सत्यमेव जयते
ITP Division
Ministry of External Affairs
Government of India

Weekly Economic Bulletin

Date: May 31 – June 06, 2011 **Issue No. 423**

CONTENTS

1 News Feature Page 1-3

- India's GDP grows at 8.5% in FY-2011, Q4 growth at 7.8%
- Per capita income in 2010-11 at Rs 54,835
- Core sector growth moderates to 5.2% in April

2 Overseas Investment Page 3-7

- India's forex reserves rise by $1.68 billion to $310.21 billion
- Multi-brand FDI: Walmart, Carrefour & Tesco may soon open stores in India subject to stringent investment norms
- FII investment in bonds tops $21 bn
- Automatic nod for 49% FDI in DTH
- India among preferred FDI destinations: E&Y

3 Trade News Page 8-10

- Two MoUs on skill development signed with Germany
- India allows duty-free import of goods from Afghanistan
- Trade pact to boost India's ties with Canada

4 Sectoral News Page 10-13

- India's exports rise 34.42% in April 2011
- Agriculture sector grows by 6.6% in FY11
- India may open more nano manufacturing tech centres
- Wheat procurement touches record 26.43 MT, up 18%

5 News Round-up Page 13-15

- India's wealth to grow at 14% in 2010-15: Report
- India could be world's third largest economy by 2030: StanChart
- India backs package for poor nations

News Feature

India's GDP grows at 8.5% in FY-2011, Q4 growth at 7.8%

Confirming fears of a slowdown, India's economy grew by just 7.8 per cent in the fourth quarter ending March this year, mainly due to poor performance of the manufacturing sector, as against 9.4 per cent in the same three-month period of the previous fiscal.

However, economic growth, as measured by the Gross Domestic Product, improved to 8.5 per cent in 2010-11 from 8 per cent in 2009-10 due to better farm output and construction activities and financial services performance.

Meanwhile, the GDP growth figures for the first and third quarters of FY'11 have been revised upward. While the GDP growth figure for Quarter 1 has been pegged at 9.3 per cent -- as against the earlier estimate of 8.9 per cent -- the Q3 GDP growth has been revised upward to 8.3 per cent from 8.2 per cent.

During the quarter ending March 31 this year, growth in the manufacturing sector slowed down to 5.5 per cent from 15.2 per cent in the same quarter of 2009-10.

In addition, the mining and quarrying sector grew by only 1.7 per cent during the quarter under review, as against 8.9 per cent in the fourth quarter of the previous fiscal.

Furthermore, the trade, hotels, transport and communications segment grew by 9.3 per cent in the March quarter this year, as against 13.7 per cent expansion in the same the period of 2010.

JPMorgan said that GDP numbers were below expectations and global growth will slowdown in next few quarters.

However, services including banking and insurance grew by 9 per cent in the March quarter this year, compared to 6.3 per cent in the corresponding period last year.

Farm output showed tremendous improvement, growing at 7.5 per cent during the quarter under review, compared to a meagre 1.1 per cent in the same three-month period last year.

Though economic expansion slowed down in the fourth quarter, overall GDP growth touched the 8.5 per cent mark in 2010-11, as against 8 per cent in 2009-10, due the smart recovery in farm output.

The agriculture and allied sectors grew by 6.6 per cent during the fiscal, as against a meagre 0.4 per cent in the previous year.

The growth of services, including banking and insurance, improved to 9.9 per cent in 2010-11 from 9.2 per cent in the previous fiscal.

The trade, hotels, transport and communication segment grew by 10.3 per cent in FY'11, as against 9.7 per cent last fiscal, while growth of the construction sector stood at 8.1 per cent, as against 7 per cent in the previous financial year.

However manufacturing sector growth slowed down to 8.3 per cent in the 2010-11 financial year from 8.8 per cent in 2009-10.

Growth of the mining and quarrying sector also slowed to 5.8 per cent in 2010-11 from 6.9 per cent in 2009-10.

The electricity, gas and water supply segment grew by 5.7 per cent last fiscal, compared to 6.4 per cent in 2009-10.

