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News Feature

November industrial output growth seen at 6.6 pc

India's industrial output growth probably slowed to 6.6 percent in November from a year earlier, a median forecast in a Reuters poll showed, as price rises began to bite in Asia's third-largest economy, which is growing at almost 9 percent.

The forecasts, of 28 economists polled, ranged from a growth of 4.1 percent to as much as 10.0 percent.

Official figures had showed annual industrial output growth in October rose a faster-than-expected 10.8 percent from 4.4 percent in the previous month.

The Indian economy has expanded at an annual rate of more than 8 percent in the last three quarters, riding on strong manufacturing that contributes around 80 percent of the industrial output.

Factors to Watch

The HSBC Markit Purchasing Managers' Index, an indicator of manufacturing expansion, slipped to 56.7 in December from 58.4 in the previous month.

Last November's reading was its strongest since May 2010, and the December reading marks the 21st straight month it has been above 50.Any reading above 50 signifies growth.

The manufacturing sector saw slower growth in December with factory output and new orders dawdling, the PMI survey showed.

India's food inflation rose to its highest in over a year at 18.3 percent in the year to Dec. 25, putting the government's ability to control price rises through monetary policy in doubt.

Annual headline inflation rose 7.48 percent in November and officials expect it to accelerate to around 8 percent in December. Inflation data is due on Jan. 14.

The Reserve Bank of India is expected to raise its key rates by 25 basis points when it meets on Jan. 25, in its efforts to squeeze inflation back to its projected level of 5.5 percent by end-March.

The central bank has raised its key rates six times last year and analysts in a Reuters poll forecast rates to rise by another 75 basis points in 2011.

Market Impact

Bond and overnight indexed swaps (OIS) markets have factored in industrial production growth at around 6 to 7 percent.

If the output growth shoots past that level or shows a double-digit growth, the benchmark 10-year 7.80 percent, 2020 bond yield could rise to as much as 8.30 percent, traders said. Swap rates too are expected to rise by around 4-6 basis points (bps) across tenors.

Traders say a weaker-than-expected data will likely ease bond yields and swaps by 3-4 bps.

http://economictimes.indiatimes.com/news/economy/indicators/november-industrial-output-growth-seen-at-66-pc/articleshow/7265646.cms

CMIE scales up India's GDP growth to 9.2%

Even as the government and economists have started doubting the maintainability of the high growth rate in the second half of this fiscal due to the wayward inflation and slowing manufacturing, leading economic research agency CMIE has forecast that the economy will grow by a robust 9.2 per cent.

"The economy is expected to better the H1 growth of 8.9 per cent in H2. We expect a higher 9.7 per cent growth in H2, propelled by the farm sector coupled with the trade, transport, communications and hotel segments of the services sector," Centre for Monitoring Indian Economy (CMIE) has said in its monthly review of the economy for January.

It further said performance of the other segments of the services sector like finance, insurance and realty will also improve on the back of strong credit off-take.

Driven by a robust growth in the first two quarters, the finance ministry had in December revised upward its growth projection for the full fiscal to over 9 per cent, up from 8.5 per cent it had projected in the Budget.

But it seems renewed optimism is losing its sheen as the economy entered the last quarter, primarily because of the wayward ways of food inflation well as the headline inflation, driven by a massive rise in the prices of certain vegetables like onions and tomatoes and the rising crude prices.

After touching an an "unacceptably high" 18.32 per cent for the week ended December 25, food inflation dipped by a tad to 16.91 per cent for the week ended January 1.

But this pushed up headline inflation which broke its downward trend first time in many months to 8.43 per cent in December, up from 7.48 per cent in November, forcing government to press the panic button to batten down price rise.

http://economictimes.indiatimes.com/news/economy/indicators/cmie-scales-up-indias-gdp-growth-to-92/articleshow/7296545.cms

Overseas Investment

Govt clears FDI proposals worth Rs 4,340 cr

The government has cleared 19 foreign direct investment projects worth Rs 4,340 crore, including that of Tata Steel and Future Ventures.

The Foreign Investment Promotion Board (FIPB) headed by Finance Secretary Ashok Chawla, which met on December 31, however deferred decision on 16 FDI proposals, including Reliance Broadcast Network and Essar Capital Holding.

The Board also rejected two proposals, including that of B4U Television Network for induction of foreign equity to carry out business of up-linking a non-news and current affairs TV channel. The FIPB cleared the Tata Steels Rs 1,100 crore proposal for issue of warrants as part of its fund mobilisation plan, a Finance Ministry statement said.

