



## Policy Developments

☞ The Government of India has approved the proposal for the formation of a not for profit company "Invest India" under section 25 of the Companies Act, 1956, for promotion of Foreign Direct Investment into the country. The proposed company will be a joint venture between the Government of India, Federation of Indian Chambers of Commerce and Industry and the State Government(s). [More](#)

☞ The Telecom Regulatory Authority of India has announced that mobile number portability, a facility that allows customers to switch operators but retain their numbers, will be introduced from December 31, 2009 across the metros and category A circles, such as Tamil Nadu and Karnataka, and the rest of the country from March 31, 2010. [More](#)

## Economic News

☞ According to a report, "India's GHG Emissions Profile: Results of Five Climate Modelling Studies", India's per capita GHG emissions in 2030-31 would be between 2.77 tonnes and 5.00 tonnes of CO<sub>2</sub>e (Carbon Dioxide equivalent). Four of the five studies estimated that even in 2031, India's per capita GHG emissions would stay under 4 tonnes of CO<sub>2</sub>e which is lower than the global per capita emissions of 4.22 tonnes of CO<sub>2</sub>e in 2005. In absolute terms, estimates of India's GHG emissions in 2031 vary from 4.0 billion tonnes to 7.3 billion tonnes of CO<sub>2</sub>e, with four of the five studies estimating that even two decades from now, India's GHG emissions will remain under 6 billion tonnes. [More](#)

☞ India would make available up to US\$ 10 billion to shore up the resources of the International Monetary Fund (IMF). An important outcome of the G-20 London Summit, held on 2nd April 2009, was the agreement that IMF's lendable resources through bilateral financing and the New Arrangements to Borrow (NAB) would be increased by US\$ 500 billion in the near term. The announcement by India is part of this significant endeavor. The amount of US\$ 10 billion is broadly in proportion to India's current quota share at IMF. [More](#)

☞ The wireless subscriber base in India has increased from 441.66 million in July-2009 to 456.74 million at the end of August-09 at a monthly growth rate of 3.42%. Total Broadband subscriber base has increased from 6.80 million in July-09 to 6.98 million in August-09, thereby showing a growth of 2.65 %. The overall Tele-density in India has reached 42.27%. [More](#)

☞ India has outpaced China as the world's fastest growing telecommunications market due to its effective network sharing strategy that has made it possible for telecommunications providers to offer competitively low prices to rural areas, according to Global rating agency, Moody's. The agency said that in the past 18 months, "India's net additions of 10 million subscribers per month have significantly outpaced China's monthly rate of increase, which is now below 8 million a month." [More](#)

☞ According to the Quick Estimates of India's Index of Industrial Production (IIP) for the month of August, 2009 released by the Central Statistical Organization, the Index is 10.4% higher as compared to the level in the month of August 2008. The cumulative growth for the period April-August 2009-10 stands at 5.8% over the corresponding period of the previous year. [More](#)

☞ Asian Development Bank (ADB) has said that the Indian economy is expected to grow by 6 per cent in 2009 on the back of increase in capital inflows, industrial production and business confidence. Further, India will grow at 7 per cent in 2010—also an upward revision from the 6.5 per cent projection of March, 2009, according to its report, Asian Development Outlook, 2009. [More](#)

☞ India's private domestic consumption as share of GDP stood at 57 per cent in 2008, which was the highest among the major economies in the Asia-Pacific region, and one of the key contributors to the economy's current level of growth, as per an analysis by the McKinsey Global Institute. According to the data, the share for China was 37% in 2008. [More](#)

☞ India is the most developed renewable energy market in South Asia with an annual turnover of about \$500 million, though it is just a fraction of the country's

potential, according to the UN's World Economic and Social Survey 2009. [More](#)

☞ India's actual outward FDI during the quarter April-June 2009 stood at US\$ 2.03 billion, which was lower by 39.4 per cent than US\$ 3.34 billion during the corresponding quarter of the previous year. Outflows under equity and loans showed a decline of 38.6 per cent and 42.4 per cent, respectively. [More](#)

☞ FDI equity inflows during April to August, 2009 stood at \$ 14.14 billion, a dip of 3.41% over \$14.64 billion in the same period last year. This was due to lower FDI inflows in April and May of 2009 as compared to the previous year. [More](#)

☞ India's external debt stood at US\$ 227.7 billion at the end of June 2009. The increase in external debt by US\$ 3.7 billion over end-March 2009 level was mainly due to increase in long term external debt, particularly Non-Resident Indian deposits. By way of composition of external debt, the share of commercial borrowings (27.7 per cent) continued to be the highest followed by NRI deposits (19.6 per cent), multilateral debt (18.1 per cent), short-term debt (17.8 per cent) and bilateral debt (9.4 per cent) as at end-June 2009. [More](#)

☞ The Global Competitiveness Report 2009-2010 was released by the World Economic Forum. According to the report, India improved on its position by one rank to the 49th slot. The Global Competitiveness Report's competitiveness ranking is based on a Global Competitiveness Index, developed for the World Economic Forum in 2004. The index is based on 12 parameters and it claims to provide a comprehensive picture of the competitive landscape among countries of the world, despite their different stages of development. [More](#)

☞ According to estimates by the Retailers Association of India (RAI), the apex body of organized, modern retailers, the retail segment in India has grown by 20% in the second quarter of 2009-10. This is a leap from the 5% growth it recorded in the first quarter of 2009-10. [More](#)

