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India to join 'economic miracle' group

UK-based think tank stated that India is all set to join the 13-member group of 'miracle economies' that have recorded higher growth in a short span of time. In addition to India, Vietnam will also be joining the club of these fast-growing economies, which amongst others include Japan, Singapore and South Korea, the Commission on Growth and Development said. The other members of the miracle economies include Botswana, Brazil, China, Hong Kong (China), Indonesia, Malaysia, Malta, Oman, Taiwan (China) and Thailand. The Commission is sponsored by World Bank and Governments of Australia, the Netherlands and the UK. The report said that Indian growth story has the same characteristics as those of the miracle economies viz. high rates of saving and investment, and credible and capable Governments. The Commission, which is headed by Nobel laureate Michael Spence, has Planning Commission Deputy Chairman, Dr. Montek Singh Ahluwalia, as one of the members. It said India's multi-party democracy has grown remarkably due to a pragmatic and impartial growth strategy and also the role of Government has shifted from dismantling the excesses of the License Raj to putting in more endeavours for improving the public infrastructure. India has been a hub of world-class engineers and scientists for decades and was supplying to global demand for software services. This has helped the country in fulfilling its economic growth need, the think-tank said.

India, second largest newspaper market

According to latest research by the World Association of Newspapers (WAN), growing literacy and new technology have resulted in India emerging as the second largest newspaper market in the world. The new figures show that the four largest markets for newspapers are: China, with 107 million

copies sold daily; India, with 99 million copies daily; Japan, with 68 million copies daily; and the United States, with nearly 51 million. Indian newspaper sales increased 11.2 per cent in 2007 and 35.51 per cent in the five year period. Newspaper advertising revenues in India were up 64.8 per cent over the previous 5 years. Seventy-four of the world's 100 best-selling dailies are published in Asia. India, China and Japan account for 62 of them. The research found that newspapers are facing hard times, but circulations worldwide increased by 2.57 per cent in 2007, taking global daily sales to a new high of over 532 million copies

Government plans to establish tourism clusters around cities

The fun-filled spree at theme park, the rejuvenating experience at wellness centre and the lavish food treats - all under one roof will soon be the reality for metros and major cities. To promote tourism, the Government is considering a proposal to set up tourism clusters around cities, setting up of casinos and allowing construction of hotels in beach areas by relaxation of coastal regulations zone requirements (CRZ). The move is to make Indian destination attractive for in-bound traffic that still constitutes a fraction of global tourist flows. It would also cater to young domestic tourists with high disposable income. The changes are being considered on the basis of the recommendation given by a high-level group on services sector headed by Planning Commission Member Anwarul Hoda. The Ministry of Tourism is expected to convert the suggestions of the group into a policy initiative. It is expected that the new strategy would not only increase the competitiveness of tourist destinations but also generate substantial revenue for the State Governments. As per the proposal, the tourism cluster will be set up within 150 km of a city and will span over an area of

100-500 acres. It will offer a wholesome experience to tourists with facilities like hotels, restaurants, spas and theme and entertainment parks. They will also have attractions like skating rinks, lakes with boating and sailing facilities, golf courses, tennis courts and indoor games. To facilitate their development the Government may consider granting infrastructure status to such clusters. This would enable them to access finances at cheaper rates and import equipment with zero duty.

Indian cities amongst world's top commercial hubs

Indian cities, New Delhi and Bangalore along with Mumbai, find a place of pride in the list of the world's top 75 commercial centres reflecting the growing global economic influence of Asia. According to the 2008 'Mastercard Worldwide Centres of Commerce Index', released in June, 2008 by the world's leading credit card company based in Purchase, New York, Mumbai was ranked 48th, New Delhi 61st position and Bangalore was at the 66th spot. The Index now had rankings up to 75 cities compared to 50 last year, when Mumbai featured at the 45th place. Mumbai and New Delhi did well in terms of 'economic stability. Bangalore ranked high on economic stability. For 'financial flow', Mumbai (7th and Shanghai (9th) reflect the steadily escalating clout of India and China in global financial markets. The MasterCard Index is created from research inputs of eight independent economic, urban development and social-science experts from leading academic and research institutions around the world

Mega hubs to change face of industrial landscape

With a focus on infrastructure, Andhra Pradesh, Gujarat, Karnataka, West Bengal, Orissa and Tamil Nadu are creating investment hubs that have the potential to collectively attract Rs 10 lakh crore (US \$ 232558.- million) in investments and create 4.3 million jobs in the next several years. Each of these investment hubs that span several hundreds of square Kilometres will have urban utilities like housing complexes, cinema halls, schools and hospitals and major industries in oil, chemi-

cals, petrochemicals and several downstream industries in their heart. The investments into external infrastructure like roads, sea ports, airports and rail network would be made by the union government while power to these massive industries would be provided by the State Government. Besides their own investments into utilities like hospitals and schools, the state governments will also strike partnership deals with builders and other private players to set up housing complexes and other facilities. To give a big boost to India's \$ 8.8-billion petrochem industry, the Government also came out with a policy that aims at encouraging local production, consumption and export of petrochemicals and plastics. The Government intends to promote use of plastics in areas like agriculture storage and water conveyance, and facilitate research on waste management technologies. The policy envisages steps to attract more investments in the sector and to enable the country to capture a larger slice of the Asian demand for polymers. To achieve this goal, the Government would strive to provide natural gas - the feedstock - at globally competitive prices, create infrastructure and further rationalise tariffs and taxes. The Government also intends to assist modernising the downstream plastic processing industry to enhance its capacity and competitiveness. By 2011, the per capita consumption of plastic products and synthetic fibre is expected to go up three-fold from the current 4 kg and 1.6 kg, respectively. A petrochemical technology upgradation fund, a plastic development council and a task force on petrochemical feedstock to suggest measures to ensure the availability of petrochemical feedstock at internationally competitive prices are in the making.

