सत्यमेव जयते
ITP Division
Ministry of External Affairs
Government of India

Weekly Economic Bulletin

Date – January 15-21, 2013 **Issue No. 508**

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Weekly Economic Bulletin

News Feature

World Economic Forum meeting to begin next week at Davos; nearly 50 heads of state to attend

Indian government and India Inc will be strongly represented at the annual World Economic Forum (WEF) meeting next week at Davos, which would also be attended by nearly 50 government heads including UK's David Cameron, Germany's Angela Merkel and Dmitry Medvedev of Russia.

The Indian delegation, comprising of about 100 business and political leaders, would be headed by Union Minister Kamal Nath, who emerged as one of the key strategists in the passage of contentious retail FDI bill in the Parliament last month.

Nath, Minister for Urban Development and Parliamentary Affairs, being selected as head of Indian delegation which would include his senior colleague Anand Sharma, also reflects his growing clout in the Congress-led UPA government.

The other representatives of Indian government for the WEF meet, from January 22-27 at the Swiss Alpine resort town of Davos, are Heavy Industries and Public Enterprises Minister Praful Patel and Power Minister Jyotiraditya Scindia.

Anand Mahindra, Rahul Bajaj, Azim Premji, Sunil Bharti Mittal and Lakshmi Mittal are among the top Indian business leaders attending the annual congregation of rich and powerful from across the world.

Those invited for the meeting also include billionaire industrialist Mukesh Ambani and top banker Chanda Kochhar, while chiefs of a host of Indian IT giants including TCS, Tech Mahindra, Satyam and HCL group would also be present there.

Announcing the schedule for the meeting, Geneva-based World Economic Forum said that its 43rd Annual Meet, with the theme of 'Resilient Dynamism', would be attended by over 2,500 participants from more than 100 countries, representing business, government, academia and civil society.

http://economictimes.indiatimes.com/news/economy/policy/world-economic-forum-meeting-to-begin-next-week-at-davos-nearly-50-heads-of-state-to-attend/articleshow/18048404.cms

India plans to develop a forecasting model for energy demand and supply

India plans to develop a forecasting model for energy demand and supply that will help in policy decisions. The model, on the lines of UK's Energy Calculator 2050, will be available to industry and researchers.

"The proposal has in-principle approval of the Prime Minister and the task to set up a model is entrusted to Planning Commission," a senior government official said.

Apart from India, China is also in talks with UK's Department of Energy and Climate Change (DECC) to set up a similar model. "This will be the government's own energy model, which will provide energy pathways for four decades. This will provide effective tool for taking energy related policy decisions in an integrated manner," Planning Commission Adviser-Energy Anil K Jain said. The model will be handy to predict demand, supply and pricing more objectively and in a manner, which will help to optimize natural resources, he added.

Planning Commission is creating this energy model because the country has separate ministries and departments for different types of energy such as coal, power, petroleum, nuclear and renewable. It will also guide Indian negotiators in taking stand at international forums, especially on the climate change, he said.

Bangalore-based Center for Study of Science, Technology and Policy (CSTEP) is assisting Planning Commission in setting up the model. CSTEP's Chairman VS Arunachalam says that since GDP growth is dependent on energy supply, it is important to know how much energy India would need and how to meet the demand.

http://articles.economictimes.indiatimes.com/2013-01-15/news/36353133_1_model-india-plans-policy-decisions

December IIP likely to remain in the range of 2-3%: Dun & Bradstreet

The December factory output is likely to remain in the positive territory and in the range of 2-3 per cent but in the months to come it is expected to remain "subdued", global research firm Dun and Bradstreet says.

According to Dun & Bradstreet, the Index of Industrial Production (IIP), which had contracted by 0.1 per cent in November due to poor showing by manufacturing and capital goods sector, is expected to remain in the

positive territory during December 2012 primarily due to the base effect.

"IIP growth is expected to remain in the range of 2-3 per cent during December 2012," the report said.

However, IIP is likely to display volatility in the coming period and is likely to remain subdued during the next five or six months as the industrial activity consolidates, the report added.

"The IIP growth is expected to remain subdued during the next five to six months as the industrial activity consolidates before recovering," Dun & Bradstreet India Senior Economist Arun Singh said.

Singh further added that "we hope that the measures taken by the government and the expected easing of policy rates by the RBI during the fourth quarter of FY13 will support in reviving the business sentiment and the industrial activity in the medium to long term."

