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CONTENTS

News Feature

Services exports up 2 per cent in October; imports rise 0.3 per cent

India's services exports grew by two per cent year-on-year to $11.46 billion in October, according to the Reserve Bank of India.

The country's total receipts from services exported stood at $11.22 billion in September, RBI data said.

Imports of services rose just 0.3 per cent in October to $6.82 billion, compared to $6.80 billion in September.

Overall, the services sector contributes over 55 per cent of India's GDP.

During the April-October period this fiscal, the country's cumulative exports of services amounted to $79.34 billion.

Imports, meanwhile, stood at $47.55 billion during the first seven months of 2011-12.

RBI has, since this financial year, started releasing provisional aggregate monthly data on India's international trade in services, with a lag of 45 days.

For the first time, the data for April this year was released on June 15.

This provisional data will undergo a revision once the Balance of Payments (BoP) data is compiled on a quarterly basis, which will be released with a lag of a quarter, the apex bank said.

http://economictimes.indiatimes.com/news/economy/foreign-trade/services-exports-up-2-per-cent-in-october-imports-rise-0-3-per-cent/articleshow/11121374.cms

FICCI pegs GDP at 6.6% in FY12; demands immediate policy action

Industry chamber FICCI expects the economic growth rate in the current fiscal to dip to 6.6-6.8 per cent and pitched for immediate policy initiatives by the government to arrest the slowdown.

"The GDP growth in the current fiscal should be 6.6-6.8 per cent, with significant downside risks", FICCI said in its Economy Watch. The GDP growth was 8.5 per cent in 2010-11.

Attributing the decline to various global and domestic factors, especially poor performance of the manufacturing sector, the chamber called for "immediate policy intervention" to deal with the situation.

The government, especially Finance Ministry,

has been holding consultations with the industry on steps to be taken in the next budget to boost growth.

In view of the impact of global crisis on the Indian economy, the government has lowered the growth projection for current fiscal to 7.25-7.75 per cent from about 9 per cent estimated in February.

FICCI further said that economic growth in the current fiscal can slip to 6.5 per cent in case of deceleration in industrial growth to below 3.5 per cent in 2011-12.

The Index of Industrial Production (IIP) during October turned negative recording a decline of 5.1 per cent, the lowest in the last two years.

FICCI further said that 2012-13 was "unlikely to be significantly better with prospects of global economic meltdown looming large."

The chamber expressed hope that the RBI in its policy review would reverse the tight monetary stance which it followed since March 2010 to tame rising inflation.

"With the global commodity prices on a downward trend, reflecting weakening external demand, there is an increasing possibility of reversal of policy stance by the RBI going forward", FICCI said.

As regards the inflation, which has started showing declining trend, it said, "the only point of concern...is weakening rupee that may act as drag on imported inflation. Subsequently, the RBI may continue to smoothen the volatility in the forex market".

http://economictimes.indiatimes.com/news/economy/indicators/FICCI-pegs-gdp-at-6-6-in-fy12demands-immediate-policy-action/articleshow/11121366.cms

Overseas Investment

Finance Ministry approves FDI proposal in broadcast carriage services

Unfazed by the setback to plans for FDI in retail, the government is moving ahead with a proposed hike in the foreign investment cap in different broadcasting services like Direct-to-Home and cable TV networks to a uniform 74 per cent.

The Finance Ministry has given its approval to the draft cabinet note circulated by the Industry Ministry for liberalising the sector, sources said.

Among different segments, 74 per cent

foreign direct investment (FDI) would be allowed in the mobile TV, an area of future growth.

The Department of Industrial Policy and Promotion (DIPP) in the Industry Ministry has suggested that FDI limits in the broadcast carriage services providers, including Head-end in the Sky (HITS) must be uniform. HITS is a satellite multiplex service that provides cable channels for cable television operations.

At present, 49 per cent FDI is allowed in cable TV and DTH, while it is 74 per cent in HITS.

However, for the TV news channels, FM radios and content provides, the FDI limit will stay at 26 per cent, sources said.