The board that offers a single window clearance for proposals on FDI, also approved Mumbai-based Future Ventures India Ltd request to allot shares worth Rs 300 crore to FIIs and NRIs under portfolio investment scheme. The government has also allowed Karur Vysya Bank to issue partly paid up shares worth Rs 107.5 crore.

Standard Chartered Bank (Mauritius) was also allowed to acquire equity shares worth Rs 4.5 crore of an Indian company which will undertake additional business of operating a stock exchange and specifically trade in currency and interest rate futures.

The board allowed Japan-based Yorozu Corporation to set up a joint-venture company to manufacture different automotive parts. The company will bring in Rs 140 crore worth investment. Chawla headed panel also gave go ahead to Wireless Broadband Business Services (Delhi) to induct foreign equity worth Rs 362.78 crore to carry out internet and broadband services.

EADS Deutschland GmbH and Larsen & Toubro were also allowed to induct foreign equity up to 26 per cent to carry out manufacturing, distribution and marketing of defence related products like electronic warefare and military avionics.

FIPB, however, deferred decision on Reliance Broadcast Network's proposal of induction of overseas investment by FIIs and NRIs by way of fresh allotment of shares by private placement up to the limit of 20 per cent of the total paid up capital of the company. The Anil Ambani-led firm is engaged in FM radio business.

Decision on ABG Shipyard's proposal to enter defence contract was also deferred. Essar Capital Holdings (India) had also sought FIPB's nod for acquisition of equity shares by way subscription to new equity shares and purchase of existing equity shares in an company engaged in telecom sector. The FIPB deferred decision on the proposal.

http://economictimes.indiatimes.com/news/economy/finance/govt-clears-fdi-proposals-worth-rs-4340-cr/articleshow/7275666.cms

UK wants India to open retail, raise FDI limit in defence

Britain wants India to open up retail sector and further liberalise defence and financial services to promote economic growth and deal with the food security problem.

The issues are likely to come up for discussion during the visit of UK's Secretary of State for Business, Innovation and Skills Vince Cable who is arriving in India on January 17 on a three-day visit along with a 50-member business delegation.

"We want to talk to the government about opening up areas of retail, defence where this debate is going on... Defence Minister yesterday made announcements about the private sector's involvement in the defence sector," British High Commissioner to India Richard Stagg told.

At present, the government allows 51 per cent FDI in single brand retail and 100 per cent in the cash-and-carry (wholesale) formats, while FDI in multi-brand retail is prohibited. In defence and insurance sectors, 26 per cent FDI is permitted.

The UK has strong expertise in areas like retail, infrastructure, energy, financial services and defence.

The visit is aimed at further identifying opportunities for British and Indian companies to work together to realise ambitious goals of economic growth in areas like infrastructure development, Stagg said.

Besides, Cable would chair the meeting of the US-India Joint Economic and Trade Committee (Jetco) with Commerce and Industry Minister Anand Sharma.

It was set up in 2005 to tackle trade and investment barriers on both sides and promote business links. The 6th Jetco meeting was held on 4 February last year in London.

Cable would also attend the launch of British India Infrastructure Group which would be co-chaired by Permanent Secretary of the Department for Business, Innovation and Skills Martin Donnelly and Finance Secretary Ashok Chawla.

"There are enormous opportunities available in India's infrastructure sector. British companies have expertise in the sector and can help in the infrastructure development of the country," Stagg said.

The government has planned to invest USD 1 trillion in the infrastructure sector during the XII Five-Year Plan (2012-2017).

Besides, Cable would hold meetings with Road and Transport Minister Kamal Nath and Minister for Corporate Affairs and Minority Affairs Salman Khurshid.

"Cable will also look at corporate governance which is very important particularly at a moment when we move towards more global standardisation... We see more opportunities for both countries to work more closely together in this regard," Stagg said.

During 2009-10, India-UK bilateral trade stood at USD 10.6 billion.

http://economictimes.indiatimes.com/news/economy/foreign-trade/uk-wants-india-to-open-retail-raise-fdi-limit-in-defence/articleshow/7286302.cms

Trade News

India to sign free trade deals with Japan, Malaysia in Feb

India has finalised free trade agreements (FTA) with Japan and Malaysia and will sign the deals in February, the country's minister for commerce and industry, Anand Sharma,said.

