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News Feature

India set to grow at 8.2 percent: IMF

Keeping its predictions for India's growth unchanged at 8.2 percent this year and 7.8 percent in 2012, the International Monetary Fund (IMF) says global activity is slowing down temporarily and downside risks have increased again.

Noting that global expansion remains unbalanced, the IMF says in its June update of the World Economic Outlook (WEO) that while growth in most emerging and developing economies continued to be strong, growth in many advanced economies was still weak, considering the depth of the recession.

In addition, the mild slowdown observed in the second quarter of 2011 was not reassuring.

Overall, the global economy expanded at an annualised rate of 4.3 percent in the first quarter, and forecast for 2011-12 was broadly unchanged, with offsetting changes across various economies, WEO said.

However, greater-than-anticipated weakness in US activity and renewed financial volatility from concerns about the depth of fiscal challenges in the euro area periphery pose greater downside risks, it said.

Risks also draw from persistent fiscal and financial sector imbalances in many advanced economies, while signs of overheating were becoming increasingly apparent in many emerging and developing economies, the IMF said.

Strong adjustments - credible and balanced fiscal consolidation and financial sector repair and reform in many advanced economies, and prompter macroeconomic policy tightening and demand rebalancing in many emerging and developing economies - were critical for securing growth and job creation over the medium term, the WEO said.

Despite some negative surprises, global growth attained an annualized rate of 4.3 percent in the first quarter of 2011, broadly as expected in the April 2011 WEO, it said.

Growth in emerging and developing economies evolved as expected, but with considerable variation across regions. Global employment continued to pick up, including in many advanced economies, the IMF said.

http://economictimes.indiatimes.com/news/economy/indicators/india-set-to-grow-at-82-percent-imf/articleshow/8891622.cms

India Inc continues good show, Q1 advance tax payment up 15%

Indian companies paid about 15% higher advance tax in April-June compared to a year ago, belying apprehensions of a slowdown

and indicating better corporate earnings ahead. Companies across sectors - manufacturing, FMCG, banking and finance - have paid higher advance tax in the first installment.

"This is the first quarter, so considering that it (advance tax collection) is quite satisfactory... growth is likely be more in the second, third and fourth quarters," PP Srivastava, chief commissioner of income tax, Mumbai, said. Advance tax, which is based on taxpayers' projected earnings for the year, is paid in installments in June, September, December and March.

Companies are expected to pay 15% of their estimated annual tax in the first installment. The healthy growth in tax mopup comes after data last week showed industrial production had fallen to a seven-month low in April to 6.3%, hurt by rate increases. The numbers will not only allay fears of a slowdown but also help the Centre meet any additional expenses.

The government, which is banking on better tax revenues to meet any rise in expenditure due to higher subsidy outgo, has budgeted Rs 5.33 lakh crore from direct taxes in the current fiscal. Direct tax collections will need to grow by 19% for the government to meet its budget estimates. The finance ministry has been worried over impact of any moderation in growth on collections.

"I would like to sound a note of caution in respect of targets for direct tax that has been set for this year at Rs 5.32 lakh crore," finance secretary Sunil Mitra had said at a tax conference last month. Mitra had also said that the Central Board of Direct Taxes would need to moderate refunds. Reliance Industries, Bajaj Auto, L&T, Hindalco, Tata Chemicals, Tata Steel , TCS paid higher advance tax.

Among banks, State Bank of India , HSBC, HDFC Bank, Bank of Baroda , Dena Bank , ICICI Bank reported higher tax outgo, according to an IT official. Among oil marketing firms, BPCL paid an advance tax of Rs 77 crore, against Rs 126 crore in the year-ago period. HPCL paid Rs 62 crore, as against Rs 61 crore last year.

http://economictimes.indiatimes.com/news/economy/indicators/india-inc-continues-good-show-q1-advance-tax-payment-up-15/articleshow/8869158.cms

Overseas Investment

FDI up by 43% in April to $3.12 billion, $ 2.17 billion FDI recieved in April

Following three months of consecutive decline, foreign direct investment (FDI) flows into India grew by about 43 per cent to $ 3.12 billion in April, 2011.