"We support DIPP's proposal for allowing 74 per cent foreign direct investment (FDI) in broadcast carriage services and 26 per cent in content services," a senior Finance Ministry official told PTI.

He said uniformity has been proposed keeping in view convergence of technologies in the broadcasting and telecom sectors.

In June last year, Telecom Regulatory Authority of India (Trai) had suggested to raise the FDI for broadcast carriage services like DTH to 74 per cent.

As per an estimate, there are about 106 million households with cable and satellite TVs in India, of which 26 million use DTH and 80 million get feed from the cable network.

http://economictimes.indiatimes.com/news/economy/policy/finance-ministry-approves-fdi-proposal-in-broadcast-carriage-services/articleshow/11153698.cms

Trade News

India, Australia sign pact on revenue claims

India and Australia signed a protocol that would pave the way for more effective exchange of information on tax matters including bank information.

The latest amendments to the double taxation avoidance agreement (DTAA), would facilitate higher degree of mutual cooperation between the two countries.

Both countries have now agreed that they would lend assistance to each other in the collection of revenue claims. The assets or monies kept in one country can be recovered by the other country for the purposes of recovery of taxes by following certain conditions and procedures.

The protocol was signed by Mr S.S. Palanimanickam, Minister of State for Finance, and Mr Bill Shorten, Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation, Government of Australia.

The original India-Australia DTAA was signed way back in 1991. The protocol signed also provides that information received from Australia in respect of a Indian resident can be shared with other law enforcement agencies with authorisation of the competent authority of Australia and vice-versa. The Protocol was finalised in February 2011.

The protocol also provides that nationals of one country shall not be discriminated against the nationals of the other country in the same circumstances in line with international practices. The concept of non-discrimination was not there in the existing treaty.

Also, the threshold limits to avail the exemption for service, exploration and equipment permanent establishments and taxation thereof have been rationalised to encourage cross border movement of capital and services between the two countries.

http://www.thehindubusinessline.com/todays-paper/tp-economy/article2721576.ece

Stronger economic ties with Russia in future: Prime Minister Manmohan Singh

With India and Russia enjoying robust strategic ties in critical sectors of defence, space and nuclear energy, Prime Minister Manmohan Singh said the future relations with its special and privileged partner will be in the economic sphere.

Manmohan Singh, who was returning home after a "very successful" Moscow visit for a summit meeting with Russian President Dmitry Medvedev, told reporters on board his special aircraft that he was very satisfied with the results of the annual bilateral meeting and that the "depth and range" of the relations was growing.

"The depth and range of our relationship with Russia is growing. Our strong strategic partnership in nuclear energy, defence and space will, in future, be buttressed by a stronger economic relationship," he said, reflecting on his 36-hour whirlwind trip during which he also met Russian Prime Minister Vladimir Putin.

Putin mentioned to Manmohan Singh during their meeting that the India-Russia cooperation was in over 400 projects.

The prime minister also noted that he and Medvedev met the CEOs of corporates from both countries and that "there are good prospects in pharmaceuticals, steel, diamonds and hydrocarbons" to boost their bilateral economic partnership.

With Russia formally joining the World Trade Organisation while Manmohan Singh was in Moscow, the two sides have decided that an Indian study group will explore the possibility of a comprehensive economic cooperation agreement (CECA) with a three nation grouping comprising Belarus, Kazakhstan and Russia.

Similar views on increasing the economic cooperation and ramping it up to the level of traditional ties in defence, nuclear energy and space were stressed by Manmohan Singh at the CEOs' meeting, where he also mentioned that the two sides had set a target to raise the trade volume to $20 billion by 2015.

During the daylong bilateral meetings with the two Russian leaders, the prime minister "felicitated and congratulated" them on the successful outcome of the Russian Duma elections Dec 4.

"I have just completed a very successful visit of Russia. I am very satisfied with the results of the annual summit with Russia, which we have just concluded. Our strategic partnership with Russia, which is special and privileged, is steadily forging forward," he added.

Manmohan Singh noted that the leaders of the two nations had met at "a time of turbulence" in the world economy and "uncertainty" in the international order.

