



Indo-Australian *BUSINESS TALK*

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We track every business story that connects India and Australia

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Australia's First Bank

Business Talk Wishes Its Readers A Happy New Year

Large Australian participation in IME 2010

The 3rd International Mining Exploration Mineral Processing and Machinery Exhibition (IME) offer business opportunities for the mining and minerals industry. The exhibition will be held with a display of Mineral and Mining Technologies, Machinery and Equipments, Mineral Processing procedures, Latest technology & their innovative applications, R & D, Logistics, Communication, Safety and Health aspects of the Mining and allied Industries. Over 250 exhibitors, 500 delegates, 15,000 trade visitors and 20 countries are expected to participate at IME 2010 from January 22-25, 2010 at Kolkata.

The 3rd Asian Mining Congress, a concurrent conclave of mining and mineral professionals, policy makers, industry experts, scientists, engineers and technologicals associated with mining and allied sectors will be organised at Hotel Taj Bangal, Kolkata by the Mining, Geological & Metallurgical Institute of India (MGMI). About 70 eminent Speakers from India and abroad will debate, deliberate and exchange views on the key issues for the mining & allied sectors in Asia. Over 800 delegates are expected to participate from about 20 countries.

The exhibition has drawn a number of leading Australian companies and promoting organizations to display their state-of-the-art technologies and products. These companies include:

- Ashar Locker (India) Pvt. Ltd
- Aury
- Australian Trade Commission
- Coee Products
- Downer EDI Mining
- Elliott Geophysics International (P) Ltd
- Immersive Technology Pty Ltd
- Indian Resources Ltd
- Leighton Contractor India Pvt. Ltd
- Lodowici India Pvt. Ltd
- Maptek Pty Ltd
- Micromine Pty Ltd
- Minesight Applications
- Scantech International Pty Ltd
- Sustainable Pvt. Ltd
- The Asia Miner

Members, who wish to contact any of these companies, may get in touch with the Chamber and we will be happy to forward your enquiries to the companies concerned.

International Food & Drink Expo and Australia participation

The International Food & Drink Expo (IFDE) 2009, which was held from December 2-4, 2009 at the Pragati Maidan Exhibition Grounds in New Delhi, attracted wide participation from Australia.

IFDE provided a platform to showcase the products and innovations from the food, drink, hospitality and retail sector.

The following Australian companies / organizations participated in IFDE 2009:

- Australian Trade Commission
- Baywest Nominees Pty Ltd
- Beverage Holdings Pty Ltd
- Frankland River Olive Company
- iMBiz Pty Ltd
- Meat and Livestock Australia
- Inter Agri Group
- Modular Tanks Pvt. Ltd
- Pearls Group
- Sanav (Aust.) Pty Ltd
- The Organic Baby Food Co.
- Western Australian Trade Office
- Wulura Wines

Members, who wish to contact any of these companies, may get in touch with the Chamber and we will be happy to forward your enquiries to the companies concerned.

Mahindra forays into aerospace in Australia

Making an entry into the aerospace business, auto major Mahindra & Mahindra (M&M) has picked up 75.1 per cent stake each in two Australian aerospace firms for Rs. 175 crore and allied components to service the global market.

In a joint acquisition with Kotak Private Equity, Mahindra Aerospace Pvt. Ltd (a unit of M&M), bought majority stake in component maker, Aerostaff Australia, and general aircraft manufacturer, Gippsland Aeronautics.

“Over five-years, we believe that we could build as many as 475 aircraft in the 2-20-seater range and expect a peak revenue of about Rs. 650 crore,” said Mr. Hemant Luthra, President, Systech Sector and Member of the Group Management Board, Mahindra & Mahindra.

Mr. Luthra said the company would initially manufacture sheet metal aero-structures and over a period would invest more to make components, sub-assemblies and eventually aircraft in India and Australia.

Union Bank of India inaugurates Representative Office in Sydney

As part of its global expansion initiatives, Union Bank of India (UBI) has set up its Representative Office in Sydney, Australia, in December 2009.

Mr. M.V. Nair, Chairman and Managing Director of UBI, said, “Australia is one of the focused countries in the expansion plan of Union Bank and the Bank has made the beginning by setting up the representative office. The bank desires to take this initiative further in a form of having fully fledged branch operation or through a subsidiary bank in the country. The reason for the Bank’s Australian focus is the strength of the growing bilateral relations between the two countries.”