The country received $ 2.17 billion worth of FDI in April, 2010.

"The figure is showing a recovery in the global markets, especially in European economies," an official said.

Mauritius, Singapore, the US, UK, Netherlands, Japan, Germany and the UAE are the major investors in India.

In April, the maximum investment came from Singapore ($ 1.17 billion), followed by Mauritius ($ 976 million), Japan ($ 235 million), France ($ 220) and Cyprus ($ 170 million).

During the month, the sectors that attracted the maximum FDI during the period include services ($ 658 million), construction activities ($ 311 million), power ($ 256 million), computers and hardware ($ 96 million), telecommunications ($ 46 million) and housing and real estate ($ 38 million).

In January, February and March, 2011, foreign investment inflows dipped by 48 per cent ($ 1.2 billion), 30 per cent ($ 1.04 billion) and 11 per cent ($ 1 billion), respectively, vis-a-vis the corresponding periods in the previous year.

http://economictimes.indiatimes.com/news/economy/finance/fdi-up-by-43-in-april-to-312-billion-217-billion-fdi-recieved-in-april/articleshow/8923914.cms

FDI in retail: States to have final say

In what could be a dampener for the global retail chains, the Centre is considering allowing 51% FDI in the politically-sensitive states would be a must to open stores, sources said. "The states' permission would be required, since the trade is a state subject," an official said. The development could be a big dampener for the global chains like Wal-Mart, Metro and Carrefour, which have been waiting since long for India to open foreign direct investment (FDI) in the multi-brand retail sector, industry sources said.

They said even if the Centre were to throw open the sector to overseas investment, several states, particularly those ruled by the BJP, might not allow entry of these chains, thus impacting their front-end plans. Committee of Secretaries (CoS), headed by Cabinet Secretary Ajit Kumar Seth, which met on June 15, has discussed the issue of allowing FDI into the politically-sensitive sector. "All the secretaries were of the consensus to open the sector for foreign investors. However, before sending a final Cabinet note, the CoS will meet again soon to finalise the modalities," the official said.

The Department of Industrial Policy and Promotion (DIPP), which is piloting the issue, is happy with the support it received from the Inter-Ministerial Group (IMG) on inflation, headed by Chief Economic Advisor in the Finance Ministry, Kaushik Basu. The group has strongly advocated opening the sector to foreign investment, as it feels the layers between the farm gate and the consumers need to be cut through a strong supply chain and backend logistics. DIPP had proposed other riders as well. These included a minimum FDI of $100 million (about .Rs 450-

460 crore), half of which must be invested in the back-end infrastructure like cold storage, soil testing labs and seed farming.

At present, India allows FDI only in single-brand retail chains like Nike, Louis Vuitton with a cap of 51%. It also permits 100% overseas investment in wholesale cashand-carry format. Several of the big chains like Wal-Mart and Carrefour have set up their joint ventures in India, waiting in the wings for their fullscale entry into multi-brand retailing.

A discussion paper on opening of the sector has been in the public domain since July 2010. Among others, states were also consulted by a committee which evaluated the feedback on the initial proposal. India's total retail sector is estimated at $590 billion, with unorganised sector accounting for $496 billion, according to an Icrier report. The government's policy on retail investment will also help in boosting the country's FDI, which dipped by 25% to $19.42 billion in 2010-11 from $25.83 billion in the previous fiscal.

http://economictimes.indiatimes.com/news/economy/policy/fdi-in-retail-states-to-have-final-say/articleshow/8919097.cms

Trade News

US-India business conclave to boost commercial ties

Leading Indian and US business leaders are set to meet to take stock of the US-India commercial relationship and calibrate a fresh course for progress for decades to come.

Organised by the US-India Business Council (USIBC) representing 400 US companies doing business in India, the trade association's 36th annual conclave will also feature three business delegations from India led by the Federation of Indian Chambers of Commerce and Industry (FICCI), The Confederation of Indian Industry (CII), and AmCham India.

