

Weekly Economic Bulletin

Date: May 10 – 16, 2011

Issue No. 420

CONTENTS

- 1 News Feature** Page 1-2
 - Economy likely to grow at 8-8.5% in FY'12: Ahluwalia
 - March industrial output growth at 7.3 pc, beats forecast
- 2 Overseas Investment** Page 2-4
 - Govt partially opens LLPs to foreign investments
 - Finance Ministry to take up 42 FDI proposals next week
- 3 Trade News** Page 4-8
 - India to get huge opportunities in services sector in Asean
 - India and Australia seek to double trade within 5 years
 - India-US trade may reach \$100 bn in three years
 - India can play constructive role in Afghanistan: US
 - India inks pact with Colombia to avoid double taxation
- 4 Sectoral News** Page 9-14
 - Exports soar 34% to \$24 bn in April, but seen wilting July onwards
 - Exports from SEZs up 43% in 2010-11
 - Domestic car sales up 13%, bikes 23%
 - Silver zooms to Rs 58,300; gold up by Rs 150
 - India to host largest number of DTH viewers by 2012
 - Pharma exports rebound to touch \$10.3 b in 2010-11
- 5 News Round-up** Page 14-14
 - Government to conduct economic census next year



News Feature

Economy likely to grow at 8-8.5% in FY'12: Ahluwalia

The Planning Commission said the economy could expand by 8-8.5 per cent this fiscal, but may not be able to achieve 9 per cent growth under the current circumstances.

"I would definitely say 9 per cent economic growth in 2011-12 does not look feasible. But anything above eight per cent would be pretty good by any standard," Planning Commission Deputy Chairman Montek Singh Ahluwalia told.

He said, "I think lowering (economic growth target) from 9 per cent is very reasonable. RBI has actually lowered it to 8 per cent. I think it could be better than 8 per cent and 8.5 per cent is not an unreasonable expectation."

Referring to Finance Minister Pranab Mukherjee's recent statement that the growth projection of 9 per cent was made in January, Ahluwalia said, "since January there are many developments across the world and also there was some slowing down in the pace of industrial growth."

On the industrial growth numbers for March, he said, "(industrial growth of) 7.8 per cent (in 2010-11) is not a big surprise. It is roughly

what we thought it would be. The important thing is that the monthly numbers have shown a significant improvement and that is very welcome."

The industrial growth has improved to 7.3 per cent in March compared to 3.6 per cent in February this year.

<http://economictimes.indiatimes.com/news/economy/indicators/economy-likely-to-grow-at-8-85-in-fy12-ahluwalia/articleshow/8274219.cms>

March industrial output growth at 7.3 pc, beats forecast

Industrial output registered a sharp rise in March, beating analyst estimates and allaying, for now, concerns of a moderation in growth. Exports also maintained the growth tempo, surging by more than a third.

The smart rebound in factory output signals that overall consumer demand remains strong despite rising borrowing costs, and adds to industry concerns that the Reserve Bank of India may raise lending rates further in its meeting next month to rein in inflation. The benchmark Sensex rose after the government released the data, but soon shrugged off the



Weekly Economic Bulletin



encouraging numbers fearing another aggressive action by the central bank. The index closed down 1.34%.

Factory output, as measured by the Index of Industrial Production (IIP), rose 7.3% in March from a year earlier, almost double the revised 3.7% expansion in February, according to data. Median estimate of a Bloomberg survey had pegged growth at 4% while a Reuters' poll had forecast 3.8%, prompting economists to question the quality of government data.

The expansion was driven by a 7.9% rise in manufacturing output. Manufacturing, which contributes about 80% to the overall output, had posted an annual growth of 3.6% in February. Economists cautioned that the growth at best would remain at this level in the near future because rising borrowing costs would dampen demand.

"We remain hesitant in accepting the current industrial production print as a sign of consistent strength in the near future,"

Siddhartha Sanyal and Kumar Rachapudi of Barclays Capital said in a note.