☞ Indian companies have announced investments worth Rs 3.28 lakh crore (US\$ 69.1 billion) during the quarter ended September 2009. This is an increase of 89 per cent from Rs 1.74 lakh crore (US\$ 36.6 billion) worth of additions during the April-June 2009 quarter according to data from Centre for Monitoring Indian Economy. [More](#)

☞ Micro, small and medium enterprises (MSMEs) reported an increase in production, demand and overall turnover for the quarter ended September, 2009 according to a survey by Confederation of Indian Industry. A higher proportion of respondents reported an increase in order books over the previous quarter and a lower number of MSMEs registered a decline in turnover. [More](#)

☞ The Indian pharmaceutical market will outshine the global market, growing at a compounded annual rate of 12-15% as against a global average of 4-7% during 2008-2013, according to market research firm IMS. [More](#)

☞ The Government of India has awarded seven port projects worth over Rs 1,800 crore (\$387 million), to be developed through the public-private partnership (PPP) route. Besides this, 19 port projects are expected to be awarded on similar PPP basis by early 2010. These 26 projects together will expand capacity at the major ports in the country by 42 per cent. [More](#)

☞ India's net direct tax collections during first six months of the fiscal year 2009-10 stood at Rs.1,52,625 crore (\$32.81 billion), up from Rs.1,47,197 crore (\$31.65 billion) in the same period last fiscal, registering a growth of 3.69 percent. Growth in Corporate Taxes was 5.55 percent while Personal Income Tax grew at 0.38 percent. [More](#)

## Corporate News

☞ Ford Motor Company has signed an agreement with the Tamil Nadu Government for the \$500 million expansion programme at its manufacturing facility at Maraimalai Nagar; a suburb of Chennai. This would help the company expand its presence in India, paving the way for volume production of the new Ford Figo. [More](#)

☞ General Electric expects to double its overall business revenue from India to \$6 billion in the next three-four years. GE has presence in India in various sectors such as energy, infrastructure, transportation, aviation and enterprise solutions. [More](#)

☞ NTT DoCoMo, the leading telecom provider in Japan, is planning to set up a new global research and development centre in India in association with Tata Teleservices Ltd (TTSL). The R&D centre would primarily look into developing and implementing innovative and customer-friendly value-added services. [More](#)

☞ Tata Power plans to invest Rs 21,600 crore (\$45.54 billion) by 2012 to add an additional capacity of around 5,300 MW by 2012. According to the existing projects, under consideration and implementation, the company will have a generating capacity of 12,000 MW by 2014. [More](#)

☞ Oil and Natural Gas Corporation plans to invest nearly Rs 5,000 crore (\$1.04 billion) in appraisal of its oil and gas fields off the country's east coast, where production is likely to start from mid-2010. [More](#)

☞ Dell's acquisition of US based Perot Systems for \$3.9 billion will give Dell an enlarged footprint in India, as well as give both the companies a chance to diversify. Perot Systems has close to 8,300 employees across six centres in India. Perot Systems is a leader in infrastructure services and outsourcing. [More](#)

☞ General Electric has revealed its plans to set up a wind turbine manufacturing plant in India. The plant will have a capacity to produce 300 turbines (450 MW) annually. With this facility, GE Energy will be able to have a larger sourcing base from India for critical items, including - blades, towers, gearboxes, castings and forgings. [More](#)

☞ Green Infra Ltd (GIL), promoted by IDFC Private Equity has acquired British firm BP Energy's wind power business in India. GIL is planning to create a portfolio of 500 MW generating capacity of renewable energy in three years. [More](#)

☞ EMC Corporation, a leading global player of information infrastructure solutions, will invest an incremental \$1.5 billion in India over the next five years (2010-2014). This represents a threefold increase to the previous investments made by EMC in India over the previous five years. [More](#)

☞ Under the Clinton Climate Initiative (CCI), US based William J Clinton Foundation has signed a Memorandum of Understanding (MoU) with Gujarat Government for setting up solar parks in Gujarat. Each park will serve as a concentrated zone of solar development and will include 3,000 plus megawatts of solar generation as well as manufacturing. [More](#)

☞ Neyveli Lignite Corporation Ltd is planning to invest Rs 10,000 crore (\$2 billion) in setting up power projects. It is also planning to foray into renewable energy, by setting up wind energy farms and solar units. [More](#)

☞ Bharat Heavy Electricals Limited plans to invest Rs 2000 crore (\$416 million) to set up a 250 MW solar photovoltaic production facility for processing silicon wafers, solar cells and photovoltaic modules. The facility will be set up in a joint venture with Bharat Electronics Limited. [More](#)

☞ India's Lupin Ltd has acquired the US rights for Antara (Fenofibrate capsules 43 mg and 130 mg) for \$38.61 million (around Rs 189 crore) from Oscient Pharmaceuticals. Lupin paid the amount for the product and related assets inclusive of inventory. The drug recorded net sales of \$70 million in 2008. [More](#)

☞ Airbus plans to move 20% of its engineering and design activities to countries such as India, by 2012 to bring down the cost of making planes and be able to compete better against its main rival Boeing Co. The engineering centre of Airbus in Bangalore would increase its staff from 120 to 400 by 2012. [More](#)