On Inflation, the report said prices are likely to ease going ahead as demand continues to moderate and global crude oil prices stabilise. However, upside risks persists in case the government decides to raise the price of regulated fuels.

However, headline inflation is showing signs of moderation, and accordingly the RBI is likely to cut the repo rate in its third quarter policy review in end January 2013, it said.

D&B expects the WPI inflation to remain in the range of 6.8-7 per cent during January 2013.

http://economictimes.indiatimes.com/news/economy/indicators/december-iip-likely-to-remain-in-the-range-of-2-3-dun-bradstreet/articleshow/18061758.cms

Overseas Investment

Forex reserves up at $296.25 bn on January 11: RBI

Foreign exchange reserves were at $296.25 billion as of Jan 11, compared with $294.99 billion in the previous week, the Reserve Bank of India said in its weekly statistical supplement.

Changes in foreign currency assets, expressed in dollar terms, include the effect of appreciation

or depreciation of other currencies held in its reserves, the Reserve Bank of India said.

Foreign exchange reserves include India's Reserve Tranche position in the International Monetary Fund (IMF).

http://economictimes.indiatimes.com/news/economy/finance/forex-reserves-up-at-296-25-bn-on-january-11-rbi/articleshow/18075930.cms

Indian M&A deal tally touches $36.3 bn in 2012: Report

The aggregate value of the merger and acquisition (M&A) transactions involving Indian entities was $ 36.3 billion last year, up 22.6 per cent over the 2011 tally, global deal tracking firm mergermarket said.

In terms of numbers, 2012 saw as many as 268 deals -- up 7.6 per cent from the 249 deals registered during 2011.

Outbound M&As hit $ 11.2 billion last year. In contrast, inbound M&As slowed in 2012 as the aggregate inbound deal value for the year stood at $ 17.4 billion, down 30.1 per cent than the corresponding period a year ago.

A sector-wise analysis shows that energy, mining and utilities commanded 31.9 per cent of the total M&A value in 2012, although the figure comprised mostly the $ 10.3 billion SesaBSE 0.56 % Goa-Sterlite restructuring, which represented 28.3 per cent of all M&A value in 2012.

Industrials & chemicals continued to dominate M&A deal volumes, along with the pharma, medical & biotech and business services sectors.

Last year began on a bullish note, but deal activities fell significantly in the second and part of the third quarter.

According to mergermarket, deal volume in the fourth quarter of 2012 fell 9 per cent, from the third quarter of 2012 to 61 deals. The deal value in Q4 2012 dropped 26.3 per cent, from Q3 2012 to $ 7.1 billion.

However, various reform measures announced by the government in mid-September and easing in liquidity conditions helped boost the deal value as well as volumes, which are expected to see a pick up going forward.

http://economictimes.indiatimes.com/news/economy/finance/indian-ma-deal-tally-touches-36-3-bn-in-2012-report/articleshow/18063105.cms

Sixth edition of consolidated FDI policy by March end

The sixth edition of the consolidated FDI policy will be released by the Department of Industrial Policy and Promotion (DIPP) on March 31 which will incorporate all the changes made in the regulations over the past one year.

"The next edition of the Consolidated FDI Policy Circular ... is scheduled to be issued on March 31, 2013, and will be effective from April 1," the Department of Industrial Policy and Promotion (DIPP) said.

The DIPP is the nodal agency on FDI related matters. With a view to make India's FDI regime simple and easy to understand for investors, the department had compiled all the related policies into a single document.

The DIPP has invited public comments on the document by tomorrow.

Foreign direct investment (FDI) is considered crucial for economic development of a country and India has taken several steps to attract such funds.

The government has allowed FDI in multi-brand retail, power exchanges and hiked FDI cap in single brand retail and broadcasting.

http://economictimes.indiatimes.com/news/economy/policy/sixth-edition-of-consolidated-fdi-policy-by-march-end/articleshow/18100374.cms

FIIs invest over Rs 13,000 cr so far in 2013

FII investment in Indian equities so far this month has touched a staggering over Rs 13,000 crore (about USD 2.5 billion) on the back of postponement of the controversial GAAR (General Anti Avoidance Rules) by two years and partial deregulation in diesel prices.