Sharma, talking to reporters at a conference in Singapore, said he expected the FTAs will boost trading volumes between India and its partners.

"Much more will come when we sign the final agreements, which will give a further boost (on trade), and also the agreements between India and ASEAN on services which will be completed very soon," Sharma told.

ASEAN is the Association of Southeast Asian Nation , which comprises Indonesia, Malaysia, Singapore, Philippines, Thailand, Brunei Darussalam, Vietnam, Laos, Myanmar and Cambodia.

The FTA deal between India and Malaysia is expected to almost double trade by 2015, while the deal with Japan could boost bilateral commerce tenfold between the two Asian powers.

The deals would allow these countries to reduce dependence on traditional growth engines such as China and the United States.

Trade between India and Japan in 2009 was 940 billion yen ($11 billion), about 4 per cent of Japan's trade with China, Japanese government figures show, and the FTA will eliminate tariffs on 94 per cent of bilateral trade flows in 10 years.

Malaysia is India's 19th largest trade partner, with exports and imports totalling about $8 billion in 2009-2010, while India is Malaysia's 12th largest trading partner.

The United Arab Emirates is India's biggest trade partner, followed by China and the United States.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-sign-free-trade-deals-with-japan-malaysia-in-feb/articleshow/7283261.cms

'India second largest business partner of UAE'

India has become the second largest business partner of the United Arab Emirates after United States , Rashid Al Leem , Director General of the Hamriyah Free Zone Authority (HFZA) in Sharjah , said.

Rashid Al Leem, who is here to promote the free zone by attracting small and medium enterprises, told reporters here that the HFZA wanted to enhance the existing business relationships between India and United States.

The Hamriyah Free Zone now had 4,900 companies from 135 countries of which 1,000 were being run by Indian enterpreneurs. Around 60 percent of the Indian investors in the free zone were from Kerala, he said.

He said the HFZA had interactions last week with the business community in Kerala at Kozhikode and Kochi in co-operation with the Kerala Chamber of Commerce and would also be meeting businessmen.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-second-largest-business-partner-of-uae/articleshow/7269477.cms

India-Colombia trade may cross $1 bn in 2011

Ahead of the Vibrant Gujarat Summit, Indian envoy to Colombia says that India-Colombia Trade in 2011 is likely surpass $1 Billion and that more and more Indian Businessmen are looking towards Colombia for investments, specially after improvement in security situation.

Talking from Bogota, Riewad V Warjri, Indian ambassador to Colombia, said that, "Colombia being rich in oil, coal and minerals can help India meet its ever-growing energy demands and raw material for its industries. Mining Sector in Colombia showing signs of take off, Indian Mining companies and Investors should not miss this flight."

"The Indian embassy, has nominated five companies to participate in the business to business meetings organized by EEPC at the vibrant gujarat summit. "Global Outsourcing Company (BPO & Consultancy company), South to South: Business tourism Company, Asia B Consultancy: Consultancy Company, G&G Structurals: Engineering Goods and C I INDUSTRIAS HUMCAR : Engineering Goods are part of the 10-member business delegation from the LatAm that will be taking part in the summit as well as business meetings in Mumbai," said Warjri.

These companies from Bogota will have discussions for tie-ups in several areas including construction, mining, power sector, agri-products, automobile and pharmaceutical.

To further enhance trade and economic relations with Colombia, in February a delegation of Colombian Handicrafts importers will visit India to participate in India Gift and Handicraft fair organized by Exports Promotion of Handicraft Council.

Responding to a query, the Indian envoy in Bogota said that, "As part of the Indian government's strategy to give incentive to Latin American Importers, and promoting Indian exports, a delegation of fifteen companies from India from Plastics sector to visit Bogota in February end and another delegation of Indian companies led by CAPEXIL will visit in March."

India-Colombia Chamber of Commerce is planning to take a big delegation to India in later part of 2011. Infact, more and more businessmen from India are now traveling to Colombia looking for investments, specially after improvement in security situation, the envoy added.

According to Juan Alfredo Pinto Saavedra, ambassador of Colombia in New Delhi, "The future of bilateral trade and investment between the two countries was very bright.Our goal is to keep a growing rate of 30% or more in total trade. It means: $ 2 bn in 2011; $2.7 bn in 2012; $3.5bn in 2013; and $5 bn between 2014 and 2015."

