Luminous Power Technologies will commission an inverter battery manufacturing unit in Hosur in November 2013. It will start with an initial production capacity of about 2 lakh units a year. In the next couple of years, it will triple its output. The company will invest over Rs 50 crore in the 2.5 hectare factory at Hosur, which is its eighth production unit. The others are in Himachal Pradesh and Pune.

TowerJazz wins India Contract

Government of India has approved setting up of two semiconductor Wafer Fabrication (FAB) manufacturing facilities in the country. A consortium that includes Israeli chipmaker TowerJazz has won one of the tenders to build semiconductor plants in Greater Noida. The outlay of the proposed FAB is about Rs. 26,300 crore for establishing the FAB facility of 40,000 wafer. The Government has also approved a package of incentives for the consortium and will provide Viability Gap Funding (VGF) in the form of an interest free loan for a period of 10 years.

Investments – FDI, FII

Foreign portfolio investors to get tax benefits similar to FIIs

Foreign Portfolio Investors (FPIs) will get all the tax benefits available to foreign institutional investors (FIIs). They will also not have to fulfil the Know Your Customer norms separately for opening bank accounts, the Finance Ministry said. On October 5, 2013, the Securities and

Exchange Board of India had announced a new category of investors, called FPI, by merging the existing FIIs, sub-accounts and qualified foreign investors.

Tata Sons to hold 51% stake in the JV with Singapore Airlines

Tata Sons and Singapore Airlines announced on Thursday that they had signed a memorandum of understanding and filed an application with the Foreign Investment Promotion Board (FIPB) to start a new airline, their third attempt to take to the Indian skies in a span of two decades. The Tatas will own 51% of the joint venture, with Singapore Airlines holding the remainder. They plan to jointly invest \$100 million initially.

H&M's Rs. 700 crore FDI proposal gets DIPP green signal

The Department of Industrial Policy and Promotion (DIPP) is learnt to have given its approval to Hennes & Mauritz AB's Rs. 700 crore investment proposal, almost six months after the Swedish clothing giant made an application to foray into the Indian single-brand retail market. According to the extant policy, foreign retailers investing more than 51% can open outlets across the country on the condition that 30% of their sourced sales would come from small to medium sized domestic enterprises.

ARaymond sets up manufacturing facility

ARaymond, a global leader in fastenings and assembly systems, has invested over Rs 40 crore to set up its fully owned first plant in India at Chakan. It has also established two technical sales offices in Gurgaon and Chennai. The current capacity of the new plant is eight injection moulding machines, which can be increased to 29. To begin with, it will manufacture plastic fasteners like rib locks, trim clips, cable straps and tape on clips, pipe/cable clips for interior and exterior panels, and quick connectors for fuel lines for passenger cars and UVs for both Indian and global OEMs. ARaymond India will now be able to increase its local content, from the current 35% to 50% by 2015.

US-based Parallax buys IdenTrust from Polaris

The US-based private equity fund Parallax Capital Partners has acquired IdenTrust, from Polaris Financial Technology, Chennai, for an undisclosed sum. IdenTrust offers trusted identity solutions to global financial institutions, government agencies and corporations.

Biotechnology / Pharmaceuticals / Medical Services

US firm Bayada buys 26% stake in Chennai's India Home Health Care

A US company has bought a 26% stake in Chennai's India Home Health Care, hoping that a burgeoning middle class will lead to significant demand for home healthcare in India. This is the first investment outside the United States for privately held Bayada, which expects to earn \$1 billion (over Rs 6,300 crore) in revenue next year. The New Jersey-based company, with operation in more than 25 states in the US, plans to buy out IHHC in the next few years.

Healthcare Technology Innovation Centre, National Instruments to develop high-impact medical devices

Healthcare Technology Innovation Centre (HTIC), a research and development centre established through a joint initiative of IIT, Madras and the department of biotechnology, will partner with National Instruments (NI), a US company that produces automated test equipment and virtual instrumentation software, to develop affordable and high-impact medical devices.

