

Total NRI wealth estimated at over \$1 trillion

THE total wealth of overseas Indians adds up to over \$1 trillion, more than India's gross domestic product (GDP) of \$850 billion – for the year ended March 31, 2007. But the GDP is estimated to have crossed the \$1 trillion mark last month, following the hardening of the Indian rupee.

According to the report by the high-powered expert committee (HPEC), which had been appointed by the Indian government to suggest ways to make Mumbai an international finance centre (IFC), the 20-million-strong NRI community is estimated to control financial wealth (apart from real estate, gold and art works) of over \$500 billion. Their total wealth adds up to \$1 trillion.

The committee noted that NRIs were largely being serviced by institutions abroad. An IFC could offer a bouquet of services, including Personal Wealth Management (PWM) services to the diaspora, it felt. Globally, the PWM business involves assets touching nearly \$10 trillion.



Many of the services are currently being provided by off-shore financial centres.

According to the Reserve Bank of India (RBI), the country's central bank, NRIs remitted \$26.4 billion home in 2006, the highest remittance for any nationality. Remittances are growing by a hefty 25 per cent annually. Over 45 per cent of this is invested in bank deposits and real estate.

NRIs are among the most affluent ethnic communities in many countries. In the UK, for instance, the richest individual is Lakshmi Mittal, the steel tycoon. According to the *Sunday Times* Rich List 2007, Mittal's wealth soared by \$8 billion last year to touch \$38 billion. Mittal topped the rich person's list in Britain for the third successive year.

The Hinduja brothers (Srichand and Gopichand) and Lord Swraj Paul featured among the richest Asian's list in the UK – at numbers two and three. The Hinduja's ranked fourth in the overall list with assets worth \$12.4 billion.

Yahoo! makes India hub for product development and research

INDIA is the "next big opportunity" for Yahoo! The international web portal, which has tripled its revenues in India last year, is making the country its hub for product development and research and engineering services for emerging markets like Vietnam, the Philippines and Brazil.

Yahoo! co-founder David Filo recently announced the opening of its new R&D facility in Bangalore. Yahoo! India also announced two new service offerings – the beta versions of Yahoo! Our City, and Yahoo! India Maps.

The first portal profiles 20 Indian cities (including Delhi, Mumbai and Bangalore), providing both user-generated and editorial content. It provides news, photos, videos, blogs, podcasts, and maps of these cities in English as well as in local languages. The second offering is an interactive map service enabling surfers to access a database of 170 cities, nearly 5,000 towns and 220,000 villages in the country. The site also provides information relating to banks, ATMs, hospitals and police stations.

Both Our City and Maps have been designed and developed locally. According to estimates, about 85 per cent of India's 25 million Internet users visit the Yahoo! site every month.



According to George Zacharias, managing director, Yahoo! India, while the total advertising pie in the country – amounting to \$3 billion – is growing at 20 per cent, online advertising (currently valued at \$60 million) is expanding at a frenzied 50 per cent annually.

Filo points out that the Bangalore team ranked among the top in terms of technological development, and accounted for nearly 20 per cent of the engineering inputs for Yahoo! The Bangalore centre has nearly 1,000 developers.

\$100 million Bollywood Kingdom for Mumbai

FOR the true-blue Bollywood fan, who never tires of watching the fare churned out by the world's leading film industry, there's more on offer. Come 2008, and he/she can soak in the Bollywood culture at a new theme park set to open at Mumbai's sprawling Film City.

The \$100 million Bollywood Kingdom, to be built on the lines of the Hollywood studio parks, will feature a hall of fame, museums, Bollywood cafes and lounges, rides, sets, simulator experiences and shoot visits. It is being promoted by Percept Holdings, a media and entertainment company, which plans to set up similar theme parks in Delhi and other cities, both in India and abroad, in due course.

According to Shailendra Singh, joint managing director, Percept, though Bollywood accounts for 40 per cent of the \$1.75 billion revenue Indian film industry, fans cannot absorb the unique Bollywood experience outside a cinema hall.

Visitors to the nearly 100,000 sq ft theme park can walk through the hall of fame, buy memorabilia sourced from the industry, dabble in rides and tours or visit film sets. They can even run around trees and participate in a film song shoot, get it recorded on their DVDs and show it to family and friends back home. Finally, after all the tiring 'shoots,' they can grab a big chunk of a Big B sandwich, or a Salman salad, or a Rani 'rosgolla.'



