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## Survey on Foreign Collaboration in Indian Industry: 2010–2012 – Data Release

The Reserve Bank of India today released, on its website, the data related to the results of the ninth round of the Survey on Foreign Collaboration in Indian Industry covering the years 2010-11 and 2011-12.

This survey captures comprehensive information on various aspects of operations of Indian companies having technical collaboration with foreign companies during the reference period as per the [schedule](#). In this survey round, 550 Indian companies responded, of which, 244 companies reported 334 foreign technical collaboration (FTC) agreements. The highlights of the survey results are presented below:

### Highlights:

- **Coverage:** Out of the 244 companies which reported agreements during the period 2010-12, 144 were foreign subsidiaries (single foreign investor holding more than 50 per cent of total equity), 83 were foreign associates (foreign investors holding ranging between 10 per cent and 50 per cent of total equity) and the remaining 17 companies had less than 10 per cent equity participation and/or had only outward investment (Table 1).
- **Industry-wise distribution of agreements:** The share of manufacturing and services sectors in the total FTC agreements had marginally increased in the ninth round. The share of construction sector and agriculture-related activities had declined when compared with eighth round of the survey (Table 2).
- **Country-wise distribution of agreements:** In terms of source of technology transfer, Japan, USA and Germany were the top three countries which together accounted for around 55 per cent share in total FTC agreements of responding companies during the survey period (Table 3).
- **Type of assets transferred:** Among the FTC agreements reported by companies, the agreements providing “Know-how transfer” had a share of 45.8 per cent, higher than that of 38.1 per cent in the eighth round of the survey (Table 4).

- **Modes of Payment:** The share of agreements involving (a) royalty and lump-sum technical fees, (b) only royalty and (c) only lump-sum technical fees stood at 42.4 per cent, 30.4 per cent and 27.2 per cent, respectively (Table 5).
- **Export restrictive clauses:** The proportion of FTC agreements with export restrictive clauses increased significantly in the manufacturing sector, when compared with the previous survey round. An analysis of country-wise agreements suggests that the share of agreements with export restrictive clauses increased with almost all the countries, with the exception of Switzerland and USA (Tables 6 and 7).
- **Provision of exclusive rights:** Any provision of exclusive rights to an Indian company in a FTC agreement, restricts the foreign collaborator from transferring such assets to other parties operating in India. The proportion of agreements providing exclusive rights on assets transferred under the agreements had increased significantly in manufacturing sector *vis-à-vis* the previous survey round (Table 8).
- **Value of Production:** Total value of production of the FTC reporting companies increased from ₹890.7 billion in 2010-11 to ₹992.2 billion in 2011-12. The share of manufacturing sector in the total production had improved, whereas share of financial and insurance activities was lower when compared with the previous survey round (Tables 9 and 10).
- **Profitability:** The profitability of FTC reporting companies measured by ratio of gross profit to the capital employed increased from 9.8 per cent in 2010-11 to 10.1 per cent in 2011-12 (Table 11).
- **Exports and Imports:** Total exports of FTC reporting companies increased from ₹132.2 billion in 2010-11 to ₹156.6 billion in 2011-12 with manufacturing sector constituting the dominant share in exports. Imports of the FTC reporting companies increased marginally to ₹ 442.3 billion over this period with manufacturing sector holding the dominant share of import payments made by the FTC companies (Tables 12 and 13).

**Table 1: Company Group-wise Number of Companies having Foreign Technical Collaboration**

Company Group	Number of Companies	Per cent
Subsidiary	144	59.0
Associate	83	34.0
Others*	17	7.0
<b>Total</b>	<b>244</b>	<b>100</b>

\*: Companies have less than 10 per cent equity participation and / or only outward investment.