Automobile Sector

Volkswagen India begins exporting Vento to Mexico

Volkswagen India (VWI) has commenced exporting the Volkswagen Vento to Mexico which, in the future, will become the single largest export market for VWI with every second car produced for exports at the Pune plant being sold there. Volkswagen India commenced export of cars manufactured at Pune in 2011 with exports to South Africa. It entered the Left-Hand Drive (LHD) market in 2012 with exports to West Asian countries. The next big step in the growth strategy of Volkswagen India is the expansion of exports of the Left-Hand Drive Vento to the Mexican market. The production of LHD Vento cars for the Mexican market has commenced with the first lot of cars having already reached there. The model will be officially introduced in the Mexico market in November 2013, and offered in three drivetrain options.

Bosch to invest Rs. 1,500 crore in Karnataka

Bosch, a leading supplier of technology and services in the areas of automotive, industrial technology and consumer goods, will invest Rs. 1,500 crore (US\$ 240 million) over the next seven years in Bangalore, in expanding its manufacturing and research and development capabilities. The 53-billion Euro German auto component manufacturer is relocating its six-decade-old manufacturing facility from Adugodi, located in the heart of the city, to Bidadi which is about 32 km from Bangalore city. In all around 4,000 employees will be part of the relocation exercise which will be completed by 2017.

Information Technology and Telecom

TCS bags multi-million deal from Bombardier

Tata Consultancy Services, India's largest IT services provider, today announced that it has been selected by Bombardier Transportation, a global leader in rail transportation technology, to manage its IT infrastructure for newly commissioned data centers. The multi-year, multi-million deal, is the first that TCS has signed with a rail-transportation technology provider. As part of the contract, TCS will provide remote infrastructure management (RIM) to Bombardier Transportation's recently established data centers in Germany. The new data centers will establish a leading-edge technology platform for Bombardier, through introduction of private cloud services paired with a high level of virtualization.

Infosys, IBM bag over Rs 2,500-cr UK bank deal

IBM and Infosys have won a major deal from UK-based bank Williams & Glyn's, which is a part of the Royal Bank of Scotland Group. The deal, which is valued at Rs 2,535 crore, is for building a new technology system for Williams & Glyn's, a bank that has been defunct for 30 years but has seen fund infusions to the tune of £800 million from a group led by private equity firm Corsair Capital and a consortium of investors. While the details of the nature of work are not public, Infosys will be developing some aspects of core banking systems for Williams &

Glyn's, which would include mobile banking applications, that will help bank customers do transactions on the mobile phone.

Renewable Energy

Largest solar plant of the world to be in India

A joint-venture of 5 Indian utilities, BHEL, Solar Energy Corporation of India, Power Grid Corporation, Satluj Jal Vidyut Nigam and Rajasthan Electronics and Instruments Ltd, is planning to build the biggest solar power station of the world. The 4 gigawatts solar plant is to be built on a 23,000 acre field on the northwestern region of Rajasthan. The first phase of this massive solar project is to be completed in 2016 and will produce 1 gigawatt of power. The other 3 gigawatts will be built according to the result of the first phase.

India receives \$3.25 million venture funding in solar sector during Q3 of current fiscal

India receives \$3.25 million venture funding in the solar sector during the third quarter of the current fiscal. Simpa Networks, a distributed energy solutions provider has raised a \$0.25 million in VC funding. International Finance Corporation, a member of the World Bank Group, is providing a \$3 million loan to independent energy producer Azure Power for one of its subsidiaries to construct a rooftop solar project in the Indian state of Gujarat. Nevertheless, total corporate funding in the solar sector, including venture capital, debt financing and other equity financings raised by public companies, was significantly higher at \$2.18 billion, compared to \$915 million in Q2, as a number of public companies took advantage of rising market values this quarter.