India's economy is still clocking robust growth, second only to neighbouring China among major economies, as domestic demand continues to grow on the back of rising income.

http://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-grows-at-85-in-fy-2011-q4-growth-at-78/articleshow/8660585.cms

Per capita income in 2010-11 at Rs 54,835

Per capita income of Indians grew by 17.9 per cent to Rs 54,835 in 2010-11 from Rs 46,492 in the year-ago period, according to the revised data released by the government.

The new per capita income figure estimates on current market prices is over Rs 8,000 more than the previous estimate of Rs 46,492 calculated by the Central Statistical Organisation .

Per capita income means earnings of each Indian if the national income is evenly divided among the country's population.

However, the increase in per capita income was only about 6.5 per cent in 2010-11 if it is calculated on the prices of 2004-05 prices, which is a better way of comparison and broadly factors inflation.

Per capita income (at 2004-05 prices) stood at Rs 35,917 in FY11 as against Rs 33,731 in the previous year, the latest data on national income said.

The size of the economy at current prices rose to Rs 73,06,990 crore in 2010-11, up 19.1 per cent over Rs 61,33,230 crore in FY10.

The country's population increased to 121

crore at the end of March 2011, from 117 crore in fiscal 2009-10.

http://economictimes.indiatimes.com/news/economy/indicators/per-capita-income-in-2010-11-at-rs-54835/articleshow/8665357.cms

Core sector growth moderates to 5.2% in April

The output of six core infrastructure industries rose at its slowest pace in last five months, indicating that the industrial growth in April could also moderated from 7.3% reported in March.

The six core industries - crude oil, petroleum refinery products, coal, electricity, cement, finished (carbon) steel - have a combined weight of 26.7% in the Index of Industrial Production (IIP) and therefore are considered a good lead indicator of industrial production.

The output of six infrastructure industries rose 5.2% in April 2011 against 7.4% expansion in March.

According to the numbers released by the government on Wednesday, the moderation in growth is mostly a result of negative growth in cement, -1.1%, and significantly slower growth in finished steel, down to 4.3% from 12.9% in April last year.

In addition, petroleum refinery products and coal both performed better this April than in 2010. The former grew at 6.6% compared to 5.3% last year and the latter at 2.9% compared to -2.9%.

http://economictimes.indiatimes.com/news/economy/indicators/core-sector-growth-moderates-to-52-in-april/articleshow/8680313.cms

Overseas Investment

India's forex reserves rise by $1.68 billion to $310.21 billion

India's foreign exchange (forex) reserves rose by $1.68 billion to $310.21 billion for the week ended May 27 on the back of a sharp increase in foreign currency assets.

This is the second consecutive weekly jump in the country's forex reserves kitty. The forex reserves had increased by $1.04 billion during the previous week.

The foreign currency assets, the biggest component of the forex reserves kitty, increased by $1.67 billion to $278.87 billion during the week under review, according to the weekly statistical supplement of the Reserve Bank of India (RBI).

The foreign currency assets expressed in US dollar terms include the effect of appreciation or depreciation of non-US currencies such as British pound sterling, euro and Japanese yen held in reserves.

The value of special drawing rights (SDRs) increased by $6 million to $4.59 billion and reserves with the International Monetary Fund increased by $4 million to $2.96 billion.

The value of gold reserves remained unchanged at $23.79 billion.

http://economictimes.indiatimes.com/news/economy/indicators/indias-forex-reserves-rise-by-168-billion-to-31021-billion/articleshow/8723500.cms

Multi-brand FDI: Walmart, Carrefour & Tesco may soon open stores in India subject to stringent investment norms

Multinational retailers such as Walmart , Carrefour and Tesco may soon be allowed to open stores in India subject to stringent investment norms, sourcing conditions, and cap on number of outlets in big cities. The Department of Industrial Policy and Promotion, or Dipp, is likely to move a proposal seeking cabinet approval for 51% foreign direct investment (FDI) in multibrand retail subject to a minimum investment of $100 million.

In a bid to counter possible political opposition to the move, the proposal gives state governments the final say on whether they wish to have front-end retail stores in their states.