**Table 2: Industry-Distribution of Agreements of FTC Companies**

Industry	Eighth Round (2007-08 to 2009-10)		Ninth Round (2010-11 to 2011-12)	
	Number	% of total	Number	% of total
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	<b>2</b>	<b>1.3</b>	<b>1</b>	<b>0.3</b>
<b>B. Mining and quarrying</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>C. Manufacturing</b>	<b>110</b>	<b>68.8</b>	<b>234</b>	<b>70.1</b>
1. Food Products	2	1.3	4	1.2
2. Beverages	0	0.0	3	0.9
3. Textiles	4	2.5	0	0.0
4. Wearing Apparel	0	0.0	2	0.6
5. Leather and Related Products	1	0.6	4	1.2
6. Wood and Products Of Wood and Cork, Except Furniture	1	0.6	0	0.0
7. Printing and Reproduction Of Recorded Media	1	0.6	0	0.0
8. Coke and Refined Petroleum Products	1	0.6	4	1.2
9. Chemicals and Chemical Products	6	3.8	19	5.7
10. Pharmaceuticals, Medicinal Chemical & Botanical Products	7	4.4	5	1.5
11. Rubber and Plastics Products	5	3.1	8	2.4
12. Other Non-Metallic Mineral Products	0	0.0	2	0.6
13. Fabricated Metal Products, Except Machinery & Equipment	1	0.6	7	2.1
14. Computer, Electronic and Optical Products	5	3.1	1	0.3
15. Electrical Equipment	3	1.9	10	3.0
16 Machinery and Equipment N.E.C.	15	9.4	40	12
17. Motor Vehicles, Trailers and Semi-Trailers	2	1.3	42	12.6
18. Other Transport Equipment	1	0.6	10	3.0
19. Other manufacturing	55	34.4	73	21.9
<b>D. Electricity, gas, steam and air conditioning supply</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>0.6</b>
<b>E. Water supply; sewerage, waste management and remediation activities</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>0.6</b>
<b>F. Construction</b>	<b>7</b>	<b>4.4</b>	<b>5</b>	<b>1.5</b>
<b>G. Services</b>	<b>41</b>	<b>25.6</b>	<b>90</b>	<b>26.9</b>
1. Wholesale and retail trade; repair of motor vehicles & motorcycles	1	0.6	6	1.8
2. Accommodation and Food service activities	1	0.6	8	2.4
3. Information and communication	12	7.5	29	8.7
4. Financial and insurance activities	4	2.5	11	3.3
5. Real estate activities	2	1.3	0	0.0
6. Other service activities	21	13.1	36	10.8
<b>Total</b>	<b>160</b>	<b>100</b>	<b>334</b>	<b>100</b>

Note: 1. The sum of the constituent items may not add to the total due to rounding off.  
2. Footnotes given in this table are also applicable to other tables.

**Table 3: Country-wise Distribution of Agreements of FTC Companies**

Country	Eighth Round (2007-08 to 2009-10)		Ninth Round (2010-11 to 2011-12)	
	Number	% of total	Number	% of total
Japan	11	6.9	75	22.5
United States	24	15.0	66	19.8
Germany	20	12.5	41	12.3
United Kingdom	18	11.3	17	5.1
Singapore	9	5.6	17	5.1
Italy	3	1.9	15	4.5
Mauritius	5	3.1	12	3.6
Korea, Republic of	3	1.9	11	3.3
Switzerland	4	2.5	11	3.3
France	9	5.6	9	2.7
Others	54	33.8	60	18.0
<b>Total</b>	<b>160</b>	<b>100.0</b>	<b>334</b>	<b>100.0</b>

**Table 4: Distribution of Agreements According to Type of Assets Transferred of FTC Companies**

Asset transferred	Eighth Round (2007-08 to 2009-10)		Ninth Round (2010-11 to 2011-12)	
	Number	% of total	Number	% of total
Know-how	61	38.1	153	45.8
Trademark/ Brand Name	24	15.0	30	9.0
Patent	5	3.1	5	1.5
Others	70	43.8	146	43.7
<b>Total</b>	<b>160</b>	<b>100</b>	<b>334</b>	<b>100</b>

**Table 5: Distribution of Agreements According to Mode of Payment of FTC Companies**

Mode of Payment	Eighth Round (2007-08 to 2009-10)		Ninth Round (2010-11 to 2011-12)	
	Number	% of total	Number	% of total
Royalty	42	26.3	68	30.4
Lump-sum technical fees	46	28.7	61	27.2
Both Royalty and Lump-sum technical fees	72	45.0	95	42.4
<b>Total</b>	<b>160</b>	<b>100</b>	<b>224*</b>	<b>100</b>

\* Of the 334 agreements, 224 agreements reported along with the specific mode of payment in the present survey.