"In 2009, we registered an extraordinary growth in our commercial relations and achieved a more equilibrated performance in trade. Our exports grew in 2009 to $ 449 million with the principal products of trade being oil, coal, sugar, candies, wood furniture, petrochemicals, home furnishing and emeralds," the diplomat said.

Now, there are 24 Indian companies competing in the Colombian markets making Colombia the second largest partner of India in Latin America after Brazil.

"BPOs, hospitality, hotels, bio-fuels, IT services, petrochemical, minerals are the sectors where there is lot of potential for Indian businessmen to do business in Colombia. We provide them with the best business in the continent and other facilities," said The Colombian envoy said.

http://financialexpress.com/news/indiacolombia-trade-may-cross-1-bn-in-2011/736373/0

India to double construction, mining equipment sales in South East Asia

India's construction and mining equipment exports to Southeast Asian markets is expected to double to 10% in the next three years, a senior CII official said. "Our members are targeting the Indonesian, Myanmar, Vietnamese and the Philippines markets, where India-made construction and mining equipment have been tried and tested," said Anand Sundaresan, vice-chairman for the Chennai zone at CII.

Sundaresan is attending the India Show held in the country during 14-16 January. The India-based manufacturers of the heavy-duty equipment include global brands Caterpillar, Schwing, Universal and Greaves Cotton & Co that have been serving the Indian markets for several decades by producing locally.

But now the time has come for these companies to expand their markets beyond the Indian subcontinent. "A strong foothold has been established with at least a 5% market share gained in the last three years for some of the equipment," he said.Their next phase of expansion would be Australia and New Zealand. "We have started exporting India-made equipments to these markets," said Sundaresan. The Indian equipment are competitively prices, given that their production costs are 30% lower than those made in Europe and the US.

http://financialexpress.com/news/india-to-double-construction-mining-equipment-sales-in-south-east-asia/737967/0

US commerce secretary to lead high-power trade team to India

US Secretary of Commerce Gary Locke will lead a high-power trade delegation to India next month — including top 24 American companies like GE, Boeing and Lockheed Martin — on a mission focusing on export opportunities for America.

"Exports are leading the US economic recovery, spurring future economic growth and creating jobs in America," he said in a statement.

"The business leaders joining me on this mission see a great potential in selling their goods and services to India, helping drive innovation and creating jobs for both the countries," Locke said while announcing the details of the February 6-11 mission.

The delegation, which includes senior officials from the Export-Import Bank (Exim) and the Trade Development Agency (TDA), will make stopovers at New Delhi, Mumbai and Bangalore.

During the visit, Locke would highlight export opportunities for US businesses in the advanced industrial sectors of civil-nuclear trade, defence and security, civil aviation, and information and communication technology.

Locke accompanied President Obama to India in November, where they witnessed more than $10 billion in business deals between US companies and Indian private sector and government entities, supporting 50,000 American jobs.

The India business development mission would help build on the exporting success US companies had in 2010 – up 17 per cent compared to the same period in 2009, the Commerce Department said.

It would be Locke's second trade mission as the Commerce Secretary. In May, he had led a clean energy business development mission to China and Indonesia.

The commerce department said exports represented a critical part of the economy and were a key component of the Obama administration's efforts to spur job creation.

A year ago, President Obama outlined his National Export Initiative (NEI), which seeks to double exports by 2015, in support of several million new US jobs.

" NEI enhances the US government's trade promotion efforts, increases credit to businesses – especially small- and medium-sized ones – looking to export, and continues to improve efforts to remove trade barriers for US companies in foreign markets," it said.

The delegation includes ABSi Corporation, Exelon Nuclear Partners, GE Hitachi Nuclear Energy, Intuit, Kent Displays, Lockheed Martin Corporation and Boeing.

http://www.business-standard.com/india/news/us-commerce-secretary-to-lead-high-power-trade-team-to-india/421926/

Sectoral News

Indian retail sector seen stable in 2011: Fitch

Fitch Ratings expects the 2011 outlook for the Indian retail sector to be stable with a positive bias. Retailers in the country are likely to benefit from buoyant sales, improved working capital management and stable margins. Total debt is expected to increase in most cases to fund growing capex requirements as companies focus on cementing their market share and retail footprint. However, debt levels are likely to be supported by higher operating profits, and consequently leverage levels should remain stable and are likely to improve.

The agency expects liquidity to remain comfortable for 2011 led by efficient working capital management. Improvements are expected from better inventory management and lower lease deposit levels. Cash flow from operations (CFO) of most companies will continue to remain negative, although the cash flow deficit is expected to reduce thereby reducing pressure on liquidity.