There would be wax figures of superstars and fading stars – a la Madame Tussauds – and Bollywood gizmos can be bought at the counters. Based out of Mumbai, India's financial and commercial capital, Bollywood churns out a record 800 films a year. Increasingly, many of the films are released simultaneously in India and in lucrative overseas markets including the UK, the US, Canada and the Gulf.

Revenues of the colourful Indian film industry – which includes vibrant studios in the south and east – are likely to double to \$3.5 billion by 2010, according to analysts.

BSE market capitalisation crosses \$1 trillion

YET another trillion-dollar mark was breached in India recently, when the market capitalisation of all stocks listed on the Bombay Stock Exchange (BSE) crossed the \$1 trillion milestone. A few weeks earlier, India's gross domestic product (GDP) was estimated to have broken the landmark barrier.

With the Indian rupee strengthening significantly against the US dollar – it reached a nine-year high of 40.5 to the US dollar towards the end of May – both the country's GDP and the BSE's market capitalisation speeded up its race to reach the \$1 trillion goal. The market cap of all listed firms on the BSE added up to around \$625 billion just a year ago, indicating a phenomenal 60 per cent jump in 12 months.

In 2007, the market capitalisation expanded by 23 per cent, from \$812 billion at the beginning of the year.

India will be third largest economy by 2025: Japan central bank chief

THE governor of the Bank of Japan, Toshihiko Fukui, acknowledged at an international gathering that the Indian economy would overtake the Japanese one by 2025, to rank third in the world after the US and China in terms of purchasing power parity.

"Everyone recognises the large and varied influence India is having on the world," Fukui told an international audience in Tokyo. "If we extend the current (growth) rate, India's purchasing power parity will exceed that of Japan by around 2025 and will rank third after the US and China."

The Indian economy is expected to grow at between 8.5 per cent and 9.2 per cent in the current fiscal ending March 2008. The Reserve Bank of India has been cautious and pegged GDP growth estimates at 8.5 per cent.

Briefs

Satyam ties up with Temenos

SATYAM Computer Services has forged a strategic alliance with Temenos of Switzerland, to implement a modular core banking system. "This alliance enables Satyam to help Temenos implement and serve as systems integrator for T24, which is recognised as the world's most technically advanced banking system," said Peter Swears, Satyam's global banking head.

BMW to open international purchasing office in India

GERMAN luxury carmaker BMW plans to open an international purchasing office in India to source components and worldwide ancillary requirements. According to Peter Kronschnabl, BMW India president, the international purchasing office will be operational by August. The German auto giant, which recently launched the '3 Series' sedans from its Chennai plant, plans to sell about 1,200 cars in India this year. The company also plans to roll out its '5 Series' models from the Chennai plant.

Visakhapatnam: New IT hub

THE coastal city of Visakhapatnam in the southern state of Andhra Pradesh is emerging as a new IT hub. Software exports jumped by 100 per cent last year, and are set to continue growing at a brisk pace over the next few years. Nearly 50 IT companies operate out of Visag. A US-based consultancy ranked it among the 10 top outsourcing destinations in India.

UB group acquires Whyte & Mackay for \$1.18 billion

UNITED Spirits, part of Vijay Mallya's UB group - and the world's third-largest maker of spirits - acquired Whyte & Mackay, the world's fourth largest Scotch whisky maker, for \$1.18 billion in an all-cash deal. The group acquired Indian rival Shaw Wallace for \$315 million in 2005, and a French winemaker for \$15 million last year.

FDI to almost double to \$30 billion in current fiscal

INDIA expects foreign direct investment (FDI) inflows to top \$30 billion in the current fiscal, almost double the previous year's figure of \$15.7 billion.

According to Union Commerce and Industry Minister Kamal Nath, this is necessary to maintain a growth rate of nine per cent per annum over the next five years. FDI inflows amounted to \$5.5 billion in 2005-06, which almost tripled to \$15.7 billion the following year.

"To achieve a growth rate of 9 per cent per annum over the next five years, starting 2007-08 we need an investment rate of 35.1 per cent of GDP," says the Minister. "The liberal FDI policy pursued by us is aimed at garnering greater foreign investment."

Nath said the economy grew 9.2 per cent in the last fiscal ended March 31, 2007 in line with the government's forecast. "During 2006-07, the GDP growth was 9.2 per cent, with industry registering a growth of 11.3 per cent," he said.

Over the next few months the government will unveil a more liberal FDI policy to boost the inflow of foreign funds. "The results of the review will be in the direction of liberalisation, as was the case with similar policy reviews in the past," notes Ajay Dua, secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.

Addressing a CII-sponsored seminar on 'GCC-India Investment Opportunities,' Dua pointed out that the basis for optimism about future growth stemmed from India's cost competitiveness and supply side strengths, including a large intellectual capital base and the expanding domestic market.