Rajiv Kumar, director-general of Ficci, said, "Improved growth in the manufacturing sector in March is more an indicator of continued volatility in the growth of the sector for the last few months." Capital goods output recovered in March, after contracting for three straight months, rising an annual 12.9%. But experts said the reading should not be interpreted as a rise in investments.

"The pace and extent of investment pull-up seems overstated," said Deepali Bhargava, chief economist with ING Vysya Bank. She attributed the revival in production of capital goods to the "lax growth in the first half of the year, which needed to be made up for in the last quarter".

<http://economictimes.indiatimes.com/news/economy/indicators/march-industrial-output-growth-at-73-pc-beats-forecast/articleshow/8281800.cms>

Overseas Investment

Govt partially opens LLPs to foreign investments

The government partially opened limited liability partnerships to foreign investments, ending months of wrangling over the extent

of foreign ownership in this new form of business structure.

Foreign direct investment in LLPs will be allowed only in those sectors where 100% foreign ownership is permitted.



Weekly Economic Bulletin



Even this permission will take the approval route, the cabinet committee on economic affairs, or CCEA, decided.

"The CCEA's approval will benefit the Indian economy by attracting greater FDI, creating employment and bringing in international best practices and latest technologies in the country," an official statement said.

LLPs with foreign investments will not be allowed in agricultural or plantation activity, print media and real estate business or downstream investments.

The government has also imposed stringent conditions to prevent its misuse. An Indian company having foreign direct investment will be permitted to make downstream investment in LLPs only if both the company as well as the LLP are operating in sectors where 100% FDI is allowed, through the automatic route and there are no FDI-linked performance-related conditions.

Foreign participation in the LLPs will be allowed only by way of cash considerations, received by inward remittance through normal banking channels. Foreign Institutional Investors and Foreign Venture Capital Investors will not be permitted to invest in LLPs.

LLPs have also been barred from accessing

overseas debt through external commercial borrowings.

These rules are consistent with the regime in many countries where LLPs face certain restrictions.

In some countries, for instance, they are not allowed to make investments in sensitive sectors such as aviation.

The government has also imposed stricter norms for conversion of companies that have FDI into LLP.

Conversion of a company with FDI into an LLP will be allowed only conditions laid down by the government are met with the prior approval of the foreign investment promotion board.

The designated partner of an LLP should only be a company registered under the Companies Act and not any other body, such as an LLP or a trust.

However, experts say enabling provision for conversion would allow foreigners to restructure their businesses.

<http://economictimes.indiatimes.com/news/economy/policy/govt-partially-opens-llps-to-foreign-investments/articleshow/8256328.cms>



Weekly Economic Bulletin



Finance Ministry to take up 42 FDI proposals next week

The Finance Ministry will take up 42 foreign direct investment (FDI) proposals, including that of BNP Paribas, Tata Steel and PTC India Financial Services, next week.

The Foreign Investment Promotion Board (FIPB) headed by Economic Affairs Secretary R Gopalan is scheduled to meet on May 20.

As per the Finance Ministry, 15 proposals are new ones and 14 are those on which decisions were deferred in the previous FIPB meetings.

Besides, 11 companies after amending their earlier requests are seeking the FIPB's nod for bringing in FDI. They include Tata Steel and Star News Broadcasting (Touch Tele Content (I) Ltd).

Some of the deferred proposals which are on the agenda include those of Park Controls and Communications, Bangalore; NCBG Holdings, Inc, Cayman Islands and Mango Holding, Bangladesh.

In its last meeting, FIPB had cleared 21 FDI proposals amounting to Rs 1,027 crore. In all it had taken up 47 proposals but deferred decisions on 17 applications while rejecting nine.

FDI inflows into the country during April-February, 2010-11, dipped by 29 per cent to Rs 83,687 from Rs 1,17,622 crore in the corresponding period of the previous fiscal.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/finance-ministry-to-take-up-42-fdi-proposals-next-week/articleshow/8272624.cms>

Trade News

India to get huge opportunities in services sector in Asean

Implementation of the India-Asean free trade agreement in services and investment would provide huge opportunities for domestic construction firms in the 10-nation bloc, a study has said.