Operating margins are likely to remain largely stable with potential small improvements. The margins will depend on each company's choice of product category. This in addition to economies of scale, private label sales mix, and discounts from suppliers will help strengthen margins. The shift towards a revenue-sharing rental model, although expected to cap commitments in the downturn, will require companies to share upside in the upturn.

Most retailers have announced strong capex plans for 2011. The execution risk for larger retailers is likely to be lower as the pace of space expansion in relation to current scale reduces. However, smaller players and newer entrants are likely to be more aggressive.

Fitch estimates strong annual gross domestic product growth of above 8.5% for India over 2010-2012. This has translated into robust consumer expenditure, and consequently strong same-store-sales growth for most large retailers. Fitch expects this trend to continue. However, risks to growth exist from high inflation.

Ratings in the sector would be negatively affected by a sharp economic downturn, which would depress overall consumer spending. Retailers would be affected by a fall in same-store sales as well as margin contraction. The extent of the impact on individual companies will differ based on their capital structure, expansion plans and funding structure.

A positive outlook would be likely in the case of strong sustainable positive CFO and free cash flow. This is likely when inventory levels have been reduced significantly due to improvements in backend operations and logistics. These improvements can be incremental, and hence Fitch expects the outlook to change only in the longer term once such benefits accrue.

http://economictimes.indiatimes.com/news/economy/indicators/indian-retail-sector-seen-stable-in-2011-fitch/articleshow/7267983.cms

Govt to invest Rs 5 lakh cr in Shipping sector by 2020

The government unveiled a new policy for the Shipping sector that entails an investment of Rs 5 lakh crore by 2020 to take the ports capacity to 3,200 MT and bring in major reforms in the space.

"The Maritime Agenda 2020 is a perspective plan that replaces the current National Maritime Development Project . We plan to take our port capacity to 3200 million tonnes (MT) from 617 MT on March 31, 2010," Shipping Minister G K Vasan said launching the policy.

Out of the Rs 5 lakh crore investment proposed in the sector, Rs 3 lakh crore would be in the port sector, while the remaining Rs 2 lakh crore will be infused in the Shipping sector.

Shipping Secretary K Mohandas said major chunk of the investment would come from the private sector and the government investment would be limited.

"Under the plan, we want to increase India's share in global shipbuilding to 5 per cent from the present 1 per cent," Vasan said adding that other initiatives include formulating a new Dredging Policy, promote coastal shipping and increasing the share of Indian ships in country's Exim trade.

Dredging is an excavation activity or operation usually carried out at least partly underwater with the purpose of gathering up bottom sediments and disposing of them at a different location.

Vasan said the present Rs 1.39 lakh crore NMDP plan which was to expire on March 31, 2012 will be replaced with the new agenda and include its remaining projects.

Of the 276 projects identified under the NMDP through public-private-partnership (PPP) mode, the government plans to award 21 projects worth Rs 13,952 crore projects in the current fiscal. Six such projects to augment the capacity of 13 major ports have already been awarded.

Elaborating other initiatives to be taken under the new agenda, Vasan said the Government would set up to more major ports in the coutry -- one each on the East and West coast, in addition to the existing 13 Major ports.

Besides, four major ports-two on the east coast Vizag and Chennai and two on the West coast-Jawaharlal Nehru Port Trust and Cochin port would be converted into major hubs.

India at present has 13 major ports - Mumbai, Jawaharlal Nehru Port Trust, Kolkata (with Haldia), Chennai, Visakhapatanam, Cochin, Paradip, New Mangalore, Marmagao, Ennore, Tuticorin, Kandla and Port Blair under the control of Centre while has about 200 non major ports operated by states and private parties.

http://economictimes.indiatimes.com/news/economy/policy/govt-to-invest-rs-5-lakh-cr-in-shipping-sector-by-2020/articleshow/7276459.cms

Telecom market to cross Rs 5 lakh cr by FY15: BCG

The Boston Consulting Group (BCG) estimates that the Indian telecom sector will grow to Rs 5.21 lakh crore in market size from the current Rs 3 lakh crore by FY15. In its whitepaper titled 'Digital India - The $100 billion prize', BCG highlights how telecom operators can unlock future growth by creating new services that drive traffic and revenues. With this, the sector would also entail a capital investment of about Rs 1,32,000-155,000 crore by FY15, mainly as 2G and 3G capex, backhaul, expanding national coverage and data centres. “To fund the network enhancements, operators will need to find creative ways to collaborate with one another and participate in the government's public- spending programs,” said Arvind Subramanian, partner & director, BCG.