From January 1-18, foreign institutional investors (FIIs) were gross buyers of shares worth Rs 42,926 crore, while they sold equities amounting to Rs 29,525 crore translating into a net inflow of Rs 13,401 crore (USD 2.5 billion), according to Sebi data.

In 2012, FIIs had made net investment of Rs 1.28 lakh crore (USD 24.4 billion) in Indian equities, making it the second best year for the market after record inflow of Rs 1.33 lakh crore (USD 29 billion) in 2010.

Market analysts attributed huge inflows into Indian equities to steps taken by the government including the postponement of the implementation of the GAAR by two years to April 1, 2016 and partial decontrol in diesel prices.

Another major reason was passage of 'fiscal cliff' bill by the US Senate that delays the automatic spending cuts by two months and proposed raising of taxes on individuals earning more than USD 400,000 a year and households making more than USD 450,000.

However, FIIs have pulled out Rs 563 crore (USD 101 million) in the debt market in 2013. This takes the total investment tally into the stock and bond to Rs 12,838 crore (USD 2.34 billion)

The strong inflow by FIIs have pushed up Sensex by 612 points, or 3.15 per cent, so far in the year to settle at above 20,000 mark.

As on January 18, the number of registered FIIs in the country stood at 1,759 and total number of sub-accounts were 6,315.

http://www.financialexpress.com/news/fiis-invest-over-rs-13000-cr-so-far-in-2013/1062118/0

Hospira among 4 FDI plans approved

The Government said it has approved four FDI proposals totalling Rs 1,287 crore, but it did not take up Swedish furniture major IKEA's proposal for setting up cafeterias in retail outlets as it was withdrawn from the agenda.

"Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on December 31, 2012, the Central Government has approved four proposals of Foreign Direct Investment (FDI) amounting to Rs 1,286.75 crore approximately," the statement said.

The FIPB, headed by Economic Affairs Secretary Arvind Mayaram, gave a green signal to Hospira Healthcare's plan to induct Rs 1,194.75 crore foreign equity to acquire manufacturing facilities in the pharmaceuticals sector.

It also approved Mumbai-based Perrigo API's proposal to induct foreign equity worth Rs 55 crore to carry out manufacturing of pharma inputs and Kolkata-based Pran Beverages proposal to increase foreign equity to the tune of Rs 30.25 crore for manufacturing beverages.

Telecommunications firm InterCall Asia Pacific Holdings was the fourth company to get approval for its proposal worth Rs 6.75 crore to set up a wholly-owned subsidiary.

The board also deferred two proposals including one by Alliance Insurance brokers Ltd and the other by Netherlands-based Aon Holdings BV.

The proposal of Ingka Holding Overseas BV, IKEA's parent company, was withdrawn from the agenda of the board's meeting, the Finance Ministry said in a statement.

IKEA plans to open cafeteria at its proposed retail stores. The FIPB has already permitted Swedish furniture major IKEA to invest Rs 4,200 crore to open single-brand retail business.

http://www.thehindubusinessline.com/industry-and-economy/economy/hospira-among-4-fdi-plans-approved/article4309825.ece

Trade News

India, Vietnam sign MoU to strengthen micro, small & medium enterprises

India and Vietnam signed an MoU aimed at building capacity for developing institutional framework and identifying thrust areas and opportunities for micro, small and medium enterprises in this country.

The MoU was signed between the Ministry of Planning and Investments of Vietnam and Ministry of Micro, Small and Medium Enterprises (MSMEs) of India during the ongoing 4-day state visit of Vice President Hamid Ansari to Vietnam.

The pact was inked by Dao Quang Thu, Vice Minister of Planning and Investment of Vietnam, and Indian Ambassador Ranjit Rae.

"The MoU will focus on building capacity for developing policy and institutional framework through exchange of experts for the development of MSMEs, and conducting industrial surveys and feasibility studies to identify thrust areas and opportunities for development of MSMEs in Vietnam," an official said.

It also envisages promotion of partnership projects and institutional cooperation between the two countries, organising exhibitions and trade fairs for marketing the products of MSMEs, exchange of business missions to initiate transfer of technology and business alliance, and providing training for improvement of managerial and technical skills for MSMEs.

The MoU is part of India's efforts to further strengthen economic ties with Vietnam. The two countries have set a trade and investment target of USD seven billion by 2015. However, Ansari expressed concern that the bilateral trade was not up to the expectations. He pointed out that some problems in this regard had been identified and were being addressed.