India and the Association of Southeast Asian Nations (Asean), which have already

implemented the free trade pact for goods last year, are engaged in intense negotiations to widen the scope of the agreement by including services and investments.

"The India-Asean free trade agreement will open up a host of business opportunities and projects, especially in construction work for Indian Industry," a Ficci-Deloitte paper said.

It said that Indian companies could seriously



Weekly Economic Bulletin



look at the current open project tenders in the Asean region in construction related activities such as construction of bridges, canals, roads, school buildings, sports facilities and water-treatment plants.

Besides, Indian entrepreneurs would also get considerable opportunities in services like telecommunications, radio, television, consultancy, architectural, legal, accounting, education, health and social work, the paper said.

It added that once the free trade pact becomes fully operational with all countries of the bloc, Indian businessmen would reap greater benefits in segments like chemicals, pharmaceutical, textiles, handicrafts and carpets.

The India-Asean FTA is yet to be implemented by Philippines.

The Asean countries are Brunei Darussalam , Cambodia, Indonesia , Laos , Malaysia , Myanmar , Philippines , Thailand , Singapore and Vietnam .

The trade between the two stood at about USD 44 billion in 2009-10.

<http://economictimes.indiatimes.com/news/economy/indicators/india-to-get-huge-opportunities-in-services-sector-in-asean/articleshow/8338657.cms>

India and Australia seek to double trade within 5 years

India and Australia committed to doubling bilateral trade within five years and trade ministers from the two nations signed an agreement to start free trade negotiations.

Two way trade between India and Australia is currently worth about A\$20 billion (\$21 billion) a year, with the trade balance strongly skewed in Australia's favour because of India's insatiable appetite for natural resources.

"We agreed to double bilateral trade in the next five years," Trade Minister Anand Sharma told reporters in Canberra after talks with Craig Emerson , his Australian counterpart. "We are convinced that the Australia-India relationship is robust."

India is Australia's fourth largest export market as it is a heavy importer of gold, coal an copper, and in the nine months to March, it had a trade deficit of A\$9.6 billion with Australia.

Australia is also a major destination for Indian students and education services to India are worth more than A\$3 billion a year.

India is also keen to buy Australian uranium to help its expanding energy sector, but Australia refuses to sell nuclear material to India



Weekly Economic Bulletin



because the country has not signed the Nuclear Non-Proliferation Treaty .

Emerson said uranium exports were not raised during his meeting with Sharma.

India has long complained about Australia's uranium export policy. Australia expects India to build five new nuclear reactors by 2016.

Australia has the world's biggest known uranium reserves but supplies only 19 per cent of the world market from three current mines, BHP Billiton's Olympic Dam, Energy Resources Australia's Ranger mine in the Northern Territory, and the Beverly mine, owned by US. company General Atomics.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-and-australia-look-to-double-trade-within-5-years/articleshow/8264657.cms>

India-US trade may reach \$100 bn in three years

Trade between India and the US is expected to grow to \$100 billion within two to three years while Indian companies are strengthening their presence in the US across various sectors, a senior Indo-American Chamber of Commerce (IACC) official said.

"I expect the trade between both the sides to reach around \$100 billion within two-three

years time," IACC president Gautam Mahajan told IANS, adding that the trade volumes would increase due to the growth of several sectors like food processing, education and infrastructure.

According to Mahajan, corporate India, which is strengthening its presence in the US, is also expected to invest around \$10 billion in the next five years to start greenfield projects in sectors such as manufacturing and services.

"Apart from trade, the other rising sector in the bilateral business is that of Indian investments going to the US, which could be around \$8 billion to \$10 billion in the next five years. This is a new trend altogether because earlier Indian corporates used to buy established companies and now they are going for greenfield projects," he added.

Mahajan was also upbeat about the IACC's upcoming chapter in New York, set to be inaugurated on May 25.

