

## Weekly Economic Bulletin

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**News Feature**

## **India's now third best in Asia**

India's ranking among emerging equity markets has seen a significant improvement over the past month, following the renewed upswing in stock prices since July 21. The country is now the third best performer in Asia and the eighth best in the world, based on the Morgan Stanley Capital International (MSCI) indices, which track 27 emerging markets globally.

A portfolio of Indian shares modelled on the MSCI India index has delivered 20.2% dollar-denominated returns since the beginning of 2006. In rupee terms, the returns are higher at 24.2% due to devaluation of the currency against the dollar.

<http://economictimes.indiatimes.com/articleshow/1953191.cms>

## **Overseas Investment**

### **IBM in 41 Indian cities**

IBM India today kicked off its operations in Kochi, Kerala, expanding its reach to 41 cities in the country.

The development is another step the company has taken towards catering to small and medium enterprises (SME) spread across the country's smaller cities.

"Mid-market companies have distinct needs that are often ignored by most service providers. IBM's technologies and solutions for Indian small and mid-market businesses provide a competitive edge in this era of globalisation," said Lingraju Sawkar, vice-president (small & medium business), IBM India.

[http://www.businessstandard.com/common/storypage\\_c.php?leftnm=10&autono=103347](http://www.businessstandard.com/common/storypage_c.php?leftnm=10&autono=103347)

### **UPL acquires 3 Bayer brands for US\$ 56 million**

United Phosphorus has acquired three crop protection brands from Bayer CorpScience AG for US\$ 56 million.

The company bought two insecticidal products and a herbicide from Bayer to expand its reach, United Phosphorus said in a statement to the National Stock Exchange.

[http://www.businessstandard.com/common/storypage\\_c.php?leftnm=10&autono=103242](http://www.businessstandard.com/common/storypage_c.php?leftnm=10&autono=103242)

### **Metro group eyes US\$ 384.9 million foray**

The US\$ 73 billion German cash-and-carry wholesale format giant Metro group on Tuesday said it would pump US\$ 384.9 million in India and expand its operations to 33 cities in the country.

Metro, which currently has a unit in Bangalore, will be opening stores by this year-end in Hyderabad and by next year in Chennai, Kolkata and Mumbai and will investment € 300 million for this purpose, the group's Asia Pacific president Henry OE Birr said here.

[http://www.financialexpress.com/fe\\_full\\_story.php?content\\_id=138816](http://www.financialexpress.com/fe_full_story.php?content_id=138816)

## **Trade News**

### **'Give increased thrust to export promotion'**

The Kerala Government has to give increased thrust to export promotion to register an export growth at least comparable to the growth percentage of the Southern States.

In a paper presented at a workshop here on 'Evolving an export strategy for Kerala - Role of EPCs', Mr Balagopala B. Pai, President, Indian Chamber of Commerce and Industry, said that the state has to play a constructive role for the sustained growth of the export sector and as such the initiative taken by Kerexil for organising a workshop with the objective of evolving an export strategy for Kerala was commendable.

<http://www.thehindubusinessline.com/2006/09/04/stories/2006090403221500.htm>

## **Sectoral News**

### **Power sector to get a facelift**

Power transmission sector in India is all set for a mega changeover. Privatisation of transmission lines and newly-introduced tariff-based bidding have caught financiers' fancy, as this low-risk business entails lower capital expenditure compared to power generation and ensures a steady revenue stream. Many leading players such as Tata Power, Reliance Energy, KEC International and Kalpataru Power Transmission are betting on new transmission projects, while financial institutions and banks are gung-ho about the sector.

<http://economictimes.indiatimes.com/articleshow/1953063.cms>

### **Hotels tap tourist boom, ARR up 35 per cent**

With India top on agenda of globe-trotting CEOs, managers, deal makers and sundry other tourists, it's the hotels which are seeing an unusually busy rush through the year.

But they aren't complaining. The average room rates (ARR) witnessed almost 35% jump and hotels saw higher than usual room occupancy during April-August, traditionally thought to be the lean season for the hospitality industry.

And the post-August period, the busy season, is likely to be better than any in the past. With tourists pouring in and a growing demand for rooms, ARR up by around 15% in the coming busy season.

<http://economictimes.indiatimes.com/articleshow/1941478.cms>

### **Laptops zoom ahead, Q2 sales grow 113 per cent**

The strong story of notebooks in the Indian PC market continues. The segment has shipped over 2,19,000 notebooks in a single quarter -April-June quarter of '06. This 113 per cent year-on-year growth comes despite a sequential decline in desktop sales during the quarter, according to IDC India in its Quarterly PC Market Tracker, Q2 '06.

“While the AMJ quarter witnessed sluggishness in the desktop PC market with a sequential decline of 5%, notebook PC shipments continued to expand. This arose as notebooks are increasingly being used by the mobile workforce to be productive and

respond in a competitive environment,” said Piyush Pushkal, senior market analyst, PC research, IDC India.

<http://economictimes.indiatimes.com/articleshow/1937615.cms>

### **RBI income up 38 per cent on 44 per cent rise in forex revenues**

RBI's total income has shot up 38 per cent to US\$ 5.6 billion for the year ended June '06 from US\$ 4 billion last year, reports Our Bureau.

The increase has been due to a 44% jump in revenues earned on foreign exchange reserves to Rs 24,538 crore. RBI has utilised the higher income in beefing up its reserves and hiked dividend to the government.

<http://economictimes.indiatimes.com/articleshow/1941646.cms>

## **News Roundup**

### **Early stage funding grows by US\$ 42 million in H1**

The big deals may dominate, but it's the early-stage funding that has quietly grown this year. And, the market is attracting new funds as well. The first six months have seen 48 early-stage deals worth US\$ 238 million, compared to 20 deals worth US\$ 196 million in '05.

While IT and ITES grabbed 66% of these funds, sectors like manufacturing, pharma, financial services, food & beverage, media and healthcare also saw some action for the first time.

<http://economictimes.indiatimes.com/articleshow/1953168.cms>

### **Consumers are on a roll; currency spins 18 per cent y-o-y**

Cash in the economy is growing at a much faster pace than in previous years. However, the unusual aspect is that there's no ostensible reason for the rise. Moreover, the usual triggers like elections, festivals or a bumper harvest are also not working as primary factors.

According to RBI data, total currency in circulation rose to Rs 23,936 crore between April and mid-August '06 as against Rs 15,711 crore in the same period last year. On a year-on-year basis, the growth works out to be Rs 70,239 crore (18.3%), one of the highest in the recent past, as against Rs 47,985 crore (14.3%) a year ago.

<http://economictimes.indiatimes.com/articleshow/1937741.cms>