India's Commerce and Industry Minister, Anand Sharma, and President Barack Obama's Chief of Staff and former US Secretary of Commerce, William Daley, will be the featured government speakers, USIBC said.

Several other US and Indian government officials, senators and congressmen, ambassadors, and the Indian-American community are also expected to attend.

USIBC Chairman, Harold "Terry" McGraw III will present USIBC's Global Leadership Award, to ICICI Bank's Managing Director & CEO, Chanda Kochhar and FedEx Corporation's Chairman, President, & CEO, Fred Smith, for their contributions to the US-India commercial relationship.

The theme of this year's USIBC Leadership Summit, Addressing Challenges, Boosting Ties,

reflects a growing concern among investors over headwinds that the US-India relationship has recently encountered, USIBC said.

Noting that overall, two-way trade in 2010 surpassed $72 billion, whereas just five years ago, trade was only $25 billion, USIBC said US companies are evaluating investment opportunities in India as never before.

The conclave it said aims to consolidate the impressive gains already made on this exciting US-India journey, while setting a fresh course that looks towards a bright, promising future.

http://economictimes.indiatimes.com/news/news-by-company/corporate-trends/us-india-business-conclave-to-boost-commercial-ties/articleshow/8921941.cms

Ficci paper on Indian-Canadian economic partnership

Canada, the only country in the Americas with which India is negotiating a Comprehensive Economic Partnership Agreement, provides excellent investment opportunities for Indian companies in services sectors, as per a paper released by Ficci on the economic partnership between the two countries.

The paper was released on the eve of a 60-member FICCI delegation led by its president Harch C Mariwala visiting Toronto that is hosting the FICCI-IIFA Global Business Forum .

"The best opportunities for Indian companies in the Canadian market are clustered around the services sectors like IT & ITES, entertainment, energy & natural resources and professional services," said Rajiv Kumar secretary general Ficci.

As per the paper, the CEPA, currently under negotiation would need to address issues of non-tariff barriers, liberalization of trade in services, and regulatory issues. It also stressed on need of facilitating the legitimate movement of professionals and elimination of tariffs in some agriculture, dairy and textile products where tariff peaks remain.

Indians businesses will be benefited by reduction of non-tariff barriers such as technical, sanitary and other standards; trade facilitation, which simplifies the movement of goods and services across borders and especially the movement of people, which is important for India's competitive services sector.

"Presently, Indian Greenfield and M&A investments into Canada have already outstripped Canadian investments into India," the Ficci paper stated.

http://economictimes.indiatimes.com/news/economy/foreign-trade/ficci-paper-on-indian-canadian-economic-partnership/articleshow/8924132.cms

Kerala IT to strengthen ties with Finland

The IT department of Kerala and the Finnish government are looking at forging a strong

partnership and collaboration to foster innovation and entrepreneurship.

This comes in the wake of the bilateral discussion held by Technopark CFO KC Chandrasekharan Nair with Indian Ambassador to Finland Aladiyan Manickam during his visit to Finland. Nair, represented the state in the 4th Global Forum on Innovation & Technology Entrepreneurship organised by the government of Finland and InfoDev (World Bank) recently at Helsinki.

The aim of the meeting was to identify various opportunities for Finnish companies to set up shop in Kerala through 'Finn-partnership'. The programme provides advisory services and financial support for projects of Finnish companies in developing countries. The match-making services provide assistance for companies in developing countries like India looking for Finnish business partners to enhance commercial co-operation.

The companies in Technopark can also plan their overseas operations in Finland. Nair invited Finnish government, Nokia Corporation and the Indian Embassy at Helsinki to Kerala for further talks.

http://www.business-standard.com/india/news/kerala-it-to-strengthen-tiesfinland/438927/

Indian business forum to push for FTA with UAE

The UAE could become the new manufacturing hub of India once a Free Trade Agreement (FTA) is signed between the two nations, a business forum here has said.