"This new chapter will add impetus to business and trade between both sides," he said.

The start of the new chapter will be followed by a seminar which would focus on emerging sectors like education, infrastructure and small and medium enterprises (SME).

"Around 75 representatives of various



Weekly Economic Bulletin



companies across sectors would participate in the Summit for US-India Trade and Economics (SUITE) 2011 from the Indian side," he said.

IACC was established in 1968 and currently has 11 chapters across India with 2,600 Indian and American companies as members.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-us-trade-may-reach-100-bn-in-three-years/articleshow/8221776.cms>

India can play constructive role in Afghanistan: US

The US has said India can play a constructive role Afghanistan and it will welcome New Delhi's involvement in the war-torn nation.

India can play a constructive role in Afghanistan and in the region, and we would certainly welcome their involvement," State Department spokesman Mark Toner told.

"Of course we talk about Afghanistan with India and – as well as other regional issues. Our bilateral relationship with India is quite close and robust. We recognise India's role in the region and are frankly encouraged by it playing a more active and constructive role," Toner said in response to a question.

The US also welcomed the latest Indian initiative in Afghanistan and the visit of Prime

Minister Manmohan Singh to Kabul.

Assistant Secretary of State for South and Central Asia Robert Blake said: "Prime Minister Singh's visit to Kabul, which he concluded today, underscored India's strong efforts to support international efforts to rebuild a secure, stable Afghanistan."

"The Prime Minister raised India's assistance pledge to a total of USD 2 billion, and India has assisted with critical infrastructure, like power stations and the Parliament building, and small development projects like health care facilities and wells."

Blake, speaking on India-US relations at a Washington-based think tank, noted Singh has spearheaded initiative to normalise relations with Pakistan.

"Building on the cricket diplomacy launched by Prime Ministers Singh and (Yousuf Raza) Gilani in Mohali, the Commerce Secretaries of the two countries met last month in Islamabad and jointly announced ambitious commitments to enhance trade and commercial ties," he said.

India's economic rise presents an "enormous opportunity" to Pakistan, and the normalisation of economic ties could provide immense benefits to millions of entrepreneurs, farmers and businessmen in both countries, the official said.



"More critically, a bilateral breakthrough could provide a catalyst for wider regional economic integration, a transformative goal we all wish realised," he added.

<http://businessstandard.com/india/news/india-can-play-constructive-role-in-afghanistan-us/135183/on>

India inks pact with Colombia to avoid double taxation

India has signed a double taxation avoidance agreement (DTAA) with Colombia. This agreement will provide tax stability to the residents of India and Colombia. It would also facilitate mutual economic cooperation as well as stimulate the flow of investments, technology and services between the two countries.

The DTAA was signed by Mr Sudhir Chandra, Chairman of the Central Board of Direct Taxes (CBDT), on behalf of the Indian Government, and Mr Juan Alfredo Pinto Saavedra, Ambassador of the Republic of Colombia to India, on behalf of Colombia.

It provides that business profits will be taxable in the source State if the activities of an enterprise constitute a permanent establishment in the source State. Profits of a construction, assembly or installation projects will be taxed in the State of source if the

project continues in that State for more than six months.

Profits derived by an enterprise from the operation of ships or aircraft in international traffic will be taxable in the country of residence of the enterprise. Dividends, interest and royalty income will be taxed both in the country of residence and in the country of source.

However, the maximum rate of tax to be charged in the country of source will not exceed 5 per cent in the case of dividends and 10 per cent in the case of interest and royalties. Capital gains from the sale of shares will be taxable in the country of source, an official release said.

The DTAA also incorporates provisions for effective exchange of information and assistance in collection of taxes between tax authorities of the two countries in line with internationally accepted standards. This includes exchange of banking information. Anti-abuse provisions have also been incorporated to ensure that the benefits of the DTAA are availed by the genuine residents of the two countries.

