

CONSULATE GENERAL OF INDIA
SAN FRANCISCO

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Important Commercial News – October 2012

Monthly Trade Highlights

The U.S. monthly international trade deficit increased in October 2012, according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from \$40.3 billion (revised) in September to \$42.2 billion in October, as exports decreased more than imports. The previously published September deficit was \$41.5 billion. The goods deficit increased \$1.8 billion from September to \$59.2 billion in October, and the services surplus decreased \$0.1 billion to \$16.9 billion.

Goods and Services

- Exports decreased to \$180.5 billion in October from \$187.3 billion in September (revised). Goods were \$127.5 billion in October, down from \$133.9 billion in September. Services were \$53.0 billion in October, down from \$53.4 billion in September.
- Imports decreased to \$222.8 billion in October from \$227.6 billion in September (revised). Goods were \$186.6 billion in October, down from \$191.3 billion in September. Services were \$36.1 billion in October, down from \$36.3 billion in September.
- For goods, the deficit was \$59.2 billion in October, up from \$57.3 billion in September (revised). For services, the surplus was \$16.9 billion in October, down from \$17.0 billion in September (revised).

Goods by Category (Census basis)

- The September to October decrease in exports of goods reflected decreases in industrial supplies and materials (\$2.9 billion); capital goods (\$1.9 billion); foods, feeds, and beverages (\$1.4 billion); automotive vehicles, parts, and engines (\$0.4 billion); and consumer goods (\$0.1 billion). An increase occurred in other goods (\$0.2 billion).
- The September to October decrease in imports of goods reflected decreases in consumer goods (\$3.6 billion); automotive vehicles, parts, and engines (\$0.5 billion); foods, feeds, and beverages (\$0.4 billion); capital goods (\$0.4 billion); and other goods (\$0.3 billion). An increase occurred in industrial supplies and materials (\$0.4 billion).

2012 : U.S. trade in goods with India

NOTE: All figures are in millions of U.S. dollars on a nominal basis, not seasonally adjusted unless otherwise specified details may not equal totals due to rounding.

Month	Exports	Imports	Balance
Jan-12	1,524.60	3,109.80	-1,585.20
Feb-12	1,503.70	3,027.60	-1,523.90
Mar-12	1,715.80	3,364.40	-1,648.60
Apr-12	1,792.20	3,335.50	-1,543.20
May-12	1,832.30	3,571.80	-1,739.50
Jun-12	1,809.00	3,466.60	-1,657.60
Jul-12	1,785.90	4,132.20	-2,346.30
Aug-12	2,082.80	3,929.40	-1,846.60
Sep-12	2,220.40	3,327.70	-1,107.30
Oct-12	2,084.20	3,225.50	-1,141.30
TOTAL 2012	18,350.90	34,490.60	-16,139.60

Apple Plans to set up its own stores

Apple Inc., the maker of iPhones and iPads, is evaluating the possibilities of setting up its own stores in India., if the Indian Govt. eases local sourcing conditions, said two senior executives who have business relations with California based company in India.

It might be easier for Apple, the world's most valuable company, to set up stores if the Govt. allows its IT outsourcing operations in India to be included as part of the mandatory 30 per cent local sourcing requirement, the two executives said.

Oil India, IOC buy stake in U.S. shale assets

State-run firms Oil India Ltd. and Indian Oil Corporation have jointly bought a 30 per cent stake in Carrizo Oil & Gas's Niobrara shale asset in Colorado for \$ 82.5 million, the companies said in statement.

The deal marks the first investment by the two state companies in shale assets in the United States. Where booming shale gas output has caused prices to plummet and may push the U S Govt. to consider exports to energy-hungry Asia.

Oil India will acquire 20 percent and Indian Oil Corporation will get 10 per cent in Carrizo's Niobrara basin acreage assets through their respective subsidiaries.

The total investment by the two companies would be around \$ 82.5 million, including an upfront cash payment of \$ 41.25 million and a carry amount of \$ 41.25, linked to Carrizo's future drilling and development cost.