"We, therefore, discussed the political and economic situation in Asia and the world. We were both convinced that this complicated situation requires improvement and democratisation of processes of global governance," he said.

President Medvedev during the bilateral meeting, described India as "a strong contender" for a permanent seat on the reformed United Nations Security Council.

http://economictimes.indiatimes.com/news/economy/foreign-trade/stronger-economic-ties-with-russia-in-future-prime-minister-manmohan-singh/articleshow/11147637.cms

India is emerging gas market for Qatar: Doha Bank CEO

India is emerging as one of the largest gas markets for Qatar and offers opportunities for two-way investment partnership, a top Doha Bank official has said.

"Cooperation in Power sector between India and Qatar is under way and New Delhi has evidenced keen interest in importing additional natural gas from Qatar in the

recently concluded World Petroleum Congress," said R Seetharaman, CEO of Doha Bank.

In an interview, he said many Indian enterprises have active developed relationships in Qatar market through partnerships, agencies and have set up their offices - L&T, Tata Projects, Voltas, Dodsal and Punj Llyod to name a few.

India has sought to purchase 3 million tons of liquefied natural gas (LNG) from Qatar in addition to the 7.5 million tons that it already imports from Qatar. India also purchased 4 million tons of oil from Qatar in 2010. An agreement has been signed by the Government of India and the State of Qatar to avoid double taxation and prevent fiscal evasion with respect to income tax.

Exports of Qatar had steadily increased in the last four years reflecting increased demand by Indian economy for Qatar's hydrocarbon. Petronet LNG, which at present imports 7.5mn tons a year of LNG from Qatar under a long-term contract, has sought an additional 2-3mn tons and State gas utility GAIL India wanted 1mn ton for 20-25 years.

The Qatari side highlighted its interest in getting access to the PSU disinvestments via the Anchor investor route. The investment opportunities in the Kayamkulam expansion project of NTPC are being evaluated by the Qatar Investment Authority as also various renewable energy projects in the private sector.

Qatar becoming the host for 2022 World Cup had led to massive investment in infrastructure and Indian companies with a global profile are active in securing lucrative deals in the Engineering, Procurement and Construction management contracts (EPCs).

India offers opportunities for two-way investment. Qatari investment in India is mainly in the infrastructure sector and private Indian companies are looking for investment in Qatar to further intensify cooperation in petrochemicals, fertilizers, power, and banking and finance sector, civil aviation and HRD.

In the Banking Sector SBI has opened its Branch in QFC Qatar. Doha Bank is currently awaiting the license from Reserve Bank of India to start operations, he said.

Qatar accounted for about 31 per cent of total construction projects announced in MENA in 2011. Qatar National railway system; Doha New International Airport, Barzan Gas project, Education City are some of the major projects ready in Qatar up for grabs for major Indian companies.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-is-emerging-gas-market-for-qatar-doha-bank-ceo/articleshow/11150621.cms

India explores ways to smoothen flow of funds from Pakistan

India is devising new norms for screening investments from Pakistan, a move that is likely to give a fillip to flow of funds from across the border without compromising on internal security.

The commerce and industry ministry is coordinating talks with the ministries of finance and home on the proposed mechanism, a senior official in the ministry told.

The norms will be a return gift to Pakistan, which recently agreed to give India the most-favoured nation status.

"When Commerce and Industry Minister Anand Sharma visits Islamabad in February, we want that he should be in a position to announce that Pakistani investments are welcome in the country," the official said. "We need to have all the internal clearances before that."

While talks with the finance ministry are more or less sealed, some issues are being sorted out with the home ministry, the official said. The home ministry is concerned that funds from the neighbouring country could be used to finance terror activities in India.

This fear may hold the government back from putting investments from Pakistan on the automatic approval route. It may instead ask the Foreign Investment Promotion Board to clear investments on a case-bycase basis.

"This will ensure that wherever the government has any doubt about the source or end-use of funds, it could hold its approval and ask for more information. It can allow investments to come in only when it is very sure about its authenticity," the official said, adding that investments from Bangladesh are approved case by case.