<http://www.thehindubusinessline.com/today-paper/tp-economy/article2016722.ece>



Sectoral News

Exports soar 34% to \$24 bn in April, but seen wilting July onwards

India's exports continued to grow at a fast pace in the new fiscal, but experts said the pace of growth was not sustainable because of deteriorating external environment.

Merchandise exports rose 34.4% in April from a year ago, to \$23.9 billion, down marginally from 44% expansion in March, 2011, data released showed.

"March is always a peak month," Commerce Secretary Rahul Khullar said while releasing the trade data.

Economists and exporters apprehend moderation in growth as economies across Asia go in for monetary tightening to contain inflation.

"Growth rate should moderate further as external environment is not that conducive to growth with tightening in Asia and advanced markets continuing to remain weak," said D K Joshi, chief economist, Crisil.

Shipments of iron ore, fruit and vegetables, marine products and tobacco have already slowed down.

It is not going to be an easy summer for

exporters, Khullar agreed.

Export organisations fear drastic impact of interest rates rise and possible withdrawal of the export promotion scheme, Duty Entitlement Passbook Scheme (DEPB).

"Growth may taper off from July onwards as uncertainty over export incentive scheme, duty entitlement passbook scheme, continues and cost of credit has gone up in geometric progression in last few months," said Ramu Deora, President, Federation of Indian Export Organisations.

The organisation says export credit is up at 10.75% from 7% in April 2010.

Khullar said uncertainty in Europe and not-too-encouraging data about the US economy are other areas of concern.

"I still remain far from sanguine that 2011 will be a good year... hold your horses, let's see where we go", Khullar said.

Ajay Sahai, director general FIEO agreed saying situation in these markets had large implications for India's exports.

Some of the non-traditional markets such as Latin America and Africa could provide some succor.



Weekly Economic Bulletin



"India is aggressively forging trade agreements which will help boosting exports to non-traditional markets," said Sahai.

Engineering, gems and jewellery, electronic goods, petroleum and its products, plastics and chemicals have contributed to growth in April. While engineering goods posted 109% growth, shipments of electronic goods were up 48%, and gems and jewellery 39%.

Readymade garments clocked in an expansion of 12.7% with consignments worth \$1.1 billion.

Khullar said that these figures were quick estimates and the final figure could undergo change.

Imports, for the opening month of the fiscal 2011-12, were up 14.1% to \$ 32.8 billion leaving a trade gap of \$8.9 billion.

http://articles.economictimes.indiatimes.com/2011-05-13/news/29540033_1_gems-and-jewellery-merchandise-exports-export-credit

Exports from SEZs up 43% in 2010-11

Exports from special economic zones (SEZs) grew 43.11 per cent to Rs 3.15 lakh crore in 2010-11, according to the data of the Export Promotion Council for EOUs.

During 2009-10, exports from these special enclaves stood at Rs 2.20 lakh crore.

The total investments in Special Economic Zones (SEZs) as on March, 2011 are about Rs 2 lakh crore, EPCEs Chairman Jatin R Mehta said in a statement.

The sector has provided employment to 6 lakh people as on March 31, this year.

The council said that of the 584 formally approved SEZs, 377 have been notified and 133 are in operation.

At present, these units in these zones enjoy 100 per cent tax exemption on their income for the first five years and 50 per cent in the next five years.

<http://www.financialexpress.com/news/exports-from-sezs-up-43-in-201011/788088/>

Domestic car sales up 13%, bikes 23%

Car sales in India posted the slowest growth rate in 22 months in April this year at 13.18 per cent as rising interest rates and declining consumer confidence impacted automobile sales across the country.

According to figures released by the Society of Indian Automobile Manufacturers (SIAM), domestic passenger car sales stood at 1,62,825 units in April, as against 1,43,862 units in the same month last year.

"The April, 2011, sales growth rate was the slowest since June, 2009, when the growth



Weekly Economic Bulletin



rate was 8.23 per cent. Consumer confidence is low as economic parameters are wobbly at the moment," SIAM Senior Director Sugato Sen said.

