

## Surge In Foreign Investment In Indian Auto & Power Sectors

According to data from the Department of Industrial Policy and Promotion (DIPP), the power sector notched up FDI to the tune of \$1,207 million in April-October this fiscal against \$585 million in the year-ago period.

The total FDI inflow between April and October 2009 stood at \$17.64 billion.

During November 2009, India attracted FDI inflows of \$1.74 billion, a 60-per cent jump over the \$1.08 billion notched in the same month the previous year. For the next fiscal, reasonably good FDI inflows are expected in the infrastructure space, including ports and roads. Also in the power sector, segments such as solar power will be attractive for foreign investors.

A clarion call going out to Canadian auto, power players- those looking to spread their wings into new markets need to turn their eyes on India.

\$ millions

Investment Sectors	Ap-Oct 2008	Ap-Oct 2009	% change
Services	3355	3121	(6.9)
Computers-s/w & h/w	1525	495	(67.5)
Telecom	1990	2109	5.9
Housing & real estate	1826	2056	12.5
Construction activities	1742	1565	(10.1)
Power	585	1207	(106.1)
Automobile Industry	607	922	51.8
Metallurgical Industry	798	278	65.1
Petroleum & Natural Gas	211	214	1.4
Chemical	428	192	(55.1)

## India's Foreign Direct Investment

### Policy on Power Sector:100%

**Electric Generation, Transmission, Distribution and Trading:** FDI up to 100% is permitted under automatic route for:

- i) Generation and transmission of electric energy produced in-hydro electric, coal/lignite based thermal, oil based thermal and gas based thermal power plants. ii) Non-Conventional Energy Generation and Distribution. iii) Distribution of electric energy to households, industrial, commercial and other users and iv) Power Trading
- The above would be subject to the provisions of the Electricity Act 2003.

**(i) to (iii) above do not include generation, transmission and distribution of electricity produced in atomic power plant/atomic energy since private investment in this sector/activity is prohibited and is reserved for public sector.**

### Bosch bullish on India

The world's largest automotive component manufacturer, Bosch, plans to invest \$433.5 mn in India over the next three years. Of this amount, the company will spend around \$108 mn towards increasing its research and development facilities in the country.

"India will be an important market for the company in the immediate future. Growth focus has shifted to the Asia-Pacific after the financial crisis," said Bernd Bohr, chairman of the Stuttgart-based Bosch Automotive Group.

Bosch Group mopped up 1 billion Euros of its total revenues (about 3 per cent) from India. "We expect India to contribute 5 per cent of our total revenue over the next three years," said Bohr. The total revenue of the company from all its operations was 38 billion Euros in the calendar year 2009.

Canadian auto companies need to go on a road trip to India.