

CONSULATE GENERAL OF INDIA **SAN FRANCISCO**

MONTHLY COMMERCIAL REPORT Apr. 2014

Important Commercial News – Apr. 2014

1 California's Trade with India

India is currently California's 9th largest export destination. In 2013, California exports to India brought in almost \$5.3 billion. California exports more to India than any other state, and the amount more than doubled from 2009 to 2013.

Miscellaneous manufactured goods made up 55.7 percent of California's exports to India in 2013, which translated into nearly \$3 billion in exports. Other top export categories included transportation equipment (\$660.2 million), computers and electronic products (\$622.5 million), and agricultural products (\$455 million). According to U.S. Department of Commerce

According to the most recent figures, U.S. direct investment to India was \$28.4 billion while Indian direct investment into the U.S. was \$5.2 billion. Bureau of Economic Analysis

Leading California Exports (in \$ U.S. Millions)

Partner	2010	2011	2012	2013
World Total	143,208	159,136	161,880	168,128
Mexico	20,949	25,807	26,370	23,933
Canada	16,214	17,261	17,424	18,819
China	12,745	14,194	13,970	16,359
Japan	12,177	13,096	13,033	12,711
South Korea	8,028	8,425	8,246	8,394
Hong Kong	6,757	7,664	7,826	7,796
Taiwan	6,517	6,245	6,318	7,472
Germany	5,123	5,307	4,979	5,591
India	3,295	3,793	3,209	5,262
Netherlands	3,953	4,417	4,344	4,757

2 India's trade with top 10 countries

Data summary

Top ten exporters to India, by value of trade in US\$ m and share of total

Country	2012-2013 (Apr-Sep)	%Share (2012-2013 (Apr-Sep))
CHINA	28025.57	11.92
UAE	19622.81	8.35
SAUDI ARABIA	16094.83	6.85
USA	12208.05	5.19
SWITZERLAND	10779.45	4.59
IRAQ	9803.79	4.17
QATAR	8144.45	3.47
KUWAIT	8134.73	3.46
GERMANY	7154.41	3.04
INDONESIA	6944.86	2.95

Top ten importers from India, by value of trade in US\$ m and share of total

Country	2012-2013 (Apr-Sep)	%Share (2012-2013 (Apr-Sep))
USA	19704.05	13.87
UAE	18601.71	13.09
SINGAPORE	6652.77	4.68
CHINA	6417.32	4.52
HONG KONG	6137.9	4.32
SAUDI ARAB	4636.29	3.26
NETHERLANDS	4458.24	3.14
U K	4112.26	2.89
GERMANY	3491.77	2.46
BRAZIL	3042.64	2.14

India's imports and exports

US\$



3 US plans to allow spouse of H1B visa holder to work in America

Aimed at attracting the world's best and brightest, the US will soon come out with a series of policy initiatives and changes in the existing rules including allowing the spouses of H-1B visas to work in America.

In a statement, the White House said that the Department of Homeland Security (DHS) will soon publish several proposed rules that will make the US more attractive to talented foreign entrepreneurs and other high-skill immigrants who will contribute substantially to the US economy, create jobs, and enhance American innovative competitiveness. "These proposed regulations include rules authorizing employment for spouses of certain high-skill workers on H-1B visas, as well as enhancing opportunities for outstanding professors and researchers," it said in a statement.

"These measures build on continuing DHS efforts to streamline, eliminate inefficiency, and increase the transparency of the existing immigration system,

such as by the launch of Entrepreneur Pathways, an online resource center that gives immigrant entrepreneurs an .

From the statement, it appears that spouses of H-1B visas are unlikely to get a blanket approval to work in the US. Only certain category of spouses of H-1B visa holders - mainly from the science and tech category - are likely to get the nod.

The White House also said the National Institutes of Health (NIH) and the National Science Foundation (NSF) are launching a new collaboration to empower entrepreneurial scientists and address the critical gap between fundamental research and the development of a commercial entity.

As per the Congressional mandated cap, US Citizenship and Immigration Services can allocate a maximum of 65,000 H-1B visas for the fiscal year 2015 beginning October 1, 2014.

4 Apple brings back iPad 4 to India at Rs. 28,900

Apple Inc, which pulled out its iPad4 tablet from the Indian market last year to make way for the trendier iPad Air, is bringing back that tablet again — this time as an “entry-level” device to replace the outmoded iPad2 that has lost appeal. The 9.7-inch iPad 4 that comes with a retina display will be available in India within a week. “iPad 2 was launched around four years back and in today’s time of fast-changing tech world it appeared a bit outdated even as an entry-level tablet from Apple’s stable...iPad 4 looks more in sync with time,” a Apple executive said requesting anonymity.