AOL launches first Asian portal in India

AMERICA Online (AOL) launched its first Asian portal in India. The new site, AOL.in, is geared towards customers in India. AOL, which is part of the international media giant Time Warner, views India as one of the biggest potential markets.

The portal offers e-mail, instant messaging, news, sports, entertainment and a host of other information and content. The wide range of content, designed specifically for India, includes videos, Bollywood news and information, City guide, sports news (with a special cricket channel), and a 'Gurus' channel (with video advice).

The India launch also saw AOL introduce its 'next generation e-mail service' featuring unlimited storage, safety and spam protection and mobile access. "AOL has built one of the world's largest online communities, and now we want to extend that community into India," said Ron Grant, president and COO of AOL. "As part of the world's leading media company, AOL brings together a global audience of hundreds of millions of users with the latest products and technologies. AOL.in will combine the best of America with the best of India."

Leveraging popular brands within the Time Warner family, AOL.in will also include videos and other content from other Time Warner companies, including Warner Bros and Cartoon Network.



Online travel services firm opens India operations

TRAVELOCITY, the sixth largest travel agency in the US, which booked \$10.1 billion in travel worldwide in 2006, has launched its India operations. A pioneer in consumer-direct online travel services the firm unveiled its Indian online travel agency (www.travelocity.co.in) and set up teams in Delhi and Mumbai.

The new website offers Indian travellers a choice of 72,000 hotels, 1,000 cruises and over 4,000 popular sights, tours and activities in several destinations around the world, along with destination guides and other travel tools.

According to Scott Blume, president Travelocity Asia Pacific, "our team is in place, our site is ready, and we are poised to revolutionise the way hotels are booked in India." Himanshu Singh, managing director, Travelocity India, notes that the Indian travelling public is ready to book hotels online. "We've already processed many bookings from eager travellers showing that Indians are ready, willing and able to make real-time hotel bookings online."

Travelocity sold 16.6 million hotel room nights in 2006, up 30% on 2005. In Asia Pacific alone, room night sales increased by 90% in 2006 over 2005.



Intel's Bangalore unit chips in with 80 per cent of design, development tasks for new platform

THE India Development Centre (IDC) of the world's leading chipmaker, Intel, played a major role in designing, developing, testing and validating its Centrino mobile platform for the consumer and enterprise markets worldwide.

"The mobility group of the IDC was involved in the development of the Centrino mobile platform, contributing about 70-80 per cent of the new processor," said Sandeep Shah, Intel India's mobility group director. "Our development centres in Israel and the US chipped in to fabricate the chipsets for OEMs and ODMs."

As one of the leading business units, the mobility group has several teams working in tandem with Intel's global teams to provide post-launch support to playing a critical role

in launching new products. Of the 3,000-odd total tech workforce at the IDC, about one-third of it work for the mobility group.

The Bangalore facility, set up and expanded with a cumulative investment of \$1.7 billion, has evolved into a primary competency centre for Intel's supply chain applications.



Briefs

Georgia Tech to set up Hyderabad campus

GEORGIA Tech University, a leading American varsity, plans to set up campus in Hyderabad, offering MS and Ph.D degrees in engineering, science and business management. A delegation from the university met Y.S. Rajasekhara Reddy, the Andhra Pradesh Chief Minister, and discussed plans for the new campus. Later, it plans to set up a branch at Visakhapatnam as well.

Danish hearing aid major opens centre in Chandigarh

INTERNATIONAL digital hearing aids manufacturer Widex of Denmark launched its Senso hearing centre in Chandigarh. The Danish major has established a joint venture (Widex India) to cater to the burgeoning hearing aids market in the country. The new venture plans to set up a manufacturing facility for computer aided shells for hearing aids.

Dubai developer to invest \$923 million in Chennai IT park

DUBAI-based ETA Star plans to invest \$923 million in an infotech park in Chennai. The park would be part of a 350-acre IT township project, which would include the infotech park and a residential colony spread over 200 acres. The township to be built by ETA Star Tech City Pvt Ltd would comprise built-up space of 17.5 million sq ft.

Hub-and-spoke model for Bangalore

THE Karnataka government is working out a hub-and-spoke model to decongest Bangalore and ensure the growth of tier-II cities including Mysore, Mangalore, Hubli, Belgaum and Gulbarga. The government wants to project Bangalore as the hub for the IT and other hi-tech industries, and emerging new 'spokes,' to ensure that the state remains a favourite destination for international and domestic investors.