The Indian Business Leaders Forum (IBLF) also said it would make all out efforts to see the FTA become a reality in the coming months.

At a round table organised here, business leaders asked the community to strategise their businesses given the current economic and political scenario in the region and global uncertainties.

Business leaders at the round table also discussed the proposed Direct Tax Code (DTC) to be implemented by the government of India and its effect on NRI status.

The IBLF has decided to call on Finance Minister Pranab Mukherjee and Yashwant Sinha , the Chairman of the Parliament Standing Committee on Finance and former Finance Minister of India, to submit a memorandum.

"The Free Trade Agreement (FTA) between India and the UAE.; between India and the GCC should quickly be signed without further loss of time and IBLF would soon prepare a delegation of business leaders from the UAE to meet with the Union Commerce Minister of India and various other officials in the ministry," IBLF President Sudesh K Aggarwal said at the roundtable.

Aggarwal said the IBLF will work hand-in-hand with the Indian missions in the UAE so that

the FTA becomes a reality soon. The FTA is expected to remove restrictive duties, push down tariffs on goods and services and pave the way for free flow of investment and goods to ultimately equip the nations for an intensive economic engagement.

A formal launch of the IBLF would be held in September, 2011.

http://economictimes.indiatimes.com/news/economy/foreign-trade/indian-business-forum-to-push-for-fta-with-uae/articleshow/8886707.cms

India to hold talks with Myanmar

External Affairs Minister SM Krishna will be on a three-day visit to Yangon beginning Monday. India will be looking to counter increased Chinese influence in its eastern neighbour by strengthening relationship with Myanmar.

India will hold a high-level engagement with Myanmar for the first time since a civilian government headed by President U Thein Sein took charges in March.

Krishna, accompanied by foreign secretary Nirupama Rao , is visiting Myanmar on the invitation of his counterpart U Wunna Maung Lwin.

"This will be our first engagement with Myanmar after a new civilian government assumed office in March. We have always had high-level visits to and from Myanmar and the recent visit was of Senior General Than Shwe, chairman of the State Peace and Development Council of Myanmar, in July 2010," government sources said.

"This visit and the meetings will give us an opportunity to take stock of our broad-based engagement with Myanmar and get a better feel of realities and the outlook of the new government," the sources said.

Krishna will meet with the Myanmar president and the foreign minister when the two sides will discuss security cooperation in the region and other initiatives underway on connectivity, information technology, energy and power, communications and infrastructure.

"There has been considerable progress in Myanmar, including the Kaladan multi-modal transport project, which has actually reached construction stage. The ground breaking ceremony was held on December 19, 2010," the sources said.

A memorandum of understanding will be signed for improving border trade by linking Manipur with Tiddim in Chin state of Myanmar through Rhi-Tiddim road. India has also offered to cooperate with Myanmar on a trilateral highway to Thailand. Both the countries will also sign an agreement setting up Myanmar's second industrial park with Indian help. India will also supply 100 computers to Myanmar's land records department to digitalise its operations.

"This visit will also mark the culmination of assistance from our side for rebuilding the areas in Myanmar hit by earthquakes (in March)," sources said.

http://economictimes.indiatimes.com/news/politics/nation/india-to-hold-talks-with-myanmar/articleshow/8918750.cms

Sectoral News

Railway freight traffic up 11% in April-May

In first two months of the current fiscal (April-May 2011-12), Indian Railways handled a total of 157.3 million tonnes (mt) of revenue-earning freight traffic as compared to 146.41 mt in the corresponding period of the previous year, thus posting a growth of 10.89 per cent, according to railway sources.

In May alone, the traffic throughput of IR was 79.78 mt (74.24 mt) or a growth of 5.54 per cent.

Meanwhile, during the same period, the East Central Railway (Hajipur,Bihar) posted more than 14 per cent growth in traffic handling at 15.51 mt (13.60 mt), according to an ECR release. In May alone ECR handled 7.43 mt (6.57 mt), recording a growth of 13.02 percent. The average daily loading in May was 3693 wagons (3299 wagons). ECR thus did better than the Indian Railways average.

