

India Yet To Tap Diaspora Well, Unlike China: Study

New Delhi: (IANS) India has only now begun to tap its 25-million diaspora in 130 countries to boost its growth, unlike China that owes much of its economic miracle to the overseas Chinese, says a study released Friday.

"Indian companies have tapped into the Indian diaspora less well than the Chinese firms into the Chinese diaspora," says Tarun Khanna, professor at the Harvard Business School and a contributor to the study called The Global Indian Firm.

"Thankfully, this has started to change, with India's attention drawn by successes of Indians in Silicon Valley and, prior to the current meltdown on Wall Street, as well as in diaspora communities around the world," Khanna says.

"But it is still early days in tapping this global resource."

According to Khanna, who has done several comparative studies on the two emerging economies, the post-1978 Chinese economic miracle was partly catalysed by overseas Chinese.

" Wooing the diaspora was a deliberate act

that paid enormous dividends (to the Chinese). India, in contrast, shunned its diaspora. Mirroring this policy vacuum, Indian companies have gener-

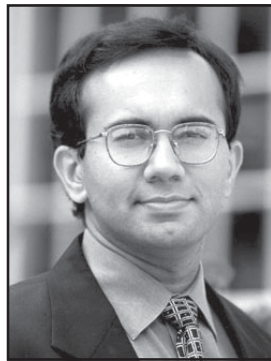
ally not benefited nearly as much as Chinese companies have," says Khanna in his analysis.

Speaking at the release of the study organized by the Confederation of Indian Industry (CII) here, Khanna also said Indian bureaucrats and politicians were indifferent when it came to reaching out to the diaspora to channel investments from Indians back to their home country.

"I have had several high-ranking Chinese officials seeking help in establishing contact with Chinese individuals overseas. But I never saw a single Indian official doing so," said Khanna.

The study also points to another major weakness of Indian firms: Lack of collaboration between them.

"Consider the retailing industry. India woefully lacks formal retailing and wholesale infrastructure, relying instead on unorganised channels. Industry participants could come together to share infrastructure," said Khanna.



Prof Tarun Khanna

India's Software Exports To Grow In Double Digits: NASSCOM Chief

Chandigarh: (IANS) India is expected to clock double-digit growth in the software and IT enabled services (ITeS) exports next year as the US and other markets are recovering from the meltdown, a top official of the trade association NASSCOM said here recently.

"We are expecting IT exports to grow in double digits as the software markets of the US and other countries are recovering well. These markets became sluggish due to the financial meltdown but now things have started improving," NASSCOM chairman Pramod Bhasin told reporters.

He was speaking on the sidelines of 'e-Revolution 2009', a flagship forum of this region jointly hosted by the governments of Haryana and Punjab

and the Chandigarh administration in association with NASSCOM and Software Technology Parks of India (STPI).

"In 2009-10, the Indian market has grown by merely four to seven percent and the software exports from India have been around \$48 to 50 billion. Whereas in 2008-09, it increased at 16 percent and was at \$46.3 billion," said Bhasin, who is also the chief executive officer of Genpact.

Emphasising on improving skill-sets the work force, Bhasin added: "At present the IT industry can employ only eight to 10 percent of the total graduates due to their lack of required skills. There is a need for an updated curriculum and industrial training to hone the entrepreneurial skills and talent of our youngsters."

NASSCOM

We Can Share Details Of Tax Evaders: Swiss VP

New Delhi: (IANS) India and Switzerland will soon start negotiations to enlarge the scope of their bilateral double taxation treaty to allow sharing of details of bank accounts of people accused of tax evasion, visiting Swiss Vice-President and Minister of Economic Affairs Doris Leuthard said.

"We are open to renegotiation of the treaty to include tax evasion, which is a crime here. The first round of talks will take place soon," Leuthard told reporters here.

The Swiss minister said that the offer had been made by her country to other nations with which it has similar treaties.

"It means that if India has a case of tax evasion against a citizen who has an account in our

banks, then India can apply through set procedures to know the details," she said.

As per the Swiss ambassador to India Philippe Welti, the bilateral discussions will take place before the end of this year.

Leuthard is here to take part in the World Trade Organisation (WTO) ministerial discussions.