UBI has become the third bank from India to set up office in Australia. The Representative Office in Sydney provides market information, consultation and liaison to Australian entrepreneurs willing to establish business relationship in India and is located at 275, George St, Sydney, NSW 2000.

Gorgon sparks global hunt for workers

Chevron Corp.'s \$US40 billion (\$43 billion) Australian natural gas project will drive a global hunt for construction workers and has prompted calls to ease immigration rules to prevent labor shortages and cost overruns at energy and mining projects fueling the country's economy.

Contractors for Chevron and partners Exxon Mobil and Royal Dutch Shell in the Gorgon liquefied natural gas plant plan to pay premiums of as much as 40 per cent for welders, pipe fitters, project managers and engineers, recruiters said. They expect to hire in the Middle East, Latin America and Europe.

Gorgon is the largest of more than a dozen LNG ventures in Australia targeting Asian demand for cleaner-burning fuels. About 80 natural resource ventures to be built in the next decade may increase demand for skilled workers by as much as 70 per cent, Energy Minister, Martin Ferguson, said in a Nov. 30 speech in Perth to mark the start of construction of Gorgon on Barrow Island, a nature reserve about 50 kilometers (31 miles) off the northwestern coast.

Prime Minister Mr. Kevin Rudd has tasked a group of government, immigration and industry officials to help companies such as Chevron and BHP Billiton Ltd. find 70,000 workers in the next decade, making Gorgon its top priority.

About 80 per cent of oil and gas industry employers in Australia said in a survey they intend to increase salaries in the next 12 months, Matt Underhill, managing director at recruiting firm Hays, said from Sydney. Professionals in the pipeline industry currently earn \$US191,000 annually on average in Australia, he said.

Westpac plans to outsource to India's top tech firms

Australia' second biggest bank, Westpac, is seeking outsourcing suppliers for contracts worth up to \$500 million, with India's top tech firms.

Westpac, which acquired St. George Bank last year for \$19 billion, wants to have a common general ledger and consolidate other systems including payroll. The IT integration costs alone will be around \$338 million, apart from an additional \$168 million being earmarked towards outsourcing and restructuring.

For Indian vendors, Westpac contract offers an opportunity to gain business from IBM, which is due to renew its contract with the bank next year.

Australia's top banks including Westpac, National Australia Bank, Commonwealth Bank of Australia and ANZ will invest almost \$4 billion on technology this year, according to experts tracking the industry.

Gujarat NRE to invest Rs. 4,200 cr. in India and Australia operations

Gujarat NRE Group has decided to invest around Rs. 4,200 crore in its Indian and Australian operations over the next two years. Plans include investing around \$500 million in its Australian operations – in Gujarat NRE Minerals, while another Rs. 2,000 crore will be invested in India in Gujarat NRE Coke.

GNCL intends to add around 240 mw of thermal power generation capacity at about Rs. 1,000 crore and enhance its coking coal capacity from 1.25 million tonne per annum (mtpa) at present to four mtpa by 2014. In Australia, the Group has firmed up plans to enhance coking coal production capacity from the present level of 1.5 mtpa to 6 mtpa in the next 2-3 years.

Australian company, RFG, bets big on Indian food market

Betting big on the \$12-billion Indian retail market, Australia's Retail Food Group (RFG) plans to make its proposed venture here to be bigger than its domestic operations within the next 15-20 years. The company, which will enter the Indian market next year, is aiming to clock a revenue of \$ 87 million (about 4,022 crore) from the country within five years from start of operations.

"We expect revenues of \$ 87 million from our India within five years. In 20 years, we expect Indian operations to be bigger than the Australian business," RFG Sales and Leasing Manager, Mr. Gavin Nixon, said.

RFG, the largest retail chain in Australia, last year clocked a turnover of \$505 million in the domestic market. "The Indian food market is one of the most promising and offers immense potential. We want to capitalize on it as part of our global growth strategy", Mr. Nixon said.

Australian dairy firms eye Indian market

The Australian dairy industry, the fourth largest dairy products exporter, has set its eyes on the Indian market, the world's largest producer of milk, to explore joint ventures and alliances for exports.

A delegation of six Victorian dairy companies visited India for a week from 22 – 28 Nov 2009. The delegation was led by Peter Myers, Manager International Market Development from the Department of Primary Industries, State Government of Victoria. The delegation comprising six companies – Ballantyne Foods Pty Ltd, Bemco Australia Pty Ltd, Fresh Cheese Company (Aust) Pty Ltd, Longwarry Food Park, Lemnos Foods Pty Ltd and Tatura Milk Industries Limited – visited Bangalore, Hyderabad, Mumbai and New Delhi.