Coal accounts for the bulk of traffic throughput of ECR. In April-May this year, the volume of coal traffic handled by ECR during the period was 6.69 mt recording a growth of 15.06 per cent. During the same period, the petroleum traffic throughput was up by 19.09 per cent and foodgrains 192.3 per cent, adds the release.

http://www.thehindubusinessline.com/industry-and-economy/logistics/article2110283.ece

Indian IT companies now turn to domestic market

Many Indian information technology (IT) companies are turning to the domestic market for growth and new business opportunities.

“From less than one per cent four years earlier, IT spends in India and China now contribute seven per cent to our revenues. We expect this to go up to 15 per cent within the next five years, on the back of spends by the government in health, e-governance and education sectors,” said Ganesh Natarajan, vice-chairman and CEO, Zensar Technologies.

Bombay Stock Exchange-listed Zensar grew 23 per cent sequentially last quarter. Natarajan says a lot of growth will come from the increasing use of IT within Indian companies.

India’s largest IT service provider, Tata Consultancy Services (TCS), recently announced the launch of iON-a cloud computing system aimed specifically at domestic small and medium businesses (SMBs). TCS expects iON to become a $1 billion business within the next five years.

The trend resonates in the findings of the National Association of Software and Services Companies (Nasscom), the apex IT industry body. "Domestic IT spends, excluding hardware, are expected to grow at 16 per cent to reach Rs 78,700 crore in 2010-11. Domestic BPO spends are expected to grow 16.9 per cent to reach Rs 12,700 crore," says the Nasscom strategic review for 2010-11.

It attributes the trend to demand from voice-based services, in addition to adoption from emerging verticals, new customer segments and value based-transformational outsourcing platforms.

http://www.business-standard.com/india/news/indian-it-companies-now-turn-to-domestic-market/439198/

Domestic IT-BPO services, products market set for 17% growth by 2012

The country's domestic IT-ITES services and tech products markets are expected to swell to Rs 1,71,697 crore in 2012 – about 17.4 per cent higher than 2011.

According to latest projections by research and advisory firm CyberMedia Research, the aggregate market size of domestic IT services and IT products sector is likely to touch Rs 2,33,930 crore by 2014, growing 17.3 per cent between 2010 and 2014.

"A large chunk of IT hardware and software products will witness good traction on account of the healthy growth in IT services, as enterprises try to gain the best leverage out of their deployment," Mr Anirban Banerjee, Associate Vice-President of CyberMedia Research, said in a statement.

Meanwhile, the combined telecom services and products markets will touch Rs 2,88,832 crore by 2012. "This sector will grow at a CAGR of 15.8 per cent between 2010 and 2014 leading up to a total domestic telecom market opportunity of Rs 3,77,685 crore by 2014," it said.

The study further noted that the domestic services market (IT Services and ITeS services) will be pegged at Rs 98,188 crore in 2014. The IT Services alone will grow at 16.7 per cent CAGR over 2010-2014, while domestic ITeS spending will grow at 30.2 per cent over the same period.

"Managed Services will emerge as a strong growth driver with demand for increasingly sophisticated services engagements from the India enterprise segment," it said.

Amongst others highlights, the survey also forecast an increased penetration of cloud services in the India enterprise segment (from

4 per cent in 2010 to 6.8 per cent in 2012); an above average growth in the IT products segments such as software, PCs, servers and networking equipment between 2010 and 2014; and uptick in enterprise solutions spending post 2011.

http://www.thehindubusinessline.com/industry-and-economy/info-tech/article2104135.ece

Indian media to reap ad bonanza during 2011-15

Advertising is set for explosive growth in India in the next five years, with print, TV, internet and radio benefiting significantly, says the latest PricewaterhouseCoopers (PwC) global entertainment and media outlook.