Pakistan is hoping that India will warm up to its investments after Islamabad gave its approval for import of larger number of Indian goods beginning next year and decided to grant MFN status to India from December 2012. Pakistan remains the only entry in the negative list under the Foreign Exchange Management Act.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-explores-ways-to-smoothen-flow-of-funds-from-pakistan/articleshow/11161081.cms

National Manufacturing Policy will help intensify US ties: Nirupama Rao

Seeking to forge closer trade and economic ties between India and the US, Indian Ambassador to US Nirupama Rao said the National Manufacturing Policy, which was

recently cleared by the Union Cabinet, would pave the way for intensified commercial ties between the two nations.

"I am sure the scope for intensification our ties is going to be considerable and enormous. Now that the new Manufacturing Policy announced by the government of India, I think there is enormous potential to expand and diversify our export basket to US," Rao told business leaders at FICCI.

Noting that India's exports to US were dominated by commodities, Rao, a former Foreign Secretary, said there was a need to lay more focus on manufacturing exports.

"There is a need to focus on manufacturing exports and we at the Embassy and at the Consulate will be happy to work with our industry to identify specific products which can be exported to the US. In fact, we will be happy to map the US market in terms of the exports that interest you," she said.

Recalling Prime Minister Manmohan Singh's observation that Indo-US ties were a "unique blend of principle and pragmatism," she said the trade and economic cooperation between the two countries was mutually beneficial.

"India's trade and commercial engagement is at levels that have never been high as of today," she said.

http://economictimes.indiatimes.com/news/economy/foreign-trade/national-manufacturing-policy-will-help-intensify-us-ties-nirupama-rao/articleshow/11170254.cms

Sectoral News

FMCG market to cross $80 bn in small towns: Nielsen

With changing lifestyle and increasing consumer demand, the Indian fast moving consumer goods market is expected to cross $80 billion by 2026 in towns with population of up to 10 lakh, according to a study by market research firm Nielsen.

As per the study titled 'Managing the Middle India Gold Rush', the FMCG market in about 400 small Indian towns with populations of 1–10 lakh, is expected to surpass $20 billion by 2018.

"Although big Indian metros remain the staple for FMCG marketers and rural India is proving to be critical for volumes in the long run, the next wave of the Indian urban demand revolution may be found in these 400 small

towns," Nielsen Executive Director Ranjeet Laungani said.

Of the total $28 billion in FMCG sales in 2010, goods worth about $6 billion crore were consumed in these small towns. Since 2002, the FMCG sector grew 3.5 times in these towns of 1-10 lakh population, compared to 3.2 times at the all-India level, the study said.

"The demand revolution has percolated down to Middle India and these towns will behave like the metros of tomorrow... Middle India leads the pack across urban and rural segments," he said. Middle India stands for the 400 small towns.

The study said the 'middle India' consumer is changing and evolving, and is experimenting with categories that were never a part of the household basket and is trying out newer categories.

Some of the categories which have shown huge growth in these areas include health and wellness, personal grooming and home improvement.

"Marketers will need to cultivate their brands with Middle India and build loyalty now while habits are changing, so that they can flourish when spending increases manifold in the coming decade," Laungani said.

The study was conducted across housewives (25-50), youth (M/F; 18-24), and working men (35-50) in 4 centres of Bhatinda (Punjab), Anantapur (Andhra Pradesh), Nanded (Maharashtra), and Jhansi (Uttar Pradesh). Pune (Maharashtra) was selected as a benchmark city to represent a larger mini metro, Nielsen added.

http://businessstandard.com/india/news/fmcg-market-to-cross-80-bn-in-small-towns-nielsen/152930/on

Cabinet clears Food Security Bill; subsidy up by Rs 27,663 cr

Paving the way for subsidised foodgrains to poor, the government cleared the Food Security Bill that seeks to give legal entitlement of cheaper food to over 63 per cent of the population that will cost an additonal subsidy of Rs 27,663 crore.

