

# Weekly Economic Bulletin

Date: March 22-28, 2011

Issue No. 413

## CONTENTS

- 1 News Feature** Page 1-3
  - Delhi Budget 2011: Diesel vehicles to cost more, free healthcare for 27L kids
  - Pranab Mukherjee sees 9% growth in 2011-12
  - CMIE projects real GDP to grow by 8.8 pc in FY 12
- 2 Overseas Investment** Page 3-5
  - Single Window clears proposals worth Rs 1,215 cr
  - Pipavav Shipyard among 14 FDI proposals totalling Rs 1,290 crore
  - India moves up in forex ranking: Study
- 3 Trade News** Page 5-7
  - India free trade agreement likely this year: Sharma
  - India, Africa target \$70 bn trade by 2015
- 4 Sectoral News** Page 7-13
  - Exports rise over three-fold in 5 years despite rupee swings
  - Electronics, IT sector to need 3.2 million workforce by 2022: NSDC
  - Mobile phones, PCs to become cheaper
  - Steel firms allotted 21,000 acres
  - Electric two-wheeler sales up 20% after subsidies
  - Coffee Board takes steps to up exports
  - Ad spend growth pushes media industry profit: FICCI-KPMG
- 5 News Round-up** Page 13-14
  - India offers a huge business potential, says Buffett



## News Feature

### Delhi Budget 2011: Diesel vehicles to cost more, free healthcare for 27L kids

Over the last couple of years, the Delhi government's budgets had focused largely on beefing up the city's physical infrastructure in time for the Commonwealth Games. With the Games over, the budget for 2011-12, the first presented by Sheila Dikshit, shifted focus to social infrastructure with welfare measures in health and education targeted at the school-going.

Welfare measures apart, the budget cited environmental concerns to hike taxes on diesel vehicles and health reasons for raising levies on several tobacco products (though not cigarettes) and on sweetmeats and namkeens.

On the tax front, the additional levies on diesel will mean that cars and SUVs using that fuel could cost an extra Rs 4,000 at the bottom end of the scale and upwards of Rs 25,000 more at the premium end.

Similarly, the hike in value-added tax on tobacco products and sweets and savouries to 12.5% could make your pocket that much lighter, but that's supposed to save you from lifestyle diseases.

The most ambitious of the welfare measures is a scheme for free healthcare for all children under the age of 14 in government schools, government-aided schools and those run by the MCD, the NDMC or the Cantonment Board. That's an estimated 27 lakh kids to be covered by what has been dubbed the Chacha Nehru Sehat Yojana.

#### *What's Up*

All taxes on diesel vehicles, tax on sweets, namkeens, bidis, hookah tobacco

#### *What's Down*

Bicycles costing up to Rs 3,500, kerosene stoves, lanterns, petromax

#### *What's Big*

**Health:** Free medical treatment and check-ups for 27 lakh kids in govt schools up to age of 14 yrs; free sanitary napkins to all girls from class 6 onwards in govt schools; Rs 167cr for new hospitals; 2 new medical colleges

**Education:** Scholarship in technical education for all students securing 80%; uniform subsidy hiked to Rs 900; Rs 270cr given to build schools and classrooms.



## Weekly Economic Bulletin



<http://economictimes.indiatimes.com/news/economy/policy/delhi-budget-2011-diesel-vehicles-to-cost-more-free-healthcare-for-27l-kids/articleshow/7768015.cms>

### **Pranab Mukherjee sees 9% growth in 2011-12**

India should be able to achieve a 9% growth in the next fiscal, finance minister Pranab Mukherjee said in the Rajya Sabha.

If the investment level is around 35-36%, it will be possible to have 9% growth, he said in his reply to the discussion on the budget. "I am projecting that it will be 9% plus or minus 0.25."

The upper house of parliament returned the Finance Bill to the Lok Sabha after the FM's reply, marking the completion of the three-stage budgetary exercise for 2011-12.

In his reply to the budget in the Lok Sabha, the finance minister had rolled back the contentious service tax on top-end hospitals, halved the tax on import of completely knocked-down kits by automobile companies and provided some relief to the garments industry.