A Joint Committee comprising representatives from the Ministry of Planning and Investment (Vietnam) and Ministry of Micro, Small and Medium Enterprises (India) would monitor the implementation of the MoU.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-vietnam-sign-mou-to-strengthen-micro-small-medium-enterprises/articleshow/18030976.cms

100 Australian organisations expected to visit India in March

More than 100 Australian organisations are expected to visit India in March this year to further enhance and develop business links with India.

The latest trade mission is a part of Victorian government initiative, Trade Engagement Program - India (TEPI), specially designed to strengthen trade relations with the subcontinent, according an official statement.

Under the initiative, Victorian businesses exhibit their expertise in the key industry sectors including automotive, aviation and aerospace, cleantech, education, film, financial services, food and beverage, ICT, life sciences, sustainable urban design and tourism.

The programme has been aimed to strengthen industry and government relationships, introduce Victorian companies to India, develop collaboration and partnership projects between Victoria and India, increase Victorian exports into India and increase the flows of investment from India to Victoria, statement said.

The latest trade delegation would be visiting from March 11-15.

In February 2012, the Victorian government led a Super Trade Mission that was said to generate anticipated additional sales of over $355 million over the next two years, it said.

This year's delegations will include sectors of strategic importance to Victoria and India including automotive, aviation and aerospace, biotech, cleantech, education, food and beverage, ICT, infrastructure and tourism.

Trade mission participants will be introduced to potential qualified customers, business partners and investors, and also have the opportunity to showcase their organisational capabilities.

India is currently Australia's fastest growing export market, having grown at an average annual rate of 25 per cent since 2005, the statement added.

http://economictimes.indiatimes.com/news/economy/foreign-trade/100-australian-organisations-expected-to-visit-india-in-march/articleshow/18071292.cms

Sectoral News

IT industry pleased with reported results ahead of estimates

Despite uncertainties across the globe, the IT industry is "very pleased" with the reported results, far ahead of estimates this quarter, and hopes to sustain it in future, NASSCOM President Som Mittal said.

"We are very pleased with the reported results far ahead of estimates this quarter despite uncertainties across the globe and hope to be able to sustain it in future," he told.

He said that though the IT industry would come out with future estimates on the sidelines of the Leadership Forum in February, it has always maintained that the fundamentals of IT companies are strong. "I think that (strong fundamentals) is what has been reflected in this (quarterly) results," he said.

Asked if it was too early to talk about a turnaround with major IT companies reporting results far ahead of estimates, he said what the industry was seeing was the result of changes made in last three years.

"Focus on customers, verticalisation of offerings and diversifying IT territories... all of these are resulting in businesses coming up strongly," Mittal said.

IT industry also needs enablers like having certainty over taxation and litigations coming down to make things better, he added.

"While we look at medium to long term,I don't think the industry demands constraint. We have to change business models to get to new territories and customers. But at the same time as a country we need to ensure that the business environment is healthy for us to make things better," he said.

Asked about the IT industry's "wishlist" to the finance minister ahead of this year's budget, he hoped the centre would soon announce recommendations of N Rangachary Committee, which recommended a liberal tax regime for the IT sector to set aside uncertainties. "We will then have global companies coming and setting up their development centres here," Mittal added.

He hoped the Centre would focus more on promoting entrepreneurship, R&D and innovation. "We are not looking for any sops. Nothing that impacts country's exchequer. We want clarifications of these issues so that we are back on track," he said

http://www.financialexpress.com/news/it-industry-pleased-with-reported-results-ahead-of-estimates/1060881/0

Tea production up 13% to 114.03 million kg in Nov

Higher tea production in Assam and West Bengal, major growing areas, helped the country's output of the brew rise by 13 per cent to 114.03 million kg in November 2012, latest Tea Board data said.

The country had produced 101.01 million kg in the same month in 2011.

Tea production in Assam rose by 25 per cent to 60.41 million kg in November 2012 from 48.30 in the year-ago period, while, the production in West Bengal was up by 8 per cent to 30.02 million kg from 27.77 million kg during the same period.

Assam and West Bengal, together account for more than 50 per cent of total tea produced in the country.

The output of the brew in North India rose by 17 per cent to 92.44 million kg in November last year from 79.02 million kg in November 2011.

However, tea production in South India fell in the review period. The region produced 21.59 million kg of the brew in November 2012 against 21.99 kg in the year-ago period.