Under the Bill cleared at a special meeting of the Cabinet, chaired by Prime Minister Manmohan Singh, each person of the priority household, similar to Below Poverty Line families under current Public Distribution System (PDS), would be supplied seven kg of rice, wheat and coarse grains per month at the rate of Rs 3, Rs 2 and Rs 1 per kg respectively.

According to estimates, the implementation of this would result in higher food subsidy by

Rs 27,663 crore taking the overall figure to about Rs 95,000 crore.

The Bill, considered to be the pet project of UPA Chairperson Sonia Gandhi, was announced in the election manifesto of the Congress Party in 2009 general elections.

Since September, 2009 the empowered Group of Ministers, headed by Finance Minister Pranab Mukherjee, has been deliberating on it.

Agriculture Minister Sharad Pawar has been vocal about his criticism of the initiative due to financial burden and also about the avaialbility of foodgrains to meet the requirement under the proposed law.

The government would require 61 million tonnes of foodgrains to provide food security as against 55 million tonnes required now under the PDS.

Food Minister K V Thomas, who has met senior Cabinet Minister (including those from UPA allies) last week to evolve a consensus in view of some differences voiced by Pawar and also Trnamool Congress seeking more time to study the Bill.

Besides cheap foodgrains to the poor, the Bill also seeks to provide minimum three kg of foodgrains per month per person under general household category at rate not exceeding 50 per cent of the Minimum Support Price.

The government has also made a special for pregnant women and lactating mothers, children, destitutes, homeless and people under starvation among others.

http://economictimes.indiatimes.com/news/economy/policy/cabinet-clears-food-security-bill-subsidy-up-by-rs-27663-cr/articleshow/11158080.cms

India to emerge as third largest smart grid market

The IEEE Standards Association (IEEE-SA), the standards development body of the Institute of Electrical and Electronics Engineers, predicts India would emerge as the world's third largest smart grid market after the United States and China.

"We are collaborating with technical experts in India to ensure that specific and unique inputs necessary for the Indian market are incorporated into smart grid standards. We look forward to collaborating with industry leaders, academia and other standards bodies to create more awareness about smart grid and the role of standards through events and workshops," Ms Jennie Steinhagen, Global Strategy Manager of IEEE-SA, SIG, said.

The IEEE-SA set up a Standards Interest Group

(SIG) recently to increase India's participation in the IEEE standards process in key areas such as smart grid.

"Without proper standards, the realization of smart grid would be difficult. IEEE-SA is investing in creating awareness and bringing multiple stakeholders together to transfer best practices and knowledge from Smart Grid markets and perspectives," Mr Srikanth Chandrasekaran, Chairperson of IEEE-SA India SIG, said.

"IEEE-SA has taken a lead role in the identification and development of standards for the smart grid."

The organisation had also been holding smart grid workshops. "We are also participating in large summits and events to increase awareness among key stakeholders and consumers," Mr Chandrasekaran said.

http://www.thehindubusinessline.com/todays-paper/tp-others/tp-states/article2727135.ece

India to launch aggressive 'Incredible India' campaign

Aiming to attract more foreign tourists, the government has firmed up its plan to open about a dozen representative offices abroad as part of an aggressive 'Incredible India' campaign.

"Our aim is to have more than 11 million foreign tourists in the next five years and for this we are finalising plan to launch an aggressive campaign abroad. We will be opening representative offices in about 12 countries soon," Tourism Minister Subodh Kant Sahai said after releasing the 'Incredible India' promotional calendar-2012 here.

Currently India attracts about 5.6 million foreigners in a year and has tourism offices at 14 countries including US, Canada, Germany, Italy, Britain, South Africa and Dubai.

"Basically we will be now promoting India as a 12-month destination. We will also be focussing on new markets like CIS, Middle-east and African countries to increase footfalls here by organising roadshows, language campaign and promotional events," he said.

Admitting visa issues affecting inbound tourists, Sahai said "I am planning to meet External Affairs Minister after the Parliament session to sort out certain visa issues."

In order to add more tourist attractions, the Tourism Ministry has decided to create 35 new tourists destinations.

Besides developing infrastructure at the existing tourist destinations, 35 new tourist circuits will be developed, he said.