The 16GB WiFi only version of the iPad 4 is expected to cost Rs. 28,900, while a Wifi and cellular version will come with a price tag of Rs. 37,900.

“Customers can get iPad with a stunning 9.7-inch Retina display, fast A6X chip, and 5MP iSight camera, an upgrade in performance and value compared to the iPad 2,” said Philip Schiller, Apple’s senior vice-president of worldwide marketing.

Tablets based on Apple’s iOS platform held 36% market share in 2013, behind those based on Google’s Android software (62% share), according to research firm Gartner.

5 India tops US, China as investment destination

After a spate of bad news on the Indian economy, there is finally something to cheer about. Global consultancy firm Ernst & Young (EY) has said that India is the most attractive investment destination, ahead of China and the US, after the government recently relaxed the policy on foreign investment.

The government had in August announced relaxation of foreign direct investment (FDI) norms in several sectors that such as multi-brand retail and telecom.

“With sharp currency depreciation and opening up of FDI in various sectors, India has become an attractive destination for foreign investors,” EY said in its report, Capital Confidence Barometer. This report is based on a survey of 1,600 senior executives in more than 70 countries. The report highlighted automotive, technology, life sciences and consumer products as sectors in which deals are likely to be high. Due to the present macro-economic pressures and heavy debt pile, several Indian companies are looking to divest non-core businesses, it added. “This has created a large opportunity for foreign players vying for a greater role in the Indian market,” it said. The top three investing countries into India are the US, France and Japan. FDI from these three countries from April 2000 to August 2013 amounted to Rs. 53,673 crore, Rs. 17,718 crore and Rs. 71,870 crore respectively. The survey said 38% of the respondents felt merger and amalgamations volume in India would improve over the next twelve months, while 30% believe it would remain stable. “After two years, European countries (Britain and Germany) have made a comeback on the potential investment destinations list for Indian companies,” the report said. Sentiments have improved, specifically on acquisitions and merger plans, it said, adding that these are at a two-year high with credit and cash available.

“The investor outlook for India remains positive, despite challenges in the recent past. At the same time, the improved condition of the world economy has helped increase confidence amongst deal makers, prompting them to take a bolder stance toward transactions,” said Amit Khandelwal, a national leader at EY.

6 US registers 32% jump in graduate applications from India

For the second year in a row, applications to US graduate schools from India skyrocketed in 2014, while those from prospective Chinese students fell, according to a new report.

According to the CGS International Graduate Admissions Survey, the number of applications from prospective Indian students to US graduate schools jumped 32 per cent in 2014.

The number of overall international applications, up 7 per cent, probably would have declined, except for eye-popping growth, of 32 per cent, from India. "It's all India," said Debra W Stewart, the council's president. "India is huge."

In 2013, Indian applications increased 22 per cent and enrollments were up a whopping 40 per cent, the report said. "While the growth from China has been consistent, Indian numbers have been erratic. One year, first-time graduate enrollments climbed more than 30 per cent, only to plummet 16 per cent a couple of years later," said educational portal Chronicle.com.

Stewart cited tightening student-visa rules in Britain. A recent report found that the number of first-time students at English universities from India and Pakistan had halved since 2010, and some of those students, Stewart said, could have opted to apply to institutions in the US instead. "It's very difficult to trace cause and effect," she said, "but it seems that we're at least the short-term beneficiaries."

7 Wipro to hire 150 frontline sales staff in United States

Wipro will hire some 150 frontline sales staff in the United States in a singular development that denotes the company's twin ambitions of boosting revenue and presenting a local face in its main market. Over the next 3-5 months, Wipro will have hired young college graduates as well as experienced sales veterans to

build up its team in US cities where it currently does not have presence, people familiar with the company's thinking said. While Indian companies have been increasing their hiring in the United States, mainly employing software engineers, the Bangalore-based company's decision to rapidly expand its sales team represents a new level of commitment to the United States. So far, Indians have been dominant in frontline sales, where salaries are lucrative and successful executives receive a share as bonus depending on the size of contracts they win.

"It helps when your front-end sales guy can talk about baseball, NBA and show some cultural closeness," said Pradeep Mukherji, president and managing partner at Avasant, a Los Angeles-based technology advisory firm. "And then comes the political angle. Indian companies have to show they are job creators in America."