Mukherjee told the Rajya Sabha that the government was making efforts to bring down inflation to a reasonable level. Food inflation rose again after three weeks of decline,

government data released showed. The index for food articles rose 10.05% for the week ended March 12 from a year ago, higher than a 9.42% rise in the previous week. Replying to a pointed query on inflation, Mukherjee said, "It will be extremely difficult to indicate (the level) as seen from the behaviour of last six months..."

He said the political crisis in the Middle East would have implications for the Indian economy because two-thirds of country's oil imports were from that region. "If you look at our oil requirement...out of 100 million tonnes imported last year, 67 million tonnes, or two-thirds, came from the Middle East alone," he said.

Crude prices have risen again to over \$115 a barrel after dropping briefly because of the devastating tsunami in Japan.

[http://articles.economictimes.indiatimes.com/2011-03-25/news/29188553\\_1\\_pranab-mukherjee-food-inflation-oil-imports](http://articles.economictimes.indiatimes.com/2011-03-25/news/29188553_1_pranab-mukherjee-food-inflation-oil-imports)

### **CMIE projects real GDP to grow by 8.8 pc in FY 12**

India's economy is expected to maintain the eight-plus growth trajectory in FY 12 with its real GDP projected to grow by 8.8 per cent during the fiscal, a leading economic think-tank said.



## Weekly Economic Bulletin



"We project that real GDP will expand by 8.8 per cent during the fiscal (2011-12)," the Centre for Monitoring Indian Economy (CMIE) said in its latest monthly review of the country's economy.

The domestic environment is conducive for growth, private final consumption expenditure is projected to grow by a healthy 7.5 per cent and gross fixed capital formation by 15 per cent, it said.

"It is assumed that the south-west monsoon will be normal for the second consecutive year in 2011," CMIE said.

On the downside risks, it said that these relate mainly to poor rainfall and to the performance of the global economy. In FY 11,

India's economic performance has been robust and real GDP is estimated to have grown by nine per cent, it said.

"This has been powered by a rebound in the agricultural sector following the drought in 2009-10, and a sharp pick-up in private consumption and gross fixed capital formation," CMIE said.

According to the think-tank, the agricultural and allied sector is projected to grow by 3.1 per cent in 2011-12, on top of the 5.1 per cent growth estimated in 2010-11.

<http://economictimes.indiatimes.com/news/economy/indicators/cmie-projects-real-gdp-to-grow-by-88-pc-in-fy-12/articleshow/7753836.cms>

### Overseas Investment

#### Single Window clears proposals worth Rs 1,215 cr

The State Level Single Window Clearance Authority (SLSWCA) cleared four new proposals worth Rs 1215 crore. The proposals which got the nod of the Single Window authority include two in the cement sector, a pelletisation plant and a high tension cables manufacturing unit.

The SLSWCA gave its nod to a pelletisation plant proposed by Chadalavada Odisha Pellets Pvt Ltd near Kalinga Nagar in Jajpur district to be set up at a cost of Rs 680 crore. The capacity of the project is six million tonne per annum (mtpa) out of which 2.4 mtpa will be commissioned in the first phase. This project needs 250 acres of land and would generate employment for around 500 people. "The SLSWCA cleared two new investment proposals in the cement sector. These include

## Weekly Economic Bulletin



a 0.5 mtpa cement grinding unit proposed by Jajpur Cement Ltd near Kalinga Nagar in Jajpur district at a cost of Rs 63 crore. The project needs 25 acres of land and will generate employment for 60 people”, T Ramchandru, principal secretary (industries) told mediapersons after the high-level meeting chaired by the state Chief Secretary B K Patnaik.

The other cement project which got the nod of SLSWCA is that of Navadurga Industries Ltd. The company intends to set up a 0.4 mtpa clinker unit at Kantabanji in Bolangir district and 0.5 mtpa cement grinding unit at Bainchhua in Cuttack district. The two projects need 160 acres of land and the combined project cost is Rs 280 crore. The two projects, taken together, have an employment potential for 400 people.