The Tourism Ministry has sought Rs 23,000

crore in allocation, four times more than the 11th Five-Year Plan, from the Planning Commission in the 12th Five-Year Plan.

"Tourism is going to generate a lot of job opportunities and the PMO and Planning Commission have taken it into account, he said.

http://economictimes.indiatimes.com/news/economy/policy/india-to-launch-aggressive-incredible-india-campaign/articleshow/11108865.cms

Gem, jewellery exports may see 15% rise to $49.5 bn in FY'12

India's gem and jewellery exports may maintain their 15 per cent growth trajectory to touch USD 49.5 billion in the 2011-12 fiscal, driven by an increase in prices of gold and diamonds, the Gems and Jewellery Export Promotion Council has said.

In the 2010-11 fiscal, these exports stood at USD 43 billion, according to the council.

"The first eight months have been okay for us and I believe the growth momentum will be maintained in the remaining months of the current fiscal," GJEPC Chairman Rajiv Jain told.

During the April-November period this fiscal, gem and jewellery exports grew by 15.5 per cent to USD 29.1 billion in comparison to the same period last year.

India mainly imports gold and rough diamonds in large quantities and re-exports value-added items like jewellery.

Prices of gold, diamonds and coloured stones increased by 12-13 per cent in the first eight months this fiscal, Jain said.

The value of exports has seen an increase despite sluggish demand in Western markets, mainly because of the rise in raw material costs.

Jain noted there is not much growth in demand for jewellery exports, "but exports are growing in terms of value. These export figures are reflective of an increase in gold and diamond prices."

The UAE is the major market for India's gems and jewellery exports, accounting for 43 per cent of overseas shipments, followed by Hong Kong (30 per cent) and the US (17 per cent).

Exporters are trying to tap new markets in countries situated in Latin America and Africa, besides Russia, Jain said.

http://economictimes.indiatimes.com/news/economy/foreign-trade/gem-jewellery-exports-may-see-15-rise-to-49-5-bn-in-fy12/articleshow/11118065.cms

Marine exports rise 23%

Higher export of shrimps due to shortage in other origins helped India perform better

during the first half of the current FY. Weakening of the rupee has helped the Indian seafood exporters to get better realisation for their products. Compared to the same period in previous year, the exports recorded a growth of 0.12% in quantity, 19.91% in rupee earning and 23.01% growth in US dollar earning.

As per the provisional figures provided by the Marine Exports Product Development Authority (MPEDA), the export of marine products from India during April to September 2011 was 3,12,904 tonne in quantity, worth R6,679.57 crore equivalent to US $1,496.34 million. During the last financial year India exported 8,13,091 tonne of marine products, of an aggregate value of R12,901.47 crore ($2,856.92 million). Frozen shrimp accounted for over 44% of the total quantity exported during FY11.

During the first six months of the current FY, frozen shrimp continued to be the major export item accounting for 58.41% of the total US $ earnings.

Shrimp exports during the period increased by 19.34%, 32.90% and 36.74% in quantity, rupee value and US dollar value respectively. There is a remarkable increase in unit value realisation (14.58%) also. India has consolidated its position as a major supplier of frozen shrimp to Japanese market during this period. “Our shrimp exports to US market also showed an increasing trend despite its decision to continue with the antidumping duty imposed on frozen shrimp imports from India. Though there was a shortage in supply from other major producers like Thailand and Vietnam, it is noticed that the buyers and customers seems to have confidence in Indian shrimp supply,” MPEDA sources said.

European Union (EU) continued to be the largest market with a share of 23.82% in US dollar realisation and 22.62% in quantity. US regained the second place with a share of 23.30%, followed by South East Asia 20.12%, Japan 15.60%, China 4.98%, Middle East 3.95% and other countries 8.23%.