Wipro CEO, TK Kurien, whose strategy of reviving Wipro's sales as the company looks to improve its growth rates after under-performing India's IT services industry for nearly two years. Indian software services companies, which get more than half of their revenue from the US, have high hopes for that market this year as economic growth returns and large enterprises spend more on technology. For Wipro, particularly, its ability to increase market share in the US will be crucial to chief executive TK Kurien's plans for gaining growth momentum.

Ashish Chopra, vice president at Mumbai-based brokerage firm Motilal Oswal said Wipro is refurbishing its sales strategy in overseas markets as it faces growing competition from larger rivals such as IBM and Accenture. "They are hiring local sales staff to offer better interface in front of clients and it has worked very well for companies like Cognizant." The US contributed 50 per cent to Wipro's sales during 2013-14.

8 Cisco to ship new video conferencing solution to India soon

Networking giant Cisco will start shipping its new video conferencing solution to India and other parts of the world, offering enterprises, especially small and medium sized firms, high quality connectivity and at lower cost of ownership.

The "SX10" is a video conferencing all-in-one unit, which can be used with any flat panel display to convert the television into a telepresence unit.

The product was announced in April and the company will start shipping soon and in the next few months. It will be available globally, including India. It offers tremendous affordability for small and medium-sized businesses, especially if they are just starting out with telepresence, Cisco Vice President Collaboration Solutions (Marketing) Peder Ulander told PTI. The device is expected to be available for about \$2,000 through different partners of Cisco, he added. Typically, an enterprise (depending on the size and scale) has to invest about 40-50 per cent more on telepresence hardware and solutions.

"SX10 is not only cheaper but the cost of implementation is also lower. It can be easily connected and there is no requirement of specialized IT guys to set up telepresence using this solution. This will work very well for SMBs, who work across locations, including remote ones and have been staying away from telepresence because of fears of exorbitant costs," he said.

Ulander cited an example from Norway, where an operator has partnered with Cisco to deploy video conferencing rooms using this solution. "The operator is offering services at about \$30 a month, which is very economical," he said.

Ulander said the solution will help customers with mobile workers and teleworkers, especially in sectors like financial services, education and telemedicine. The solution also has Cisco's proprietary "Intelligent Proximity" feature, which allows using iPhones and Android smartphones as a remote to control the SX10 solution.

"Intelligent Proximity automatically connects to the SX10 to allow users to use their Apple and Android smartphones as remotes. This was developed jointly across our R&D centers in India, China and the US. We will soon bring out an app for the Windows phones too," Ulander said.

According to a report by Infonetics Research, the global enterprise telepresence and videoconferencing market grew five per cent year-on-year to \$3.2 billion in 2013 with Asia Pacific and EMEA (Europe, Middle East, Africa) as key growth regions, both up 8 per cent.

The global enterprise videoconferencing and telepresence revenue is expected to grow at a 3 per cent CAGR from 2013 to 2018 as more enterprises opt for real-time connectivity and containing travel costs using video conferencing solutions.

Cisco's competition in the space includes Polycom and Aavya. The California-based firm leads the video conferencing market with 50 per cent market share.

9 Trade Delegations

No trade delegation visited India from the jurisdiction of this Consulate.

No trade delegation visited our jurisdiction from India during this month.

10 Commerce related delegations from India

The following delegation visited this territory from India during the month:

a Mr. D.R. Prasada Raju & Mrs. Ekta Kapoor from Ministry of Communication & Information Technology visited Las Vegas from April 05-08, 2014

b Dr. K. Radhakrishnan, Dr. Srinivasan & Mr. A.S. Kiran Kumar from ISRO visited San Francisco & Los Angeles from April 16-19, 2014

11 Trade enquiries

The following companies and individuals approached for trade related information. All of them were provided information as requested.

- a Madhur Industries Ltd. Ahmedabad
- b KGS Exports, Tamil Nadu
- c AV Cube International, Chennai
- d J.K. Global Trading, Gujrat
- e Mr. Jagdish Sharma, Seattle

f Organic Products India, Pune
g Vishwaroop Enterprises, Chennai
h Jagan Enterprises, Tamil Nadu

12 Trade Disputes

We received a complaint from Mr. Robert Betschart of Dynamic Isolation System, Nevada, USA regarding non-payment of retainage fee being held by PWD Building Project Division, Dwarka, New Delhi. We have taken up the issue with the concerned department and awaiting replies.

13 Tourist & Business visas issued during the month.

During the month of April, 2014, 3417 tourist and 1355 Business visas were issued from this Consulate.

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