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Growth in exports up in September & October

India's exports grew by 36.3% in September 2011, demonstrating impressive growth despite a slowdown in US and Europe. Exports came in at \$24.8 billion compared to \$18.2 billion for the same months in 2010. Export growth was seen as impressive as they continued to grow despite the global slowdown.

India's exports registered a growth of 10.8% during October 2011, at US \$ 19.9 billion. During April-October 2011 period, the following sectors have done well viz., engineering, (US \$ 51.4 billion) which registered the growth of 89.6 % over the last year; petroleum & oil products, 51% (US \$ 31.9 billion); Cotton 22% (US \$ 3.99 billion) ; electronics, 50% (US \$ 6.4 billion); Readymade garments, 31% (US \$ 7.7 billion).

Commerce Secretary Rahul Khullar has stated that total exports in the current fiscal might reach \$290-300 billion.

FII investment limit in Government securities, bonds hiked

The Finance Ministry decided to increase investment limit of Foreign Institutional Investors (FIIs) in government securities and corporate bonds by US \$5 billion as the current limit for this year has almost been exhausted. Now, an FII can invest up to \$15 billion in government securities, and for the corporate bonds the cap has been enhanced to \$20 billion. The changes will be effective in the next few days after the Securities and Exchange Board of India issues a circular and notifies it. FII investment in India has reached its current limit for both government papers and cor-

porate bonds, reflecting confidence of foreign investors in Indian economy. The changes are likely to enhance capital flows and investments at lower cost. Indian corporates also have enough room to borrow through the External Commercial Borrowing route where the cap is \$30 billion, of which, so far, this year's borrowings have touched US \$21 billion. In September, the Government had relaxed norms for FIIs investment in long-term infrastructure bonds, reducing the residual maturity period to one year for investments of up to US \$5 billion. Though the government had raised investment limit of FIIs in long-term infrastructure bonds from US \$5 billion to US \$25 billion in the 2011-12 Budget, investments under this scheme had a minimum residual maturity of five years and were subject to a minimum lock-in period of three years.

India to become the 3rd largest men's luxury jewellery market in the world

India has overtaken the US to become the third-largest men's luxury jewellery market in the world this year, according to researcher Euromonitor International. The researcher estimated the country's men's jewellery market at \$194.4 million, in sales and it's projected to grow 36.4% next year. Although it's a niche market, it is growing. Nobody can ignore it now," said GR Radhakrishnan, MD of GRT Jewellers, which pegs the share of men's jewellery in its total sales at 20-25%. Research indicates that 15- 20% of all platinum jewellery purchases are made by men. It was around 5-8% three years back, industry body Platinum Guild International said. For top diamond jeweller Gitanjali Group, men account for

almost 42% of its sales. The average purchase value of these consumers has also doubled to US \$ 500.- in two years while spending by women grew 15-20% year-on-year to US \$ 700.- at Gitanjali stores, an official said.

India's Internet users top 100 m in Sept

A survey on Internet usage has found that India's Internet users crossed 100 million in September 2011, a growth of 13 per cent against last year. At this rate of growth, the country was poised to touch 121 million users by December 2011. The survey was conducted by Internet and Mobile Association of India (IAMAI) and IMRB. It looked at users in urban and rural India. The study has found that among the active Internet users in urban India — active implies users who had used the Internet at least once in the last one month — 89 per cent of the 28 million active users in 30 cities used the Internet primarily for e-mail, followed by 71 per cent for social networking and visiting Web sites. The survey also found that the youth was driving the usage of the Internet in the country, with schoolchildren (21 per cent), college students (27 per cent) and young men (27 per cent) in the 21-35 age group accounting for 75 per cent of urban Internet usage. Among India's cities, Mumbai (6.2 million) had the highest number of active Internet users, followed by Delhi/NCR (5 million), Kolkata (2.4 million) and Chennai (2.2 million). IT city Bangalore with 1.7 million had the same number of users as Ahmedabad, while Hyderabad (1.8 million) had marginally higher users.

FII's allowed to invest in debt instruments of non-banking finance firms

Foreign institutional investors (FIIs) can now invest in debt instruments issued by non-banking financial companies categorised as 'Infrastructure Finance Companies' by the Reserve Bank of India, in addition to the debt instruments issued by

infrastructure companies. As per the latest notifications, FIIs would now be allowed to invest in non-convertible debentures or bonds issued by infrastructure NBFCs, The earlier lock-in-period of three years for FII investment in these instruments has been reduced to one year up to an amount of \$5 billion, within the overall limit of \$5 billion. This lock-in-period shall be computed from the time of first purchase by FIIs. In April, the limit for FII investment in NCDs and bonds issued by Indian infrastructure companies was increased from \$5 billion to \$25 billion. This subject to conditions that such instruments would have a residual maturity of five years and above, the investments would have a lock-in-period of three years and 'infrastructure' would be as defined under the extant External Commercial Borrowings policy. The residual maturity of five years and above stipulated would now refer to the original maturity of the instrument at the time of first purchase by an FII, the RBI notice said.

Coca-Cola to invest \$2 billion in 5 years

Coca-Cola and its bottling partners will invest US \$2 billion in India over five years starting 2012, making it the single largest investment of the world's largest soft drinks maker in one phase since it re-entered the country 18 years back. The move, announced here, once again puts the spotlight on how critical growth in emerging markets like India is for multinational firms dealing with slowdown or stagnant sales in the US and European markets. "India has passed a certain threshold for the Coca-Cola system; we see this market as a determining factor in our growth story," said Ahmet C Bozer, Coca-Cola's president, Eurasia and Africa Group, who announced the big-ticket investment. If they continue to do the right things each day, it would not surprise them if India becomes one of the top five markets for the company globally by the end of this decade," he said. Atul Singh, President & CEO, Coca-Cola India and

South West Asia, said the new investments will be infused across infrastructure development, brand building, sustainability programmes, innovation, marketing and distribution.

India to attract \$80 billion FDI over 12-24 months, says a Morgan Stanley survey

Over the next 12-24 months India could attract a massive US \$ 80 billion in foreign

direct investment (FDI), according to a research report by Morgan Stanley. India received US \$ 48-billion FDI in the last two years. The findings show that global companies see real opportunity in India and that their investment appetite is increasing, not-withstanding continuing negative perceptions around infrastructure bottlenecks," said Ridham Desai, head of India Research at Morgan Stanley.

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