Newspaper advertising will lead the charge with a compounded annual growth rate (CAGR) of 12% from 2011 to 2015, second only to Indonesia. India's annual newspaper advertising will grow from today's R10,000 crore to nearly R18,000 crore by 2015. This, at a time advertising is expected to stagnate or shrink in Australia and Japan, the market leaders in Asia-Pacific.

However, at a relatively muted CAGR of 4.5%, circulation revenues in India won't match the frenetic pace of advertising growth, in contrast with China, Indonesia, Hong Kong and Malaysia, said PwC. The country's 2010 newspaper circulation revenue stood at R5,825 crore, which will touch R7,272 crore by 2015. Combining advertising and subscription revenue, the Indian newspaper industry is projected to grow at 9.4% to reach R25,000 crore in next five years from R15,894 crore in 2010.

PwC adds that in line with the global trend, India's television advertising revenue will overtake newspapers, generating over R9,000 crore in five years to cross R19,200 crore. While worldwide TV advertising is expected to grow at 6.5% over the next five years reaching R10.6 lakh crore, newspaper advertising would grow only at 1.9% in the same period reaching R8.06 lakh crore, PwC said. Indian TV advertising will grow at a CAGR of 14%, the fourth highest in the world.

Overall, the Indian media and entertainment industry will grow at more than twice the global rate of a little under 6% until 2015 so as to reach R1.45 lakh crore from around R79,133 crore in 2010. Worldwide spending on entertainment and media is estimated to grow from $1.4 trillion in 2010 to $1.9 trillion by 2015, a CAGR of 5.7%. Also, digital platforms will drive the future operating models globally, showing the highest growth among all categories, the global entertainment and media outlook report from PwC says.

Internet-led advertising in India will clock the fastest growth until 2015 and is expected to more than double to reach R1,800 crore against the around R702 crore in 2010, a CAGR of 20.9%. Even the radio industry, which solely depends on advertising revenue, is expected to touch R1,800 crore by 2015 from

R1,000 crore last year.

Even the Indian film industry is projected to grow at nearly 11% over the next five years.

http://www.financialexpress.com/news/indian-media-to-reap-ad-bonanza-during-201115/805282/0

11m mobile users opt for MNP in 8 months

As many as 11 million mobile subscribers have opted for changing their operators in the last eight months or so, with CDMA operators witnessing the maximum users shifting to the GSM platform.

In the second week of June, the number of mobile number portability (MNP) requests is said to have crossed 11 million from 8.5 million in April. The maximum requests have come from consumers of CDMA players Reliance Communications and Tata Teleservices (TTSL). Taking advantage of the MNP facility that allows a customer to change his telecom operator without changing his mobile number, more than 6 lakh customers of Reliance CDMA and 4.5 lakh of Reliance GSM have requested to exit from its network.

Reacting to the MNP churn, RCom presented MNP data for its network till the end of May and said the company is focusing on post-paid category customers, where it is gaining.

"As per the trends so far, RCom is a net gainer in the post-paid segment. Of the total movement, port ins and port outs on post-paid for RCOM, around 80% are port-ins," said RCom president, Corporate and Wireless - Customer Service, Anurag Prashar. He said in value terms, this number is around 73% of customers opting for RComm network out of the total movement of users taking place on its network through MNP. "(Out of) over 25% of customers porting out, half are contributing nothing to the company's revenues, while the other 50% are of category where Average Revenue per User (ARPU) is less than R50," he added.

In the case of TTSL, close to 4.5 lakh customers on its CDMA network have requested to switch, while its GSM network gained more than 1.5 lakh users through MNP.

http://www.financialexpress.com/news/11m-mobile-users-opt-for-mnp-in-8-months/805996/0

India's biotech sector draws global talent

With Indian biotech companies pushing hard for novel, blockbuster drugs and moving up the research and development value chain, the $4.5-billion sector is becoming an attractive destination for global scientific talent.

Compared with stagnating markets abroad, India enjoys a dynamic biotech market with the scope to undertake quality research, backed by lucrative salaries.