Gupta Power Infrastructure Ltd has proposed to set up a manufacturing unit for hi-tension cables at Khurda at a cost of Rs 192 crore. The manufacturing facility will be spread over 40 acres of land and will generate employment for about 400 people.

<http://businessstandard.com/india/news/single-window-clears-proposals-worth-rs-1215-cr/429656/>

**Pipavav Shipyard among 14 FDI proposals totalling Rs 1,290 crore**

The Government has cleared 14 proposals of foreign direct investment (FDI) amounting to Rs 1,289.85 crore, an official statement said. These were based on the recommendations of the Foreign Investment Promotion Board (FIPB) during its meeting on March 11.

The proposals include Rs 530-crore investment by Mauritius-based Ghir Investments for induction of foreign equity in an investing company and Rs 715 crore by Dhunseri Investments of Kolkata to issue and allot equity shares to non-resident shareholders consequent upon demerger.

The other proposals include that of G+J International Magazines GmbH, Germany (publication and sale of speciality and life style magazines), Kyuden International Corporation, Japan (renewable power projects) and Pipavav Shipyard Ltd., Gujarat (defence sector).

However, 27 proposals were deferred, including that of Forbo Holding AG, Lindenstrasse, Switzerland, to set up a new wholly owned subsidiary (WOS) to undertake manufacturing, sale, distribution, lease, import and export of power transmission belts, sophisticated conveyor and processing belts as well as some machines and tools.

Essar Capital Holdings' proposal for acquisition of equity shares by way of subscription to new equity shares and/or



## Weekly Economic Bulletin



purchase of existing equity shares in an investing company engaged in the telecom sector was deferred.

Lokmat Media's proposal, for induction of foreign equity by way of IPO to carry out the business of publishing of newspapers dealing with news and current affairs, was also deferred. Besides, Arshiya International's proposal, for ex-post-facto approval for issue of warrants to provide logistics solutions, integrated supply chain and logistics infrastructure services, was deferred.

Other deferred proposals included that of: Punj Lloyd (defence equipment), Korea's Sejong Industrial (auto components), Dubai's Al Habtoor-STFA Soil Group LLC (bore piling, construction, drilling), Verizon Communications (telecom), Netmagic (ISP with gateways) and UT Starcom (telecom).

<http://www.thehindubusinessline.com/industry-and-economy/government-and-policy/article1564699.ece>

### **India moves up in forex ranking: Study**

A study by Mecklai Financial on emerging

forex market shows that while Indian market climbed to the second position in terms of its overall ranking in 2010, its Market Maturity Index (MMI) fell by 21% compared with the 12% average decline shown by other markets.

The the top three (of the 14) markets in terms of MMI in 2010 were Russia, India and South Africa, the same three that shared the honors in 2007, except that India has sneaked up into the second position, the report said.

“Further, all our indices and sub-indices fell, suggesting some regulatory changes may be needed to sustain the market’s maturity,” the study suggested.

The Bank for International Settlements collates and publishes data collected from global central banks on forex market activity every three years. Mecklai Financial conducted a study with the 2010 data, which has been recently published, with a view to seeing how different emerging forex markets have been evolving.

<http://www.financialexpress.com/news/india-moves-up-in-forex-ranking-study/765588/0>

## Trade News

### **India free trade agreement likely this year: Sharma**

A broad-based trade and investment agreement between India and four-nation



## Weekly Economic Bulletin



European Free Trade Association (EFTA), which includes Switzerland, is expected to conclude this year to facilitate closer economic cooperation.

Commerce and Industry Minister Anand Sharma said that seven round of negotiations have already been completed. EFTA states include Iceland, Liechtenstein and Norway, besides Switzerland. It is an inter-governmental organisation that promotes free trade and economic integration between the four nations.

"We are in the advance stage to conclude the free trade agreement. We are fast tracking the negotiations with EFTA... I hope that within a month's time, both the sides will be in a position to make specific offers..." Sharma said.

Sharma was here to inaugurate the Indian pavilion at the world's most coveted watch and jewellery show 'Basel World 2011'.