He said interest rate hikes, coupled with the increase in prices of vehicle due to rising commodity prices, have also contributed to postponing of purchases.

Total sales of vehicles across categories registered a growth of 22.80 per cent to 13,38,564 units in April as against 10,90,041 units in the same month last year, SIAM said.

In the passenger car segment, market leader Maruti Suzuki's sales grew by 7.63 per cent to 73,905 units. Rival Hyundai Motor India's sales increased by 10.89 per cent to 31,604 units.

However, homegrown auto major Tata Motors' passenger car sales were down by 1.10 per cent at 19,544 units. Total two-wheeler sales last month increased by 26.44 per cent to 10,43,970 units from 8,25,632 units in April, 2010.

According to the SIAM data, motorcycle sales in the country grew by 23.39 per cent during the month to 8,09,565 units from 6,56,096 units in the same month last year.

In this segment, market leader Hero Honda posted a 38.58 per cent jump in sales to 4,69,398 units. Rival Bajaj Auto's sales went

up by 4.24 per cent to 1,95,971 units.

Honda Motorcycle & Scooter India (HMSI) posted a 1.35 per cent decline in sales to 57,237 units, while TVS Motor moved 49,804 units, 1.62 per cent more than the corresponding month of the previous year.

The scooter segment's overall sales grew by 48.06 per cent to 1,75,054 units from 1,18,232 units.

HMSI's scooter sales grew by 79.52 per cent to 74,432 units, while Hero Honda sold 35,079 units, up 48.13 per cent.

TVS Motor's sales saw 29.04 per cent growth during the month to 32,464 units.

Commercial vehicles sales grew by 8.22 per cent to 53,202 units from 49,162 units in the year-ago period, SIAM said. Sen said this was the slowest growth rate since September, 2009, when the growth rate was 7.49 per cent.

Medium and Heavy Commercial Vehicle (M&HCV) sales increased marginally to 22,391 units during the month, compared to 22,236 units in April last year.

According to SIAM, light commercial vehicle (LCV) sales grew 14.43 per cent to 30,811 units in April, 2011, from 26,926 units in April, 2010.

Weekly Economic Bulletin



Sen said the sales growth rate of commercial vehicles, an indicator of economic growth, is showing that "some concerns are coming".

<http://www.financialexpress.com/news/domestic-car-sales-up-13-bikes-23/787840/0>

Silver zooms to Rs 58,300; gold up by Rs 150

Both the precious metals, silver and gold extended gains for the third straight session on sustained buying by stockists and jewellers for the ongoing marriage season, amid a firming global trend.

While silver surged Rs 2,300 to Rs 58,300 per kg, gold shot up by Rs 150 to Rs 22,420 per 10 grams.

Trading sentiments remained firm as the white metal bounced back from its worst weekly drop since 1975 in global markets, after Standard and Poor's cut Greece's credit ratings by two levels to B, reigniting haven demand.

In global markets, silver jumped up by 2.1 per cent to USD 37.90 an ounce and gold rose by USD 1.90 to USD 1,515 an ounce.

Besides, pick up in seasonal demand further enthused the market sentiment to some extent.

On the domestic front, silver ready remained in hectic demand and rose by Rs 2,300 to Rs 58,300 per kg. It has shot up by Rs 2,800 in the previous two sessions. Silver weekly-based delivery also rose by Rs 1,635 to Rs 57,500 per kg.

Silver coins also spurted by Rs 2,500 to Rs 63,500 for buying and Rs 64,500 for selling of 100 pieces.

In line with a general firming trend, gold of 99.9 and 99.5 per cent purity climbed by Rs 150 each to Rs 22,420 and Rs 22,300 per 10 grams, respectively. It had gained Rs 150 in the last two trading sessions.

Sovereigns followed suit and added Rs 50 to Rs 18,450 per piece of eight grams.