In the first eight months of this fiscal, production of the brew was up marginally to 934.02 million kg from 924.89 million kg in April-November of 2011-12 fiscal.

India is the world's second-largest producer and the biggest consumer of tea.

http://www.financialexpress.com/news/tea-production-up-13-to-114.03-million-kg-in-nov/1061307

Natural rubber use up 3% in Apr—Dec; output rises by 2%

Natural rubber consumption in the country rose by 3 per cent to 7.42 lakh tonnes in the first three quarter of this fiscal.

Its production also increased by about 2 per cent to 6.93 lakh tonnes during the same period, Rubber Board data said.

India consumed 7.19 lakh tonnes tonnes of natural rubber and produced 6.82 lakh tonnes in April—December of 2011—12 financial year.

Import of natural rubber rose 23 per cent to 1.69 lakh tonnes in April—December of 2012—13 fiscal from 1.37 lakh tonnes in the year—ago period, while the exports declined by 53 per cent to 10,608 tonnes from 22,763 tonnes during the same period.

In December last year, the production of natural rubber increased marginally to 1.10 lakh tonnes from 1.07 lakh tonnes in the same month in 2011, while, its consumption declined to 78,000 tonnes from 84,795 tonnes during the corresponding period.

http://www.thehindubusinessline.com/industry-and-economy/agri-biz/natural-rubber-use-up-3-in-aprdec-output-rises-by-2/article4312548.ece

Steel consumption grew by 3.9% to 55MT during Apr-Dec

The country's steel consumption grew by only 3.9 per cent in the first nine months of the current fiscal to 54.8 million tonnes (MT) due to subdued demand from the end-users such as construction and automobiles.

Finished steel consumption, a key pointer to the health of any country's economy, stood at 52.7 MT in April-December period of the last fiscal, a Steel Ministry data showed.

"The poor growth of steel consumption is because of the subdued demand from the end-users and if we go by projections by various sectors, it is not going to dramatically go up in the remaining period of the current fiscal," a steel industry official said.

However, he added that steel consumption generally gains momentum following the festival season in October and reaches its peak during the January-March quarter when construction activity gains pace and sales of consumer durables pick up.

Earlier this month, auto industry body SIAM had revised car sales projection for the fourth time in the current fiscal to 0-1 per cent, down from the first ambitious estimation of up to 12 per cent.

Construction and infrastructure sectors, which consume most of the steel in India, have also a poor run so far in the current fiscal, but a possible rate cut by the apex bank in the ensuing policy review may revive the sectors.

India's steel consumption grew by nearly seven per cent in 2011-12 to 73.42 MT from 68.62 MT in the previous fiscal.

The Ministry data also reveal that production of finished steel during the April-December period of the current fiscal grew by 3.3 per cent to 56.5 million tonnes (MT) from 54.7 MT a year ago.

Exports grew by 22.1 per cent to 3.7 MT from 3.04 MT a year earlier.

Imports also increased by 15.5 per cent to 5.76 MT from 4.98 MT during the April-December period of the last fiscal, the data showed.

India had consumed 70.92 MT finished steel during the entire 2011-12 fiscal. It had produced 73.42 MT, imported 6.83 MT and exported 4.04 MT during the year.

http://www.thehindubusinessline.com/industry-and-economy/steel-consumption-grew-by-39-to-55mt-during-aprdec/article4312475.ece

India set to emerge favoured destination for global defence sector players: Study

India is poised to become a favourite destination for global defence sector players with the total offset opportunity for the commercial segment in the country set to cross the $10-billion mark in 2013. With the Government expected to raise the foreign investment limit in the defence sector to 49 per cent from 26 per cent this year, the country is likely to witness a rush of investments, according to a recent study by Deloitte.

According to the Deloitte Aerospace and Defence Outlook 2013, while the global defence industry is expected to shrink, growth in the Indian defence sector is on the surge. "India continues to be one of the promising aerospace and defence (A&D) markets due to the increasing demand for A&D equipment from the armed forces," the Deloitte report says.

The report entails that milestones in certain deals are expected to be achieved in 2013, such as submarines, missiles, and the Indian Air Force Medium Multi-Role Combat Aircraft (MMRCA) and new joint ventures are likely to be signed between Indian private and overseas companies.