Indian KPO to become a US\$ 10 billion industry

According to a report on the "Future Course of KPO Industry", the Indian Knowledge Process Outsourcing (KPO) is estimated to become a US\$ 10 billion industry by 2012, from the current size of US\$ 4 billion. Further, the industry which has been growing at around 15 per cent in the last few years is likely to accelerate with a growth rate of 25-27 per cent, pro-

vided a strong chain of qualified professionals is built, which would open up the field for biotechnology and nanotechnology experts. As per the Assocham estimate, the Indian KPO industry would employ over 1,00,000 people by 2012 as against the current number of 4,000, thereby requiring a vast pool of highly educated professionals across various fields like engineering, medicine, management, accountancy and law.

More relaxed norms for M&As

The Competition Commission of India (CCI), the body that will look at competitive (and anti-competitive) practices, will start work towards the end of 2008. Draft regulations governing what the commission would have to monitor were framed last year but the intrusive nature of these (most M&As would have had to be cleared by CCI) didn't find favour with industry bodies. Under the new norms, a large firm can acquire a smaller company with a turnover up to Rs. 600 crore (US \$ 139.5 million) (or assets of up to Rs. 200 crore) (US \$ 46.51 million) without having to get a clearance from CCI even if the combined turnover of the two companies exceeds Rs.3,000 crore (US \$ 697.67 million)-a previously defined limit for notifying and securing approval from CCI. The new norms also say that in the case of Indian companies with an overseas presence, only those with revenues of at least Rs. 6,000 crore (US \$ 1395.34 million) (Rs.3,000 crore (US \$ 697.67 million) in the earlier rules) need to inform CCI before making an acquisition in India or elsewhere. For conglomerates with a global presence, this limit becomes Rs.24,000.- crore (US \$ 5581.39 million) (Rs.12,000 crore (US \$ 2790.69 million) earlier). However, in both these cases, the companies and conglomerates will have to approach the commission for approval if the combined revenues of the Indian operations of the acquirer and the acquired are at least Rs.1,500 crore (US \$ 348.8 million) with the smaller operation having at least Rs. 600 crore (US \$ 139.5 million) in revenues (if the combined revenue exceeds Rs.1,500 crore (US \$ 348.8 million) but the smaller company has a revenue of only Rs. 400 crore, (US \$ 95.23 million) there is no need for a CCI approval).

India's GDP to grow at 9.5% in FY 09'

The Centre for Monitoring Indian Economy (CMIE) has said in its monthly review that India's real GDP was expected to grow at an impressive 9.5 per cent in FY 09. As per CMIE CapEx Service, projects worth Rs 3.4 lakh-crore (US \$ 790697.6 million) are scheduled for commissioning in FY 09. This would be the highest-ever completion of investments in the Indian history. The capital investment boom in the country drives the current growth phase of the Indian Economy. India's GDP started rising by over eight per cent since FY 04 and, the gross capital formation (GSF) grew in the range of 13-23 per cent during this period. CMIE expects growth in GSF to accelerate to 18.7 per cent in FY 09 from 13.4 per cent in FY 08. This robust growth in GSF is expected to more than offset the moderation in the growth in private final consumption expenditure (PFCE) and Government final consumption expenditure (GFCE). CMIE stated that the PFCE is expected to grow by five per cent in FY 09, after growing by 7-9 per cent in the preceding three years.

100 percent FDI permitted in most sectors under automatic route

Mr. Kamal Nath, Union Minister of Commerce & Industry, has stated that Foreign Direct Investment (FDI) up to 100% was permitted under the automatic route in most of the sectors and added that FDI was a means to supplement domestic investment for achieving a higher level of economic development and providing opportunities for technological up-gradation as well as access to global managerial skills and practices. With forward and backward linkages and access to international quality goods and services, FDI brings in capital and also provides access to modern technology and best practices.

New manufacturing policy by year-end

India is likely to implement a manufacturing policy by the end of this year to counter cheap imports and boost competitiveness of the manufacturing sector, which currently contributes nearly 16 per cent to its GDP. At present, the country

has the National Strategy for Manufacturing, released in March 2006, which reflects the intent of the Government on formulating policies for the manufacturing sector but is not binding on the Ministries. Concerned over the tapering growth in the manufacturing sector in 2007, Prime Minister Manmohan Singh had set up the group this January. The manufacturing sector grew by 8.6 per cent in 2007-08 against 12.5 per cent in 2006-07 due to high interest rates and cheaper imports caused by appreciation in the rupee against the dollar

Export up by 31.5% in April 2008

India's exports during April, 2008 were valued at US \$ 14400 million which was 31.5 per cent higher in dollar terms (24.8 per cent in Rupee terms) than the level of US \$ 10953 million during April, 2007. India's imports during April, 2008 were valued at US \$ 24274 million representing an increase of 36.6 per cent in dollar terms (29.7 per cent in Rupee terms) over the level of imports valued at US \$ 17769 million in April, 2007. Oil imports during April, 2008 were valued at US \$ 8029 million which was 46.2 per cent higher than oil imports valued at US \$ 5493 million in the corresponding period last year. Non-oil imports during April, 2008 were estimated at US \$ 16245 million which was 32.3 per cent higher than non-oil imports of US \$ 12276 million in April, 2007. The trade deficit for April, 2008 was estimated at US \$ 9874 million which was higher than the deficit at US \$ 6817million during April, 2007.

India's steel production to exceed domestic requirements by FY 2012

Steel production is expected to exceed domestic requirement by 2011-12, which will

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