According to experts, government incentives in biotech research and development have left extra cash in the bank for companies, which is now being used to attract experienced researchers and managers from the US as well as Europe.

“Today, companies have money to hire global talent. The recruitment is mostly for senior-level positions and specialised jobs. We see people with over 15 years’ experience who have led teams in MNC companies, working for the research department of Indian biotech firms,” says Dipta Chaudhury, senior consultant, pharma & bio-tech, South Asia and Middle East, Frost & Sullivan.

While salary levels tend to be in the range of 40–70% of salaries in the US, companies say that the job roles here are attractive, with far more process ownership and responsibility. Says Ravi Dasgupta, group head, human resources, Biocon, “With the kind of work that is happening in India now, we find that a lot of scientists of Indian origin are keen to come back to work in India. We have such talent joining us almost every month. One of the reasons why they come is because they typically tend to get better job profiles and managerial roles, unlike what they were doing.”

Requirements for expertise vary with different companies. While some look for scientists in third-phase clinical trials, some need specialisation in molecule design. Clinical development and regulatory affairs require experts with global exposure.

“A lot of the work happening, in novel drugs for instance, has no precedent in India. When it comes to things like regulation and clinical development, we prefer getting people who have prior experience in managing novel drugs, who know the people and the procedure in practice and not just in theory. Considering the costs of development, we have to get it right the first time,” says Dasgupta.

Typically, companies recruit graduates from foreign institutes for junior management levels. However, people with over 15 years of experience, with degrees in medicine and even PhDs also come on board. Salaries at this level tend to be in the range of R50 lakh to R1 crore. While most of them are people of Indian origin looking to return to the country, some companies find that there is also keen interest from European expatriates to take on challenging roles in the sector.

http://www.financialexpress.com/news/indias-biotech-sector-draws-global-talent/804750/0

Strong sales push sees rural pharma growth doubling

Pharma companies have seen rural market sales doubling on the back of aggressive marketing initiatives. Improved access to healthcare and rising incomes have seen a stronger perk-up in the underserved rural market over the past year.

For the 12 months period ended April 2011,

India's rural drug market grew 18.8% compared with 10.9% in the previous year. This is a sharp jump from the growth rate in the same period of 2009, when the rural market had actually shrunk by 2.1%.

In April, rural drug sales grew by 28.6% against 12.4% and 2% in 2010 and 2009, respectively, data from IMS Health Information and Consulting Services show.

Though rural markets account for a modest 18% of the Rs 58,000-crore domestic drug market, drug firms and analysts expect this segment to sustain the high growth rate and increase its share in the pie.

http://articles.economictimes.indiatimes.com/2011-06-18/news/29674263_1_rural-market-ims-health-information-drug-sales

News Round-Up

Job market in India promising, says report

With companies doling out salary hikes in the range of 10-13 per cent across industries this year, job market in India is promising, says staffing firm Kelly Services' annual Employment Outlook and Salary Guide 2011-12.

"Companies are now exploring innovative methods to successfully retain their workforce across sectors. They are actively involved in finding out what their top talent wants and are implementing various motivational methods," Kelly Services India Managing Director Kamal Karanth said in a press statement.

Most of the companies are also offering 'spot bonuses' to employees to retain them.

As per the report, the hottest industries in India include sectors like manufacturing, construction, pharma and healthcare, BFSI, education, information technology (IT) and IT-enabled service, and real estate and construction. The IT sector saw a surge of lateral hiring especially positions with niche skills. The action is mainly in the mid-level which has also seen a rise in salary.

The BFSI sector saw an increase in salary for senior professionals in the finance and sales segment.

The oil and gas sector saw a lot of talent being lured to international destinations like Southeast Asia, Australia and Europe. For instance, someone with an annual salary of Rs 15 lakh is being offered Rs 25 lakh at international destinations, the report added.

The Employment Outlook and Salary Guide, said the companies are exploring innovative methods to successfully retain their workforce, says a survey.

http://www.business-standard.com/india/news/job-market-in-india-promising-says-report/439310/

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