Table 6: Industry-wise Agreements with Exports Restrictive Clauses of FTC Companies

Industry	Eighth Round (2007-08 to 2009-10)			Ninth Round (2010-11 to 2011-12)		
	Total no of Agreement	Number of Agreements with Export Restrictive Clauses	% of Agreements with Export Restrictive Clauses	Total no of Agreement	Number of Agreements with Export Restrictive Clauses	% of Agreements with Export Restrictive Clauses
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	2	1	50.0	1	0	0.0
<b>B. Mining and quarrying</b>	-	-	-	-	-	-
<b>C. Manufacturing</b>	110	20	18.2	234	84	35.9
1. Food Products	2	0	0	4	3	75.0
2. Beverages	0	0	-	3	2	66.7
3. Textiles	4	1	25.0	0	0	-
4. Wearing Apparel			-	2	0	0
5. Leather and Related Products	1	0	0	4	2	50.0
6. Wood and Products Of Wood and Cork, Except Furniture	1	0	0	0	0	-
7. Printing & Reproduction Of Recorded Media	1	0	0	0	0	-
8. Coke and Refined Petroleum Products	1	0	0	4	0	0
9. Chemicals and Chemical Products	6	0	0	19	4	21.1
10. Pharmaceuticals, Medicinal Chemical and Botanical Products	7	1	14.3	5	2	40.0
11. Rubber and Plastics Products	5	0	0	8	1	12.5
12. Other Non-Metallic Mineral Products	0	0	-	2	0	0.0
13. Fabricated Metal Products, Except Machinery and Equipment	1	0	0	7	2	28.6
14. Computer, Electronic & Optical Products	5	1	20.0	1	0	0
15. Electrical Equipment	3	1	33.3	10	6	60.0
16 Machinery and Equipment N.E.C.	15	6	40.0	40	10	25.0
17. Motor Vehicles, Trailers & Semi Trailers	2	1	50.0	42	31	73.8
18. Other Transport Equipment	1		0.0	10	4	40.0
19. Other manufacturing	55	9	16.4	73	17	23.3
<b>D. Electricity, gas, steam and air conditioning supply</b>	0	0	-	2	0	0.0
<b>E. Water supply; sewerage, waste management &amp; remediation activities</b>	0	0	-	2	0	0.0
<b>F. Construction</b>	7	0	0.0	5	1	20
<b>G. Services</b>	41	5	12.2	90	7	7.8
1. Wholesale and retail trade; repair of motor vehicles and motorcycles	1		0.0	6	1	16.7
2. Accommodation & Food service activities	1		0.0	8	0	0.0
3. Information and communication	12	2	16.7	29	5	17.2
4. Financial and insurance activities	4		0.0	11	0	0.0
5. Real estate activities	2		0.0	0	0	-
6. Other service activities	21	3	14.3	36	1	2.8
<b>Total</b>	<b>160</b>	<b>26</b>	<b>16.3</b>	<b>334</b>	<b>92</b>	<b>27.5</b>

**Table 7: Country-wise Agreements with Export Restrictive Clauses of FTC Companies**

Country	Eighth Round (2007-08 to 2009-10)			Ninth Round (2010-11 to 2011-12)		
	Total no of agreements	No of agreements with export restrictive clauses	% of agreements with export restrictive clauses	Total no of agreements	No of agreements with export restrictive clauses	% of agreements with export restrictive clauses
Japan	11	2	18.2	75	37	49.3
Germany	20	4	20.0	41	13	31.7
United States	24	6	25.0	67	11	16.4
Korea, Republic of	3	1	33.3	11	6	54.5
Italy	3	-	0.0	15	5	33.3
United Kingdom	18	3	16.7	17	5	29.4
France	9	2	22.2	9	3	33.3
Austria	1	-	0.0	6	2	33.3
Switzerland	4	2	50.0	11	2	18.2
Others	67	6	9.0	82	8	9.8
<b>Total</b>	<b>160</b>	<b>26</b>	<b>16.3</b>	<b>334</b>	<b>92</b>	<b>27.5</b>