“The sales to South East Asia and China expected to recover during the second half of the current financial year ahead of the Chinese New Year that falls on 23 rd January 2012. With the country reporting good farm produce and better landings, it is assumed that the positive trend is expected to continue with the supplies for Christmas and New Year sales already taking place,” sources added.

http://www.financialexpress.com/news/marine-exports-rise-23/887527/0

India crude output to rise by 21%

India's crude oil production is likely to jump by 21 per cent to 45.57 million tonnes in 2013-14

vis-a-vis 2010-11 on the back of output from newer fields like the Rajasthan block of Cairn India, said Oil Minister S Jaipal Reddy.

The nation produced 37.68 million tonnes of crude oil in 2010-11, which is expected to rise to 38.18 million tonnes during the current fiscal, he said in a written reply to a question in the Lok Sabha.

The output is expected to further rise to 42.30 million tonnes in 2012-13 and to 45.57 million tonnes in 2013-14, he said.

India is reliant on imports to meet 79 per cent of its crude oil needs.

The biggest contributor is likely to be Cairn India, whose Rajasthan block is currently producing 125,000 barrels of crude per day, or 6.25 million tonnes a year. The block is projected to produce 240,000 bpd, or 12 million tonnes, by 2013-14.

Reddy said natural gas production will rise by 18 per cent to 61.652 billion cubic metres by 2013-14 from 52.221 bcm in 2010-11.

Gas production is expected to drop to 51.671 bcm this fiscal on account of lower output from Reliance Industries' eastern offshore KG-D6 fields. However, it will recover to 52.276 bcm in 2012-13.

What is more, the country's oil refining capacity is projected to increase to 240.6 million tonnes a year by 2013-14 from 193.386 million tonnes in 2010-11, he said.

The increase in capacity would primarily come from the 15 million tonnes a year refinery Indian Oil Corp (IOC) is building at Paradip, in Orissa, and the soon-to-be- commissioned, 9 million tonnes per annum Bhatinda unit being set up by a joint venture between Hindustan Petroleum (HPCL) and steel baron Lakhsmi Mittal.

http://www.financialexpress.com/news/india-crude-output-to-rise-by-21/888208/0

Domestic IT mkt to grow by 13.4%: report

The Indian IT market is expected o grow at a lower rate of 13.4 per cent to touch a size of about Rs 1,30,376 crore in 2012 compared to that in the last year, says a report by IT consultancy company Coeus Age.

The domestic IT market had grown by approximately 14.5 per cent in 2011 having a size of close to Rs 1,15,000 crore, the report said.

According to the report, the context for IT consumption will remain challenging, given the overall uncertainty in the economic and political situation.

"The business environment is expected to

remain challenging, thus leading to demand uncertainty and high input costs, but the pressure on IT to perform will mount further," Coeus Age Founder and Principal Consultant Kapil Dev Singh said in a statement.

Singh added that this would result in a paradoxical pressure on IT to perform with stretched budgets.

Coeus sees most of the growth to come from consumer segment IT spending followed by government and private businesses.

"Consumer segment IT spending will grow the fastest in 2012 at 16.5 per cent, followed by government sector at 13.9 per cent and Enterprise segment at 12.4 per cent," the statement said.

The report said that there are indications that IT budgets will be pruned in order to compensate for other input costs, which are rising disproportionately with business expansion.

In the enterprise segment, growth in IT spending by 'very large' enterprises will be the highest at 13.8 per cent, whereas in small and medium businesses spending on IT will only manage to notch up 9 per cent, lower than the average enterprise segment growth rate, the report said.

Consumption of IT products and services is expected to grow in energy vertical at 19 per cent, followed by infrastructure and construction at 16.8 per cent, hospitals and healthcare at 16.5 per cent and 15.6 per cent in retail sector during 2012, Coeus report said.

http://www.financialexpress.com/news/domestic-it-mkt-to-grow-by-13.4-report/889648/0

New Civil Aviation policy in five months: official

The government is likely to come up with a new Civil Aviation policy in the next five months aimed at boosting investment and infrastructure for the fast-growing sector over the next ten years, a senior official said.

Also, the Civil Aviation ministry is working on a new economic regulatory mechanism for pricing of air tickets as the industry has been passing through a turbulent phase despite growth in passenger traffic.