He said that India would embrace entire Europe through the comprehensive free trade agreement. India is also deeply engaged with the 27-nation European Union for a bilateral trade and investment agreement.

The minister said that the progress of India EFTA free trade pact would be figured during his bilateral meeting with Switzerland's

Economic Minister, Johann Schneider-Ammann in Bern.

The EFTA members are not part of 27-nation European Union.

In the seventh round of talk, which was held last month in New Delhi, both the sides discussed about market access for industrial products, fish and agricultural goods, sanitary and phytosanitary measures, technical barriers to trade, customs procedures and trade facilitation, investment, intellectual property rights and dispute settlement.

India and EFTA had agreed to launch negotiations on the trade and investment agreement in January this year, following recommendations of a Joint EFTA-India Study Group set up in December 2006.

"When the FTA is concluded, we hope that there will be a significant rise in bilateral trade," Sharma said.

The trade between Switzerland and India stood at \$18 billion in 2010 up from \$15 billion last year.

Swiss exports to India include machines, pharmaceutical and chemical products as well as precision instruments, while imports from India include textiles, agricultural products and components for the airline industry.



## Weekly Economic Bulletin



There are about 170 Swiss companies doing business in India.

<http://economictimes.indiatimes.com/news/economy/policy/india-free-trade-agreement-likely-this-year-sharma/articleshow/7787738.cms>

### India, Africa target \$70 bn trade by 2015

India and Africa have set a target to take two-way commerce to \$70 billion by 2015 on the back of increasing economic engagement between the two sides.

Currently, bilateral trade between India and Africa stands at about \$45 billion.

"We have set for ourselves a target of \$70 billion by 2015 and I am sure that we will be able to achieve it," Commerce and Industry Minister Anand Sharma said here at CII's India-Africa conclave.

He said huge potential is available for businessmen of both India and Africa.

In the presence of the minister, EXIM Bank has entered into an agreement on a project basis with Tanzania and Mozambique to provide lines of credit worth \$36 million and \$20 million, respectively.

Speaking on the occasion, Mozambique Prime Minister Aires Bonifacio Ali invited Indian businesses to invest in Africa.

"Indian multinational companies, small and medium enterprises and individuals are already investing in Africa, and the results are encouraging. Indeed, we would like to reiterate our warm invitation to all Indian business people to make huge investments in Africa and join our efforts geared to boost and diversify our economies, thus contributing to African development," Ali said.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-africa-target-70-bn-trade-by-2015/articleshow/7806014.cms>

## Sectoral News

### Exports rise over three-fold in 5 years despite rupee swings

India's exports expanded threefold over the last five years despite wild currency fluctuations, a telltale fact that points to the country's potential to be a large player in global trade.



## Weekly Economic Bulletin



This also raises a basic question. Do the country's exporters need government intervention to deal with volatility in exchange rates? Small and medium exporters that account for about 45-50% of the country's exports are known to be highly susceptible to such fluctuations.

Economists tend to play down the impact of currency value on a country's exports.

"Global demand conditions have a larger effect on export growth," says Yes Bank chief economist Shubhada Rao .

There have been periods when India's exports defied a rising rupee to post smart gains, pointing to other factors having a much larger effect trade. Monthly data for the last five years shows there has been an increase in exports regardless of the exchange rate.

"There is no clear relationship between changes in exchange rates and change in exports," says a recent report by rating agency CARE.

India's exports rose more than 15% in the first eleven months of the current fiscal to over \$200 billion, when the rupee swung between Rs 43.9 to Rs 47.49 a dollar .

The nature of India's exports also provides a cushion against volatility in exchange rates that could affect competitiveness.

"India exports more conventional commodities, demand for which is more inelastic," says Madan Sabnavis, chief economist of ratings firm CARE.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/exports-rise-over-three-fold-in-5-years-despite-rupee-swings/articleshow/7790548.cms>

### **Electronics, IT sector to need 3.2 million workforce by 2022: NSDC**

The National Skill Development Corporation (NSDC) has estimated that the electronics and IT hardware industry will require an additional 3-3.2 million skilled employees till 2022 and 70% of them will be absorbed into manufacturing and servicing support.