Oil and Gas

Gujarat to get world's largest acetic acid plant

BP is working with Indian Oil Corporation (IOC) to set up an acetic acid plant in Gujarat, while the BP-RIL joint venture has submitted a proposal for Gujarat State Petronet Corporation (GSPC)'s LNG terminal in the state. BP was working with IOC for an acetic acid plant of a capacity of a million tonnes at an investment of over \$1 billion dollar near IOC's Koyali refinery. In addition, they are also looking at LNG re-gasification with Reliance in Gujarat. The BP-RIL joint venture has bid for GSPC's liquefied natural gas terminal in Gujarat.

Retail Sector

Reliance Retail plans to enter e-commerce space, compete against Amazon and Ebay

Reliance Retail plans to enter e-commerce in six to eight months, a move that will pitch it against established players like Amazon for a slice of India's fast growing online retail market. Reliance Retail operates over 1,500 stores, including hypermarkets, digital stores, jewellery outlets and apparel stores, in 136 cities nationwide. For the quarter ended September, the company's sales jumped 31% from a year ago to Rs 3,456 crore. According to consultancy firm Technopak Advisors, India's e-commerce market, which is dominated by travel-related services, is worth \$10 billion at present and is expected to touch \$200 billion by 2020. Of this, online retailing stands at \$600 million a year and has the potential to swell to \$70 billion by 2020.

Panasonic lands battery order from Indian group

Panasonic Corp. has received an order for lithium-ion batteries from India's Reliance Group to run mobile communications base stations industry sources said. Panasonic has already begun shipping the batteries to Reliance which is active in the telecommunications, financing, energy, infrastructure and health sectors. The firm, based in Osaka is negotiating similar deals with Indian and Indonesian firms.

Massimo Dutti's market entry approved

Inditex owned fashion brand Massimo Dutti has been given the go ahead to sell its clothing, apparel, footwear and accessories in India. The Foreign Investment Promotion Board (FIPB) approved the brand's application to form a joint venture in the country. The Indian Government agreed to allow 100% foreign direct ownership in single-brand retail in January 2013. The move was aimed at attracting investments in production and marketing, improving the availability of goods, encouraging increased sourcing of products from India and enhancing the competitiveness of Indian companies. The Indian government also eased restrictions on foreign investment into the multi-brand retail sector in August.

Israeli companies to participate in GITA Platform 2013

The Global Innovation and Technology Alliance (GITA) Platform 2013, scheduled for November 12-13, 2013 in New Delhi, India is the largest forum for forging business alliances in science, technology and innovation in India. The event features an exhibition display of some of the most innovative technologies from India, Israel and across the globe, and will be followed by industry-focused sessions, conference discussions, B2B meetings and other mediums to facilitate alliances. Business delegations from around the world will be attending the event. Israeli companies are invited to participate in the MATIMOP-led Israeli business delegation to the GITA Platform 2013. Israeli companies from the following industry fields are invited to participate: Biotech, Pharma & Healthcare; Renewable Energy; Water Management; ICT; Defence and Home Land Security. Delegation members will receive free access to the GITA Platform Conference Sessions, events and B2B networking area; free design and production of company poster to be displayed in the Israeli Exhibition booth; inclusion in the Israeli Company Catalog; Prescheduled B2B meetings at the Conference; participation in industry visits; logistics support throughout the entire event. **Among the companies who already confirmed registration are Aqwise, Enstorage, Noa Systems, Parasight, Galam Group, and ESC BAZ.**

For more information please contact: Ms. Hadas Kroitoru, Program Manager, Israel- India R&D Cooperation, MATIMOP, Tel: 03-5118117 Email: hadas@matimop.org.il