"We have started fresh work on the new Civil Aviation policy to meet the challenges of the new decade. It will look into issues of sustainability, viability and human resource of the sector," Civil Aviation Secretary S Nasim Zaidi said while inaugurating a conference "Air Cargo as Engine of Economic Growth" organised by the Associated Chambers of Commerce and Industry of India (Assocham).

The new policy would encourage private sector investments and lay emphasis on setting up an air cargo promotion board, Zaidi said, adding "we have about five months to complete the process".

He also said that the ministry was working on an economic regulatory mechanism for pricing of air tickets as the airlines have been attributing their losses to the pricing of air ticket below their cost price.

"It [pricing of air ticket] is the thrust area. We are also working on an economic mechanism that will look into the issues of legality and others and come up with a report within five months," he said, adding but it will not regulate the airfares or fix the tariff.

http://businessstandard.com/india/news/new-civil-aviation-policy-in-five-months-official/152925/on

News Round-Up

Individual wealth in India to treble by FY16 to Rs 249 trillion: Karvy

The individual wealth of Indians is set to login a compounded annual growth rate of 23 percent over the next four years and touch a staggering Rs 249 trillion, says a report by Karvy Private Wealth.

Noting that the individual wealth in the country has been growing consistently since the past few years, the report says the growth rate will outshine the rest of the world and treble by 2016.

The wealth of Indians has grown from Rs 73 lakh crore (trillion) last year to estimated Rs 86.5 trillion currently.

"Wealth of Indian individuals has grown by over 18 percent compared to a mere 9.7 percent for the global high networth individuals in the last one year," says the report, adding this growth was led by fixed deposits, insurance, equity and alternative assets.

"At a CAGR of 23 percent over the next four years, the combined wealth of individuals in the country will touch Rs 249 trillion by FY2016," Karvy Group chief executive and head of broking, wealth management abs asset management Hrishikesh Parandekar said while releasing the second edition of its India wealth report.

The report says individual wealth will touch Rs 106.87 trillion by FY12, Rs 132 trillion by FY13, Rs 163 trillion by FY14; Rs 201.29 trillion by

FY15 and Rs 248.62 trillion by FY16.

Karvy Private Wealth is the wealth management arm of the financial services firm Karvy Group.

This report is on the combined wealth of all the individuals in the country and not just the richie rich and also does not include government and institutional holdings and assets like gold and real estate.

"We are clearly poised to an inflection point in terms of wealth accumulation. To put it differently, we have added as much wealth in the last five years as we have done in the first 50 years of Independence,"Karvy Private Wealth chief executive Sunil Mishra said.

http://economictimes.indiatimes.com/news/economy/indicators/individual-wealth-in-india-to-treble-by-fy16-to-rs-249-trillion-karvy/articleshow/11109888.cms

Indian employers expect robust hiring in Jan-March 2012: Manpower

Amid the economic gloom at home and abroad, there is some cause for cheer in the New Year.

Indian employers are expected to go in for "vigorous" hiring in the first three months of 2012, says a survey by global workforce solutions company, Manpower.

"Indian employers' outlook is the most optimistic among all the 41 countries surveyed," says the new Manpower Employment Outlook Survey, adding that the optimism is led by the services sector.

With a net employment outlook – an indicator of hiring intentions – of +41 per cent, Indian employers are the most bullish about their recruitment plans for the first three months of 2012. The survey covered 65,000 employers worldwide.

"Notwithstanding the uncertainties in global markets, hiring plans are bouncing back after a slight decline in the final quarter of 2011…The trend is being led by IT, banking and manufacturing companies, especially MNCs and large national firms," said Mr Sanjay Pandit, Managing Director, Manpower India.

Reflecting better labour market conditions, the survey found an improvement in hiring outlook in six out of seven industry sectors in India for the March 2012 quarter, compared with the previous three months.

Services reported the strongest hiring plans at +49 per cent, followed by +47 per cent in the mining and construction sector. Employers in the finance, insurance and real estate sector expect hiring to go up by +44 per cent.

http://www.thehindubusinessline.com/todays-paper/tp-economy/article2712693.ece

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