NSDC had engaged IMaCS (ICRA Management Consulting Services) for the study. It revealed that the electronics and IT hardware industry has the potential to grow at a compounded annual growth rate (CAGR) of about 17% till 2022 if we consider that the GDP will grow at the rate of 7.5% to 8% over this period.

Make New Friends & Find Old Ones Only On Google's Own Social Network [www.google.com/OrkutProduction](http://www.google.com/OrkutProduction) of electronics and IT hardware, during this period will increase from 84,400 crore in 2008 to 7,52,000 crore by 2022. Consumer electronics, computers, telecom equipment,



## Weekly Economic Bulletin



and industrial electronics will contribute to a large portion of the size of the industry.

"This will translate to the overall employment in the industry increasing from the current level of 0.9 million to over 4 million by 2022 – requiring incremental human resource requirement of about 3 million to 3.2 million," the study said.

About 1.5 million additional workforce will be required for manufacturing while another 0.6 to 0.7 million will be required for servicing and repairs.

The study estimates that the consumer electronics industry will require an incremental 4,82,000 employee, while the industrial electronics industry will require another 4,61,000 by 2022. The computer segment will require 6,17,000, telecom equipment 5,75,000, strategic electronics 4,05,000 and components will require another 6,85,000 employees.

[http://articles.economictimes.indiatimes.com/2011-03-25/news/29188550\\_1\\_hardware-industry-electronics-telecom-equipment](http://articles.economictimes.indiatimes.com/2011-03-25/news/29188550_1_hardware-industry-electronics-telecom-equipment)

### **Mobile phones, PCs to become cheaper**

Import of mobile phones, computer printers and coking coal will become cheaper. Finance minister Pranab Mukherjee reduced the

counter veiling duty (CVD) on import of mobile phones to 1% from 5%.

Earlier, 1% CVD was allowed on import of mobile phones only when cenvat credit was not claimed. Now, this condition has been removed. Mukherjee also extended the concessional rate of 5% CVD and nil special additional duty (SAD) on import of parts of all computer printers by actual users.

FM extended retail sale price based assessment with an abatement of 35% to many of the items so that disputes regarding valuation are avoided. He also exempted any waste, scrap or parings arising in course of manufacturing of these items as a measure of relief.

He also exempted seven specified parts of personal computers from SAD. This will lead to lowering of prices of computers in the country. In order to help the iron and steel industry, FM gave duty exemption to certain types of coking coal imported for iron or steel manufacturing.

He also restored excise duty (and CVD) exemption on silicon wafers imported for making solar cells/modules. In an attempt to provide better tax regime to manufacturers, Mukherjee proposed that physical verification of their premises would not be necessary for new registrants; visits to such units by central excise officers would be permitted only with



due authorisation as in case of SSI units; they would be required to file only quarterly returns; and a simplified return format will be prescribed.

<http://economictimes.indiatimes.com/tech/hardware/mobile-phones-pcs-to-become-cheaper/articleshow/7770816.cms>

### **Steel firms allotted 21,000 acres**

Orissa through its nodal agency for land acquisition, Industrial Infrastructure Development Corporation of Orissa Ltd (Idco), has allotted 20684.06 acres of land to steel companies that have signed Memorandum of Understanding (MoU) with the state.

The maximum allotment has been made in favour of Jindal Steel & Power Ltd (JSPL) which has got 3738.59 acres for its six million tonne per annum integrated steel plant at Kerajang in Angul district.

This includes 958.36 acres of government land and 2780.23 acres of private land.

JSPL had sought 5492.69 acres while Industrial Promotion & Investment Corporation of Orissa Ltd (Ipicol) had appraised the company's needs at 4327.98 acres.

Next to JSPL is Tata Steel which has been given 3040.39 acres of land at Duburi in Jajpur district which includes 540.42 acres of

government land and 2499.97 acres of private land.

The figures are as per the information provided by the state industries minister Raghunath Mohanty.