Forthcoming Events in India

<i>Event</i>	<i>Date</i>	<i>Source</i>
IndiaChem 2013	24-26 October, 2013 Gandhinagar, Gujarat	http://www.indiachemgujarat.com/
GITA Platform 2013	12-13 November, 2013 New Delhi	http://www.gita.org.in
8th Asian Gas Partnership Summit (AGPS)	2-4 December, 2013 New Delhi	http://www.ficci-agps.in/
ELECRAMA 2014	8-12 January, 2014 Bangalore	http://www.elecrama.com

IESS 2014	22-24 January, 2014, Mumbai	http://www.eepcindia.org/
Asia Africa Agribusiness Forum (AAAF 2014)	4-6 February, 2014, New Delhi	http://www.ficci.com

Assistance for investors

The Government of India has set up a joint venture company called “Invest India” in partnership with Federation of Indian Chambers of Commerce & Industry (FICCI) and State Governments to promote foreign investment in India in a comprehensive and structured manner. The company would provide support and assistance to the investors guiding them through the various procedures for investment and help them in setting up their business in India. Israeli companies which would like to invest / open a business in India, can contact “Invest India” to get assistance.

General Email: investindia@ficci.com Website: www.investindia.gov.in

<p>Mr. V K Topa Managing Director, Invest India Federation House, Tansen Marg, New Delhi 110001 Tel: +91-11-23765337 Fax: +91-11-23314373, 91-11-23329369 vtopa@ficci.com www.investindia.gov.in</p>	<p>Mr. Dushyant Thakor General Manager, Invest India & Additional Director FICCI, Federation House, Tansen Marg New Delhi 110001 Tel: +91-11-23765085 (D), 23738760-70 Ext 411 Fax: +91-11-23325158 dushyant.thakor@ficci.com www.investindia.gov.in</p>
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First Gov-to-Biz Portal launched in India – eBiz

The Department of Industrial Policy and Promotion (www.dipp.gov.in), under the Ministry of Commerce and Industry of India, launched ‘eBiz’(www.ebiz.gov.in), India’s first online government-to-business (G2B) portal to provide all investment and business related information and services securely in a single location. The portal will be a one-stop-shop for the investor and business communities in India, and will simplify the process by providing information about government requirements and allows users to apply licenses or approvals online. Users will be able to file tax returns, pay fees or duties electronically, track their status of their applications online or through SMS or email and obtain electronic copies of licenses and certificates.

Database of Indian Exporters / Suppliers

The Federation of Indian Export Organizations (FIEO) has prepared a database of around 12,000 members representing every product and service sector of India, which is updated on a weekly basis. The database can be accessed at <http://www.fieo.org>. Importers may use the "Search" business tool on the FIEO website to search for exporters of their desired products/services, select the Indian companies of their choice and forward trade queries directly to their selected companies using the tool. Electronic brochures of the exporting companies are also being made available on the website to facilitate better decision making by importing companies.

Contact Details:

Federation of India Export Organizations
Tel: +91-11-26150101-04/46042222
Fax: +91-11-26148194
Email: fieo@nda.vsnl.net.in
Website: <http://www.fieo.org>

Ashra – Trade Risks Insurance

ASHRA, the Israel Foreign Trade Risks Insurance Corporation Ltd, is a company fully owned by the Israeli government. ASHRA encourages Israeli exports by insuring medium and long term export credit transactions (one to ten years) and investments abroad. ASHRA was established in 1957 to encourage exports from Israel, to help minimize political and commercial risks, to raise export financing for the mid and long terms and to finance Israeli investments abroad. ASHRA's policies are fully backed by a state guarantee. ASHRA operates mainly in developing countries, characterized by a high level of commercial and political risks, concerns that agreements will not be honored, and suffering from claims and difficulties in the transfer of funds. The insurance coverage is up to 95% against political risks and up to 90% against commercial risks. The Company changed its name from IFTRIC to ASHRA in September 2005.