<http://www.financialexpress.com/news/silver-zooms-to-rs-58-300;-gold-up-by-rs-150/788473/0>

India to host largest number of DTH viewers by 2012

Come New Year, and India will have the largest number of direct-to-home television viewers in the world, overtaking the US, currently the No 1 DTH market. Seven months, says a Media Partners Asia (MPA) report, is all it would take for the six-player domestic DTH industry to emerge at the top.



Weekly Economic Bulletin



The Indian DTH market will overtake US with both gross and net (paying customers) subscribers crossing the 42-million mark by 2012. The combined strength of Dish TV, Tata Sky, Sun Direct, Reliance Big, Airtel Digital and Videocon D2H will overtake the US' Direct TV and Dish Network, translating into a 20% lead over the American DTH market of 35 million users next year.

Sun TV, Zee Network and STAR India have already raced past Premier Media Group (Australia) and TVB Pay Channels (China) to emerge as the top three media firms in the Asia-Pacific, says the report.

On revenue terms, in less than 60 months, the Indian pay TV advertising market will overtake China with \$5.6 billion in net revenues. Currently in revenue terms, India ranks third in the Asia-Pacific region in terms of pay TV advertising market, while China is the leader.

“India’s fast-growing DTH sector will overtake the US next year as the largest in the world with an active subscriber base of close to 42 million (up from 23 million in 2010) versus a projected customer base of 35 million in the US,” Vivek Couto, MPA executive director told FE from Bali, Indonesia. The active DTH subscriber base (including only paying customers) will grow from 23 million in 2010 to 64 million by 2015 and 83 million by 2020, implying a 44% share of the overall market by

2020, Couto said.

<http://www.financialexpress.com/news/india-to-host-largest-number-of-dth-viewers-by-2012/789829/0>

Pharma exports rebound to touch \$10.3 b in 2010-11

Pharmaceutical exports have grown by 15 per cent to touch \$10.3 billion in 2010-11, according to Pharmaceutical Export Promotion Council (Pharmexcil).

“As per our provisional data, pharma exports had recovered from their subdued growth of 5 per cent in 2009-10, which had seen total exports of \$8.8 billion,” Dr P. V. Appaji, Executive Director, Pharmexcil, told.

Country-wise, the US continued to be the top importer of Indian pharmaceuticals, followed by the UK, Germany, South Africa and Russia.

In terms of composition, generics accounted for 58 per cent, followed by active pharmaceutical ingredients (APIs) and ayurvedic/herbal/neutraceuticals at 40 per cent and 2 per cent respectively.

Key Drivers

On the drivers that facilitated growth in exports, Dr Appaji said the general improvement in the economic condition of the developed world was a favourable



Weekly Economic Bulletin



macroeconomic factor. "The adverse impact of the global economic slowdown was felt on Indian pharma exports in 2009-10. But from last year, the situation has been improving," he said. The increased focus of pharma majors on the US market, increase in the number of

drug registrations and strong demand for Indian drugs in Africa were some of the key drivers, the official explained.

<http://www.thehindubusinessline.com/todays-paper/tp-economy/article2007415.ece>

News Round-Up

Government to conduct economic census next year

The government plans to carry out an economic census next year to assess the impact of economic reforms on various industries and to formulate policies better.

"The census would involve collection of data from entrepreneurial units in the country," said a statement from the ministry of statistics and programme implementation.

"Data on sectoral activity of the unit, number of workers, social group of the owner, female owned enterprise among others would be collected for micro level planning and policy formulations with respect to various economic activities," it added.

The census, which is the sixth such activity to be undertaken, will see field work being done

by the ministry of statistics from January to June of 2012 in collaboration with state and union territory governments.

The ministry also laid emphasis on studying the benefits to the services sector of the economic reforms process as it contributed significantly towards the country's gross domestic product (GDP) and also in generation of employment.

"The database would enable policy makers and analysts to assess the impact of the economic liberalisation process on entrepreneurial activities, especially in the unorganised sector," said the statement.

<http://economictimes.indiatimes.com/news/economy/policy/government-to-conduct-economic-census-next-year/articleshow/8297402.cms>



Weekly Economic Bulletin



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