Other MoU signed companies like Bhushan Steel Ltd-Meramandali (1530.52 acres), JSL Ltd-Kalinga Nagar (1375.53 acres), Posco India-Paradeep (568.91 acres), Rungta Mines (600.70 acres) at Jharbandh in Sundergarh district and Visa Steel-Dubri (525 acres) have also been allotted land by Idco.

Even though the big ticket investment projects of Posco and ArcelorMittal are yet to take off in Orissa, the steel sector in the state has already recorded an investment of Rs 51940.67 crore till the end of December 2010.

The 50 steel companies that have inked MoUs (Memorandum of Understanding) with the state government have generated direct employment for 21508 people besides creating indirect employment opportunities for 52448 others.

Out of 21508 people engaged in the direct route, 14217 are from within the state and the remaining 7291 outside Orissa.

In the indirect employment category, 38122 people from the state have got jobs and

## Weekly Economic Bulletin



14326 persons have been sourced from outside the state.

<http://businessstandard.com/india/news/steel-firms-alloted-21000-acres/429560/>

### Electric two-wheeler sales up 20% after subsidies

On the back of the incentive package for electric vehicles announced by the ministry of new and renewable energy last November, average monthly sales of electric two-wheelers has risen 20 per cent, says Sohinder Gill, director, Society of Manufacturers of Electric Vehicles.

Under the Rs 95-crore scheme, the government is providing incentives of up to 20 per cent on ex-factory prices of electric vehicles sold in India during the remaining part of the 11th Plan (ending March 2012), with a cap of Rs 4,000 for low-speed, two-wheelers and Rs 5,000 for high-speed ones. The price of an electric bike varies between Rs 25,000 and Rs 40,000, depending on the speed range.

“This incentive is not available for the unorganised sector. So, when their sales come down, that obviously comes to us. And, when the prices come down, that increases the volume. Both these things are happening,” says Gill, also CEO of electric two-wheeler manufacturer, Hero Electric.

The organised sector includes Hero Electric, Avon Cycles, BSA Motors and Lohia Auto.

For 2010-11, the government will support sales of 20,000 units and 10,000 units of low-speed and high-speed two-wheelers, respectively, while it will be 80,000 units and 20,000 units in 2011-12.

<http://businessstandard.com/india/news/electric-two-wheeler-sales20-after-subsidies/429473/>

### Coffee Board takes steps to up exports

In order to encourage coffee exports from India to the various regions of the world, the Coffee Board of India has announced coffee exporters' award for 2010 in Bangalore.

“Coffee export awards will encourage exporters to not only go for high volume of exports, but also concentrate on value addition of Indian coffee,” Jawaid Akhtar, chairman of Coffee Board, said.

He, also, said exports remained robust from India as of now and average realisation along with revenue would be higher for the present year.

India exported around 196,094 tonnes of coffee in 2009-10 with a value realisation of Rs 2,071.40 crore in Rupee terms. While there



## Weekly Economic Bulletin



were 105 active exporters during this period, the unit value was Rs 105,634 per tonne. In the green coffee category, NKG Jayanti Coffee Pvt Ltd has bagged the gold award as the company had a 21 per cent share of coffee exported in this category. It also got two other awards for being the best exporter of coffee to Europe along with the specialty coffee category.

Similarly, Allanasons Ltd has received a gold award for being adjudged the best coffee exporter to West Asia and North Africa region. The company also bagged awards for its export contribution to the US and Canada region.

CCL Products (India) Ltd have received awards in the specialty coffee category.

The company has bagged the gold award as the best exporter of instant coffee with a 31 per cent share of instant coffee exports from India. The company has also received awards for its export contribution to Far East region and Russia along with CIS region.

<http://businessstandard.com/india/news/coffee-board-takes-steps-toexports/429303/>

### **Ad spend growth pushes media industry profit: FICCI-KPMG**

Having registered a 11% growth in 2010 after falling in 2008 due to the global financial

meltdown, the domestic media and entertainment industry (M&E) will touch R73,500 crore in 2011. Last year, the M&E industry registered a growth of 11% over 2009 to cross R65,000 crore mark. This was possible due to a 17% growth in the advertising spends on media so as to reach R26, 600 crore in 2010. The advertising industry accounts for 41% of the overall M&E industry, says the latest Ficci-KPMG report on the media and entertainment sector.