For more information visit: <http://www.ashra.gov.il>

Tel: 03-5631700 Fax: 03-5611937 Email: zvi@ashra.gov.il

Israel Desk set-up in Department of Electronics and IT, India

Mr. Kapil Sibal, India's Minister of IT and Communications had visited Israel in June 2013 to seek increased collaboration in the electronics, telecom and IT sectors. In follow-up to his visit, an Israel Desk has been set-up in the Department of Electronics and IT, in New Delhi. Israel Desk will help Israeli companies proposing to invest in the electronics sector. It will also provide guidance for interaction of Israeli companies with State Governments in India. **The Points of Contacts in the Israeli Desk are:**

1. Mr. O.P. Sharma, Director, Department of Electronics & IT (DeitY)

Electronics Niketan, New Delhi, India

Tel: 0091-11- 24301305 ; Email: opsharma@mit.gov.in

2. Mr. Anil Kaushik, Additional Director (Security Division)

Department of Electronics & IT (DeitY),

Electronics Niketan, New Delhi, India

Tel: 0091-11-2364803 ; Email: a.kaushik@nic.in

3. Mr. Manish Vashistha, Consultant

Department of Electronics & IT (DeitY)

Electronics Niketan, New Delhi, India

Tel: 0091-11- 24310779 ; Email: manish.vashistha@deity.gov.in

Business Offers for Israeli Companies

No	Company Details	Areas of Interest
1	Divya Corporation/Globe Resources, Mumbai, India Contact Person: Aneel Shah Mob: 91-93200-02099 E-mail: globeresources6@gmail.com	An Indian Exporter of various agro-commodities & food stuffs from India (groundnuts,natural sesame seeds,spices,dry fruits,cattle feed, confectionery). This company is interested in Israeli importers of such products.

2	Sonachi Group, Mumbai, India Contact Person: Vishnu Dev Mob:91-8976185171/7208271689 E-Mail:sonachigrup@gmail.com	This Indian company is keen to enter the Israeli market and is Interested in Israeli serious importers and agents of cotton yarn and fabrics.
3	Komal Trading, Gujarat, India Contact Person: Darshan Mob: 91-9727364119 E-Mail: tradingzone360@gmail.com	Exporters of Consumer Products (e.g. cosmetics/ herbal) Auto Spare Parts, Textile /Clothing & Textile Machinery / Engineering Products / Instrumentation. The company is keen to enter the Israeli market and is looking for Israeli buyers of such products.
4	Shyam Industries, Ahmedabad, India Contact Person: Jitendra Chauhan Tel: 91-79-2282-2365/2280-1298 Fax: 91-79-2282-1433 Mob: 91-9099045186 E-Mail: shyam.ind02@gmail.com	Manufacturers /Exporters of Agricultural Products (Natural Sesame Seeds, Cummin Seeds). Interested in agents/distributors /importers of above mentioned products.
5	Rani Exports & Imports TamilNadu, India Contact Person: K. Elsi Rani Mob: 91-94881-32792/94887-69152 E-Mail: raniexports.imports@gmail.com	Exporters of Dried Fruits, Spices, Rice, Vegetables and Medicinal Plants. Interested in importers of the above products.
6	Orient Electricals, New Delhi, India Contact Person: Manan Gupta, Assistant Manager, International Sales Tel: 91-11-40507000 ext 7025 Fax: 91-11-40507004 manan.gupta@orientelectricals.co.il Web: www.orientfans.com	Manufacturers & Exporters of Ceiling Fans, Desk Fans, Wall Mounted Fans, Pedestal Fans, Exhaust Fans & Multi-Utility Fans. Interested in Israeli importers of above products.
7	Cetra Oils, Jaipur,Rajasthan, India Contact Person: Ajay Saini Tel: 91-5644-238256 Fax: 91-5644-234321 E-Mail: cetraoils@gmail.com	Manufacturers of Mustard Oil and exporters of Edible Oil, Palm Oil, Soybean Oil, Rapeseed Oil and Sunflower Oil. The company is interested in importers of edible oil.

For comments, suggestions, and responses please contact:

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