**Table 8: Industry-wise Agreements with Provision of Exclusive Rights of FTC Companies**

Industry	Eighth Round (2007-08 to 2009-10)		Ninth Round (2010-11 to 2011-12)	
	Number of Agreements with Exclusive Rights	% to Total Number of Agreements	Number of Agreements with Exclusive Rights	% to Total Number of Agreements
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>100.0</b>
<b>B. Mining and quarrying</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>C. Manufacturing</b>	<b>29</b>	<b>26.4</b>	<b>76</b>	<b>32.5</b>
1. Food Product	0	0.0	0	0.0
2. Beverages	0	0.0	2	66.7
3. Textiles	2	50.0	0	0.0
4. Wearing Apparel	0	0.0	1	50.0
5. Leather and Related Products	1	100.0	4	100.0
6. Chemicals and Chemical Products	2	33.3	9	47.4
7. Pharmaceuticals, Medicinal Chemical and Botanical Products	3	42.9	4	80.0
8. Rubber and Plastics Products	1	20.0	1	12.5
9. Other Non-Metallic Mineral Products	0	0.0	1	50.0
10. Fabricated Metal Products, Except Machinery and Equipment	1	100.0	2	28.6
11. Computer, Electronic and Optical Products	1	20.0	0	0.0
12. Electrical Equipment	2	66.7	4	40.0
13. Machinery and Equipment N.E.C.	3	20.0	13	32.5
14. Motor Vehicles, Trailers and Semi-Trailers	1	50.0	13	31.0
15. Other Transport Equipment	0	0.0	2	20.0
16. Other manufacturing	12	20.0	20	24.7
<b>D. Electricity, gas, steam and air conditioning supply</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>E. Water supply; sewerage, waste management and</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>50.0</b>

<b>remediation activities</b>				
<b>F. Construction</b>	<b>2</b>	<b>28.6</b>	<b>1</b>	<b>20.0</b>
<b>G. Services</b>	<b>5</b>	<b>12.2</b>	<b>13</b>	<b>14.4</b>
1. Information and communication	1	8.3	7	24.1
2. Other service activities	4	13.8	6	9.8
<b>Total</b>	<b>36</b>	<b>22.5</b>	<b>92</b>	<b>27.5</b>

**Table 9: Value of Production of FTC Companies**

Year	Value of Production (₹ billion)
2007-08	604.8
2008-09	687.0
2009-10	822.4
2010-11	890.7
2011-12	992.2

**Table 10: Industry-wise Share in Value of Production of FTC Companies**

Industry	(₹ billion)			
	2010-11		2011-12	
	Value of Production	% of Total	Value of Production	% of Total
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	<b>2.1</b>	<b>0.2</b>	<b>3.9</b>	<b>0.4</b>
<b>B. Mining and quarrying</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>C. Manufacturing</b>	<b>531.2</b>	<b>59.6</b>	<b>642.1</b>	<b>64.7</b>
1. Food Products	2.3	0.3	3.2	0.3
2. Beverages	2.2	0.2	2.9	0.3
3. Wearing Apparel	2.0	0.2	2.5	0.3
4. Leather and Related Products	13.6	1.5	16.6	1.7
5. Chemicals and Chemical Products	79.7	8.9	93.4	9.4
6. Pharmaceuticals, Medicinal Chemical & Botanical Products	4.8	0.5	6.2	0.6
7. Rubber and Plastics Products	8.7	1.0	12.3	1.2
8. Other Non-Metallic Mineral Products	11.5	1.3	15.0	1.5
9. Fabricated Metal Products, Except Machinery and Equipment	10.8	1.2	12.0	1.2
10. Electrical Equipment	12.2	1.4	14.2	1.4
11. Machinery and Equipment N.E.C.	116.7	13.1	131.7	13.3
12. Motor Vehicles, Trailers and Semi-Trailers	98.8	11.1	120.0	12.1
13. Other Transport Equipment	26.1	2.9	31.7	3.2
14. Other manufacturing	141.8	15.9	180.4	18.2
<b>D. Electricity, gas, steam and air conditioning supply</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>E. Water supply; sewerage, waste management and remediation activities</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>
<b>F. Construction</b>	<b>5.1</b>	<b>0.6</b>	<b>7.3</b>	<b>0.7</b>
<b>G. Services</b>	<b>352.2</b>	<b>39.5</b>	<b>338.8</b>	<b>34.1</b>
1. Wholesale and retail trade; repair of motor vehicles and motorcycles	47.5	5.3	83.7	8.4
2. Accommodation and Food service activities	1.8	0.2	1.8	0.2
3. Information and communication	69.2	7.8	64.8	6.5
4. Financial and insurance activities	224.1	25.2	174.0	17.5
5. Other service activities	9.6	1.1	14.5	1.5
<b>Total</b>	<b>890.7</b>	<b>100</b>	<b>992.2</b>	<b>100</b>

**Table 11: Profitability Ratio of FTC Companies**

Year	Profitability Ratio (gross profit to the capital – per cent)
2010-11	9.8
2011-12	10.1
Average (Eighth Round) (2007-2010)	11.3
Average (Ninth Round) (2010-2012)	10.0