According to the report, in next five years the Indian M&E industry will become R1.27 lakh crore in size.

The Ficci-KPMG report is important because it is widely accepted by the government and the private sector as the official word on the Indian M&E sector. The report was formally released in Mumbai at the inaugural session of Ficci-FRAMES 2011, the annual global M&E summit.

The report said the television and print media continued to dominate the M&E industry however, sectors such as gaming, digital advertising, and animation VFX grew at a faster rate and hold tremendous potential in the coming years.

“Contrary to most other markets in the world that continue to witness an erosion of the print media industry, in India, the sector witnessed a growth of 10% last year (over



## Weekly Economic Bulletin



2009) and is expected to continue to grow at a similar pace over the next five years,” the Ficci-KPMG report said.

Rising literacy levels and low print media penetration offer significant headroom for growth. Television meanwhile saw a tremendous increase in the net DTH subscriber base totaling to 28 million at the end of 2010.

Backed by growth in advertising and subscription revenues, the television industry

grew by 15.5% in 2010 and is expected to grow at a CAGR of 16% to touch R63,000 crore by 2015, it said. “Television is expected to account for almost half of the Indian M&E industry revenues, and more than twice the size of print, the second largest media sector,” the report said.

<http://www.financialexpress.com/news/ad-spend-growth-pushes-media-industry-profit-ficcikpmg/765366/0>

### News Round-Up

#### India offers a huge business potential, says Buffett

For a man who does not like to look back in life, India, though a missed opportunity, still offers a huge potential. For Mr Warren E. Buffett, Chairman, Berkshire Hathaway, India is a country which is on the move.

In what could be indicative of possible investments from the octogenarian-billionaire, he told a gathering of top-notch corporate leaders that Berkshire Hathaway was always available for big-ticket investments. “At some point in the next six months or two years or five years, when some large Indian corporation looks for a permanent new home, and believes that

Berkshire Hathaway is the best place in the world,” it is important “they don't forget me”, emphasised Mr Buffett, addressing an interactive session organised by the Confederation of Indian Industry.

Mr Buffet who is visiting India for the first time, said, “India is a very big country with large number of very significant businesses. There should be all kinds of opportunities for many of the Berkshire companies to participate in India.” In fact, in the last 48 hours he has even openly admitted of being a late entrant to India, indicating that there could have been missed opportunities.

Not willing to miss out on the country's potential in the future, Mr Buffett fielded

## Weekly Economic Bulletin



questions from corporate leaders like Mr S. Gopalakrishnan, CEO and Managing Director, Infosys Technologies; Mr Vikram Kirloskar, Vice-Chairman, Toyota Kirloskar; Mr Raju, Managing Director, GMR Infrastructure, even as he urged them to pledge for philanthropy.

On the prospects for India and China, Mr Buffett said that both these countries were now working smarter and exploding in terms of opening up human potential. "It's not as if these countries are working harder than before, just that they are working smarter and responding to the needs of their societies," he added.

Mr Buffett told the attentive and visibly excited audience that he was enormously lucky as a person, "with the right sort of

wiring" that worked really well in a capitalistic society like the US, which was a "wonderful place to be born in". He said that he got the right opportunities in life, better compared with his two sisters', and exposed as he was to "extraordinary human beings".

"Personally I would much prefer not to be born rich," he said but would like to be born with 'certain talents' which are useful to the society so that he could lead a good life.

"Never have my heroes let me down," he said, adding that his father and his first wife were his biggest influences in life.

***<http://www.thehindubusinessline.com/industry-and-economy/economy/article1565138.ece?homepage=true>***

### **DISCLAIMER**

**The information contained in this Bulletin, is a compilation of information from various sources.**

**While we endeavour to keep the information updated, we make no claim to the accuracy and completeness of the same.**



Designed, Developed  
& Maintained by  
FICCI-BISNET