It further said that growth in traditional voice will be limited and that going forward, services will drive traffic growth. With this, while the average revenue per subscriber per month will break down to Rs 0.34, revenue per minute will slump to Rs 0.43. Also, the subscriber growth will increase to about 920 million from 742 million (as of Oct 31, 2010). However, the dual sim phenomenon will also rise from the current 20% of the total subscriber base to 40%. Overall revenue growth for the telecom industry is expected at 12.5% per annum.

Also, by FY15, services will become the entry point for customers. The growth will be uneven, driven by services like managed services enabled by cloud, machine to machine applications and retail data. "These opportunities will be enabled by rollout of 3G and wireless broadband networks, technological development in devices and fall in device prices," said Subramanian. "With the right networks, products and prices in place and with continued widespread penetration of mobile connectivity, operators will need to start offering the right services," he added.

http://www.financialexpress.com/news/telecom-market-to-cross-rs-5-lakh-cr-by-fy15-bcg/736650/0

News Round-Up

Indian economy will grow faster than Chinese in 2012: World Bank

For years, India has been the second-fastest growing major economy in the world. That could soon change, with the Indian economy set to expand at a faster pace than the Chinese economy in 2012, according to World Bank data.

This is expected to result from continued high demand in India even as measures to combat overheating kick in for the Chinese economy.

The multilateral agency`s World Economic Outlook has projected that India will grow at 8.7% in 2012, compared to China`s 8.4%. In 2011, however, China would continue to grow at a faster pace than India.

Although no reasons were mentioned in the report, the slowdown in China could be the result of an increase in interest rates as inflation has emerged a major concern across the border too, economists said. China has seen a rapid turnaround after the financial crisis on the back of fiscal stimulus.

In case of India, the economy has benefited from robust domestic demand and a revival in investor and consumer sentiment although higher interest rates are expected to shave off a few basis points from the overall growth rate. Improved external demand and stronger private capital inflows have also played a role. This year, a favourable monsoon has helped the farm sector expand and has in the process boosted rural demand as well.

Economists, however, played down the numbers. "If you are keeping scores, it`s fine but you must remember China is a $5.5 trillion economy while India is a $1.3 trillion economy. Even with a slower growth rate, incremental demand in China will remain much bigger than in the US," said Saumitra Chaudhuri, a member of the Prime Minister`s Economic Advisory Council and a member of the Planning Commission.

http://economictimes.indiatimes.com/news/economy/indicators/indian-economy-will-grow-faster-than-chinese-in-2012-world-bank/articleshow/7280707.cms

Indians more fin literate than most: Survey

Indians have better financial literacy levels than most others globally and rank second out of 10 leading nations in having a basic financial literacy level, a survey said.

"Indians turn out to be the second out of 10 leading nations in the world to have a basic financial literacy level (55%), just behind the Japanese, an ING Consumer Resourcefulness Survey, said.

A majority of Indian consumers have not only shown better skills in managing their household financial budget but are also confident of facing any financial impediments in future as compared to citizens of nine other countries, the survey said.

The survey was carried out amongst 5,000 consumers across ten major nations, including India, the USA, Mexico, The Netherlands, Romania, Poland, Belgium, Spain, Korea and Japan. The survey shows that a whopping 84% of Indians prefer buying life insurance products as compared to 54% globally. A similar percentage of Indians believe in maintaining a household budget with a focus on savings.

"The survey shows that Indians are better at managing their finances than most of the other countries in the survey, including being better prepared for their various lifestages, especially retirement," ING Life India's chief marketing & strategy officer, Uco Vegter, said.

Indians are much "risk averse" in case of borrowing money, the survey said. "While average Indians manage their finances in a much organised manner, they borrow money in case of needs such as buying a home (50%) and purchase of a car (43%)," the poll said. Most Indian households (87%) have an emergency fund compared to 33% globally.

The survey finds a correlation between a person's financial literacy and his or her emotional well-being. "The more people are financially literate, the more they experience feelings of happiness," the survey said. Overall, the survey revealed that Asians are by far the most financially literate and also eager to learn more. They actively follow their budgets and develop habits of acquiring knowledge before taking financial decisions, the survey said.

http://www.financialexpress.com/news/indians-more-fin-literate-than-most-survey/737587/0

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