Swiss banking secrecy had been in the news recently after India was refused permission to look through accounts of UBS AG. The US had, however, been allowed access to details of over 4,000 bank account holders. It is expected that Switzerland would allow the sharing of bank account details of Indian citizens once the revised double taxation treaty is drawn up and signed.

Cash-For-Clunkers Program Boosts Car Sales



Washington: (DPA) The US government's popular cash-for-clunkers program boosted car sales in August, but sales dropped sharply in the last week of the month as the scheme ended.

On Tuesday, Ford Motor Co. reported that sales rose 17 percent in August, compared to August 2008, its biggest jump in sales in four years.

Toyota USA Inc. reported a 6.4-percent increase in sales, from the same period last year.

However, Chrysler Group LLC. reported a 15-percent drop in sales from a year ago, but this was still

better than analysts' projections. Chrysler's sales were 5-percent higher than they were in July.

General Motors said August sales were down 20 percent, as compared to August 2008, but up 30 percent from July.

"We believe the program was a strong shot in the arm for the economy and that our four core brands - Chevrolet, GMC, Buick and Cadillac - are well positioned ... to take advantage of the ongoing recovery in the market," GM's vice president for US sales Mark LaNeve said.

The cash-for-clunkers program, modeled after a similar German plan, ended Aug 25, less than one month after being officially launched because money was already running out.

Dealers, manufacturers and the government were overwhelmed by demand for the \$3-billion program, which gave customers up to \$4,500 to trade in their old petrol guzzlers for a new and cleaner alternative. It was meant to run until 2010.

According to the Transportation Department, 700,000 cars were sold through the program, with the top five picks choices being the Toyota Corolla, Honda Civic, Toyota Camry and Ford Focus FWD. Rebate applications worth \$2.87 billion were submitted.

US car giants Ford and GM had announced production increases for the third and fourth quarters as a result of the demand generated by the program.

US Rules SAP Must Pay \$138.6 Mn Fine



Frankfurt: (DPA) A US federal court has ordered Europe's biggest software maker, SAP AG, to pay \$138.6 million to Versata Software Inc for violating the American group's patents, SAP said recently.

"SAP is reviewing the decision and is considering further steps," said a spokesman for the German-based SAP.

An appeal is possible, said the SAP spokesman, which is also the world's biggest maker of business-management software. Versata Software launched the legal action in 2007.

Mumbai, Bangalore, Hyderabad Can Become Global Capitals: Forbes



Moscow: (RIA Novosti) The Russian capital as well as Indian cities of Mumbai, Bangalore and Hyderabad have every chance of becoming global capitals on par with cities such as New York, London and Tokyo, according to the latest issue of Forbes magazine.

The influential publication assessed the rapidly changing forces driving the global economy, such as the inflow of capital and labor resources, and the pace of infrastructure development, and looked into the future, ranking the Russian capital alongside Shanghai, Beijing, Sao Paulo, Dubai and the Indian cities of Mumbai, Bangalore and Hyderabad.

"Fifteen years ago, Moscow was in the midst of a particularly grungy interlude, filled with stolid people waiting in lines for shoddy consumer goods. Today, its hotel accommodations - cheap if dinghy a quarter century ago - are among the world's most expensive.

Russia's huge energy industry, which dominates all of Europe, is the key factor driving the transformation," Forbes wrote.

India's Inflation Rises, Still Minus 0.21 Percent

New Delhi: (IANS) India's annual rate of inflation was minus 0.21 percent for the week ended Aug 22, up from minus 0.95 percent the week before, according to official data released Thursday.

The rate turned negative for the week ended June 6 for the first time since the new wholesale price index (WPI) series started in 1995.

The inflation rate had last turned negative in 1977. Negative inflation implies that the average wholesale price level was lower during a given week, than it was in the corresponding week a year ago. It does not necessarily reflect retail prices.

The price indices for all major commodity groups rose for the week ended Aug 22.

While the index for primary articles rose 0.7 percent to 270.4 (provisional) from 268.4 (provisional) the week before, the index for manufactured products rose 0.5 percent to 207.5 (provisional) from 206.4 (provisional).

The price index for fuel and power saw a greater rise, gaining 1.5 percent to 343.3 (provisional) from its previous week's level of 338.2 (provisional).

The final data for the week ended June 27 showed that the revised annual inflation rate actually stood at minus 1.09 percent.