Nidhi Goyal, Director, Deloitte Touche Tohmatsu India Pvt Ltd added, "The global defence industry can take advantage of the promising Indian aerospace and defence market owing to the increasing demand for A&D equipment from the armed forces."

The Government will focus on indigenisation with the increasing presence of Indian companies and giving cost advantages relating to basic design and engineering services, components, and assemblies manufacturing. Indian companies will also succeed with the help of foreign companies which creates a benefit for both. Once indigenous manufacturing takes root, research and development for the indigenous military industry and civil aircraft is likely to be the other focus area of the Indian Government, the report added.

Goyal further remarked, "Due to the huge offset requirement and the Indian Government's objective of building up an indigenous manufacturing base, the global industry has the opportunity to integrate with the Indian industry to set up their manufacturing lines in India, which could be achieved either through joint ventures or collaborations."

Offset contracts valued at more than $4.5 to $5 billion have been signed by Indian companies with foreign companies since the offset policy came into effect in 2005. However, with the new offset guidelines of 2012 and the assumption of a formal civil offset policy, the total offset opportunity for the commercial segment is valued at $10-15 billion.

http://www.thehindubusinessline.com/industry-and-economy/india-set-to-emerge-favoured-destination-for-global-defence-sector-players-study/article4312437.ece

News Round-Up

Indian economy sees encouraging turnaround signs: OECD

Indian and Chinese economies are seeing encouraging signs of turnaround, while the situation is improving in most of the developed world, Paris-based think tank OECD said.

The latest assessment from the Organisation for Economic Cooperation and Development (OECD) comes at a time when there are indications of slowing growth in India and China - two of the world' fastest growing economies.

OECD's Composite Leading Indicator (CLI) -- that indicates turning points in an economy -- inched up to 97.9 in November compared to 97.8 in October.

"In the United States and the United Kingdom, the CLI continues to point to economic growth firming. In China and India, signs of a turning point are more marked than in last month's assessment," OECD, a grouping of mostly rich countries, said in a statement.

China saw its CLI rise to 99.7 in November as against 99.5 in October.

CLIs for Italy, Germany, France and the Euro Area as a whole, reflected stabilisation in growth prospects.

"Likewise, in Brazil and Japan, tentative signs of stabilising growth are emerging," it added.

In the first half of this FY13 (April 2012-March 2013) the GDP growth was just 5.4 per cent, and government expects an expansion of under 5.7 per cent for the whole fiscal.

To bolster growth, Indian government has in recent times embarked on reforms path, such as allowing foreign direct investment in multi-brand retail.

Among others, fiscal deficit is a major concern for the Indian economy. In October, Finance Minister P Chidambaram had suggested a fiscal deficit of 5.3 per cent of GDP in 2012-13 was "doable", followed by 4.8 per cent in 2013-14 and further gradual reductions to 3 per cent by 2016-17.

http://www.financialexpress.com/news/indian-economy-sees-encouraging-turnaround-signs-oecd/1059207/0

India to be among 3 largest economies by 2050: PwC

Emerging economies are set to grow faster than the developed economies over the next four decades and India is likely to become one of the three largest economies by 2050, says a PwC report.

According to the report 'World in 2050 The BRICs and Beyond: Prospects, challenges and opportunities', the global financial crisis has accelerated the shift of the economic centre of gravity and China is expected to surpass the US to become the largest economy in the world by 2050.

By the year 2050, China, the US and India are likely to be the three largest economies in that order, while Brazil could overtake Japan to be the fourth largest economy.

Turkey could emerge as one of the largest European economies, while Indonesia, Nigeria and Vietnam could climb the ladder strongly, the report said.

According to the report, in purchasing power parity (PPP) terms, the E7 could overtake the G7 before 2020; and by 2050 China, the US and India could be by far the largest economies – with a big gap to Brazil in fourth place, ahead of Japan.

And by the same time, Russia, Mexico and Indonesia could be bigger than Germany or the UK; Turkey could overtake Italy; and Nigeria could rise up the league table, as could Vietnam and South Africa in the longer term.

"The global financial crisis has hit the G7 much harder than the E7 in the short term. And it has also caused downward revisions in the estimates of longer term trend growth in the G7 - particularly those economies in Europe and the US that had previously relied on excessive public and private borrowing to drive growth," PwC Chief Economist and co-author of the report John Hawksworth said.

http://www.financialexpress.com/news/india-to-be-among-3-largest-economies-by-2050-pwc/1060223/0

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