The delegation visited the Mother Dairy plant in Bangalore and also had meetings with private dairies such Reliance Dairy Foods, Heritage, Dodla and Creamline Dairy to explore possibilities of working together. The delegates had one-on-one meetings with retail chains, importers and distributors in Bangalore, Hyderabad and Mumbai.

As a result of the visit of this mission, Victorian dairy products are likely to be on the shelves of many retail outlets in India in the near future.

Australian Solar Institute keen to partner Indian research bodies

The Australian Solar Institute (ASI), part of the Australian Government's A\$ 4.5. billion Clean Energy Initiative (CEI), is looking at jointly working with Indian research institutes on cutting-edge solar technologies.

This comes in the backdrop of both India and Australia announcing a step-up in the focus on solar power, with India having recently announced a 20,000 MW solar target, and Australia planning a substantially higher grid-connected solar power base in the coming years.

The \$100 million ASI was launched in January 2009, with the announcement of three foundation projects for Australian National University, the University of New South Wales and scientific research organization CSIRO.

Rio Tinto in first-ever India iron ore shipment

Australian mining giant, Rio Tinto, has made its first-ever iron ore sale to India, in what it called a "ground-breaking" development.

The company's iron ore Chief, Mr. Sam Walsh, said that Rio had sold 160,000 metric-ton shipment to Indian steel maker, Essar, for export later this month. "To me, this is a ground-breaking sale and I think it is a good signal for us and Western Australia – it is strategic for us" Mr. Walsh told. "We have long believed that India is a long-term market of great potential, and this development should be seen in that context," he added.

The world's largest miner, BHP Billiton, which agreed this month to combine its Western Australia iron ore operations with Rio, has said it expects global steel demand to double in 15 years. India would partly drive a 250 per cent increase in seaborne iron ore demand by 2025, and was also expected to intensely consume energy and coking coal, BHP said.

FORTHCOMING MAJOR TRADE FAIRS / EXHIBITIONS IN AUSTRALIA

Australian International Furniture Fair & Decoration+Design (February 03-05, 2010, Sydney): Australian International Furniture Fair and the co-located DECORATION + DESIGN Sydney will showcase the latest furniture and furnishing designs from over 200 Australian and International companies. This Fair gives interior designers, decorators, architects, furniture and furnishing buying groups and retailers the opportunity to see and buy the latest products, learn the latest industry developments and network with their peers both at the Trade Fair and in a full program of concurrent functions. For details, visit: www.aiff.net.au and www.decoratedesign.com.au

Australian Shoe Fair (February 14-16, 2010, Sydney): The Australian Shoe Fair is recognised as the key buying event for the industry covering men's, women's and children's footwear. From sourcing new season products to liaising with existing suppliers, buyers from across Australasia and the world have found the Fair provides an unparalleled offer. For details, visit: www.australianshoefair.com

Fine Food Queensland (March 21-23, 2010, Brisbane): It is the largest food industry event in northern Australia. Staged every two years, the show features the latest trends in food, drink, catering and hospitality equipments. Focus areas include bakery, drinks, meats & seafood, natural products, catering and hospitality equipments. The show runs in conjunction with **Hospitality Queensland**, featuring the latest kitchen and accommodation equipments. For details, visit: www.finefoodexpo.com.au

NEW MEMBERS

The Chamber extends a warm welcome to the following Corporate Members:

- 1. The State Trading Corporation of India Ltd,** Chennai
Business Area: Newsprint, pulses, coal, etc.
- 2. Ask Trade & Exhibitions,** Chennai
Business Area: International trade shows
- 3. Bhanwar Ten Software Solutions,** Baroda
Business Area: Software Development, web based applications & website design.

For Corporate Membership application form, please visit www.indoaustchamber.com

We welcome your feedback,

Indo-Australian Chamber of Commerce

'Arjay Apex Centre' (3rd Floor), No. 51 (Old No. 24), College Road, Nungambakkam, Chennai – 600 006. India

Tel : 91 – 44 – 2821 3231 Telefax : 91-44-2822 5603

Email : admin@indoaustchamber.com / indaust@dataone.in Website : www.indoaustchamber.com