As part of the transaction, Oil India and IOC will also receive a 30 per cent interest in Carrizo's existing production of about 1850 barrels of oil-equivalent a day from 24 gross wells.

Cisco fund bullish on India investment

After two successful exits within a period of nine months Cisco's investment arm Cisco Corporate Development Fund is bullish of the Indian market. Cisco which has made investment in about 14 companies in the country so far is also planning to get active as the technology landscape in India is changing.

Mr. Joydeep Bose, Senior Director for Corporate Development, Investments and Acquisitions, Cisco told Business Standard. "India is an extremely important market for us. We are seeing more number of innovations happening in the country which can be an opportunity for us"

In January this year the company made its first exit from Netmagic when Japan's NIT Communications bought majority stake in the company for about Rs. 900 crore deal. According to a research firm which track VC funding in Cisco along with Fidelity, Nexus Ventures, Nokia Growth Partners has invested \$ 16 million in Oct. 2012.

The second exit of the company was in Sept. this year when Tech Mahindra acquired 51% stake on a fully diluted basis in Comvia Technologies Ltd. For Rs. 260 crore. Cisco and Sequoia Capital had made an investment of \$ 14 million in the company in 2005.

India's Apollo Tyres eyeing Cooper Tire: source

Indian tire manufacturer Apollo Tyres ([APLO.NS](#)) is in early talks to acquire a majority stake in U.S.-based Cooper Tire & Rubber Co ([CTB.N](#)) in a deal valued at around \$600 million, a source with direct knowledge of the situation told Reuters.

The acquisition of the world's 9th biggest tire maker by sales would give Apollo Tyres access to the U.S. market for replacement [tires](#) for cars and light and medium trucks.

Apollo Tyres has hired Standard Chartered and HSBC for a secondary share sale in the Indian market to raise up to \$150 million, the source said.

Apollo Tyres, which does not currently operate in the United States, gets two-thirds of its revenue from India but its market in that country is softening along with the [economy](#).

Chevron sells BPCL 10,000 bpd Nigerian oil for a year: sources

Indian state-run Bharat Petroleum Corp ([BPCL.NS](#)) has signed a deal with Chevron ([CVX.N](#)) to buy 10,000 barrels per day (bpd) Nigerian crude in the year ending March 31, 2013, two sources familiar with the deal said on Wednesday.

Chevron will supply light sweet barrels to BPCL at the official selling price, the sources said.

BPCL normally buys West African crude on the spot market. "This is the first time that BPCL has signed a contract for Nigerian oil," one of the sources, privy to the deal, said.

Trade delegations

Ms Christine Gregoire, Governor, State of Washington, led a 12 member official delegation along with around 30 member trade delegation to India in Oct. 2012. The main objective of the visit was to promote trade and investment. They visited Mumbai, Hyderabad, Bangalore and Delhi.

The Riverside County Office of Foreign Trade hosted a reception of 43 delegates from India, who were studying American Finance and Economics at UC Riverside Extension for two weeks.

UC Riverside Extension was responsible for creating the customized Financial Management and Governance Executive Program for the visiting delegation. Extension's International Education Programs arranged a series of presentations on various aspects of city and state government, such as public private relationship, non-profit characteristics, social entrepreneurship and lessons learnt from U S financial crisis. The presentation was delivered by local govt. and community leaders, UC Riverside faculty and administrator, and business leaders.

Visit of Commerce Delegates from India

During the month of Oct. 2012 following delegation visited this area:

Trade inquiries received during the month

M/S Ashvibha International, India

M/S Beyond Staging, Los Angeles

M/S Sunbeam Exports, India

M/S RSP Exports, India

Ms Macey Zavala, San Ramon, CA

Mr. Salvadore Palomares, Carlsbad, CA

M/S ALS Exports, India

M/S Kshetrapal Metal & Alloys, India

M/S Sarveshwar Overseas, India

Appropriate information were provided to all of them.