Table 12: Industry-wise Exports of FTC Companies

(₹ billion)

Industry	2010-11		2011-12	
	Total Exports	% share of Total Exports	Total Exports	% share of Total Exports
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	<b>0.6</b>	<b>0.5</b>	<b>1.1</b>	<b>0.7</b>
<b>B. Mining and quarrying</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>C. Manufacturing</b>	<b>123.3</b>	<b>93.3</b>	<b>143.5</b>	<b>91.6</b>
1. Food Products	2.1	1.6	3.2	2.0
2. Leather and Related Products	0.1	0.1	0.2	0.1
3. Chemicals and Chemical Products	10.7	8.1	11.8	7.5
4. Rubber and Plastics Products	0.1	0.1	0.1	0.1
5. Other Non-Metallic Mineral Products	0.0	0.0	0.1	0.1
6. Basic Metals	0.0	0.0	0.0	0.0
7. Fabricated Metal Products, Except Machinery and Equipment	0.5	0.4	0.7	0.4
8. Electrical Equipment	1.4	1.1	2.7	1.7
9. Machinery and Equipment N.E.C.	12.8	9.7	14.5	9.3
10. Motor Vehicles, Trailers and Semi-Trailers	81.8	61.9	92.2	58.9
11. Other Transport Equipment	0.8	0.6	0.9	0.6
12. Other manufacturing	13.0	9.8	17.1	10.9
<b>D. Electricity, gas, steam and air conditioning supply</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>E. Water supply; sewerage, waste management and remediation activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>F. Construction</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
<b>G. Services</b>	<b>8.1</b>	<b>6.1</b>	<b>11.9</b>	<b>7.6</b>
1. Accommodation and Food service activities	0.7	0.5	0.7	0.4
2. Information and communication	6.0	4.5	5.1	3.3
3. Other service activities	1.4	1.1	6.1	3.9
<b>Total</b>	<b>132.2</b>	<b>100</b>	<b>156.6</b>	<b>100</b>



Table 13: Industry-wise Imports of FTC Companies

(₹ billion)

Industry	2010-11		2011-12	
	Total Imports	% share of Total Imports	Total Imports	% share of Total Imports
<b>A. Agriculture-related, Plantations &amp; Allied activities</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>
<b>B. Mining and quarrying</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>C. Manufacturing</b>	<b>407.9</b>	<b>93.4</b>	<b>414.4</b>	<b>93.7</b>
1. Food Products	0.5	0.1	0.7	0.2
2. Beverages	0.3	0.1	0.3	0.1
3. Wearing Apparel	0.1	0.0	0.0	0.0
4. Leather and Related Products	0.7	0.2	1.2	0.3
5. Coke and Refined Petroleum Products	250.2	57.3	211.6	47.8
6. Chemicals and Chemical Products	11.0	2.5	12.0	2.7
7. Pharmaceuticals, Medicinal Chemical and Botanical Products	2.6	0.6	1.4	0.3
8. Rubber and Plastics Products	2.9	0.7	4.1	0.9
9. Other Non-Metallic Mineral Products	0.2	0.0	0.1	0.0
10. Fabricated Metal Products, Except Machinery and Equipment	1.3	0.3	1.4	0.3
11. Electrical Equipment	1.2	0.3	1.2	0.3
12. Machinery and Equipment N.E.C.	44.4	10.2	54.6	12.3
13. Motor Vehicles, Trailers and Semi-Trailers	54.2	12.4	72.3	16.3
14. Other Transport Equipment	4.9	1.1	6.4	1.4
15. Other manufacturing	33.4	7.6	47.1	10.6
<b>D. Electricity, gas, steam and air conditioning supply</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>E. Water supply; sewerage, waste management and remediation activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>F. Construction</b>	<b>0.3</b>	<b>0.1</b>	<b>0.5</b>	<b>0.1</b>
<b>G. Services</b>	<b>28.5</b>	<b>6.5</b>	<b>27.2</b>	<b>6.1</b>
1. Wholesale and retail trade; repair of motor vehicles and motorcycles	2.9	0.7	4.1	0.9
2. Information and communication	25.1	5.7	22.4	5.1
3. Other service activities	0.5	0.1	0.7	0.2
<b>Total</b>	<b>436.9</b>	<b>100</b>	<b>442.3</b>	<b>100</b>