"A draft framework has been prepared keeping adequate safeguards to protect small shopkeepers, and to ensure that FDI actually helps in development of back-end infrastructure," a senior Dipp official told. The department has circulated a draft framework to a committee of secretaries, which will fine-tune it before a final cabinet note is moved.

The move comes a week after an inter-ministerial group, chaired by chief economic adviser in the finance ministry Kaushik Basu, endorsed opening up the sector to FDI. India, at present, allows 51% FDI in single-brand retail and 100% in wholesale cash-and-carry. The draft framework prepared by Dipp proposes at least half of the foreign investment in multibrand retail projects should be in back-end infrastructure.

Multinational retailers will have to file a statement of account with the RBI and Foreign Investment Promotion Board showing the investment in back-end functions.

http://economictimes.indiatimes.com/news/economy/policy/multi-brand-fdi-walmart-carrefour-tesco-may-soon-open-stores-in-india-subject-to-stringent-investment-norms/articleshow/8687055.cms

FII investment in bonds tops $21 bn

Foreign institutional investor (FII) investments into the bond market have crossed the $21 billion-mark.

The outstanding FII investments hit the highest-ever level of $21.5 billion on May 23, 2011, according to Securities and Exchange Board of India (Sebi) data. Foreign institutions have bonds worth a net $632 million in May taking their total investment in the debt market to $3.6 billion in 2011 so far.

Market participants believe that the outstanding amount would comprise around $9 billion worth of government bonds and about $12 billion worth of corporate bonds. They point out that FIIs have been reluctant to buy the infrastructure bonds, which need to have a residual maturity of five years. Thus close to $25 billion worth of such bonds would be unutilised.

Ananth Narayan, regional head, fixed income and currencies, South Asia, said, “There has been some interest since yields have been attractive. Rates for short term paper have seen a particularly sharp rise in the last few months and over the past year FIIs have preferred to buy paper of shorter duration. That is understandable because although a five-year paper can be hedged, fluctuations in the prices of bonds can result in the fluctuation of the valuation of the bonds.”

Narayan adds that should any unused quota of bonds without a restriction on the tenure be auctioned, it would definitely find takers, because typically fluctuations would be less with paper of shorter duration.”

Observes a dealer, “The debt market wasn’t really offering too many arbitrage opportunities although yields were attractive.

However, in the last few days, the hedging costs or the dollar rupee forwards, have fallen dramatically, with the apprehension of a shortage of the dollar. It has made the returns on the bonds a little more attractive.”

In the Union Budget announcement for 2011-12, the finance minister had doubled the limit available for foreign investment in corporate debt to $40 billion from the current $20 billion. The additional amount was meant for investment in infrastructure bonds with a residual maturity of five years.

In fact, even when the government increased the limit for foreign investment in corporate bonds from $15 billion to $20 billion in September last year, the additional quota was reserved for infrastructure paper with a residual maturity of five years. Allocations for these bonds were auctioned in December last year.

http://www.financialexpress.com/news/fii-investment-in-bonds-tops-21-bn/798158/0

Automatic nod for 49% FDI in DTH

In a major overhaul of the foreign direct investment (FDI) norms in the content distribution space, the government has put 49% of the foreign investments in the direct-to-home (DTH) sector on the automatic route while increasing the overall cap to 74%.

This means, the six private DTH operators in the country can bring in up to 49% of the foreign investments immediately without requiring the mandatory approval from the Foreign Investment Promotion Board (FIPB), which usually takes around two-three months to process the approvals.

The country's DTH industry, with over 37-million subscriber base, is rapidly growing with the addition of over 1 million-plus subscribers each month. However, it requires around R5,000 crore of combined investments each year to sustain this growth.

Current norms make it mandatory for DTH operators to seek prior government approval, including an FIPB nod, while the overall foreign investment cap stands at 49%, within which the FDI component cannot exceed 20%.

As a result, foreign investors like Malaysian Astro (in Sun Direct) and Star TV (in Tata Sky) had to increase their respective stakes in the DTH firms by investing via the indirect route.

Apart from DTH, the government has also increased the foreign investment cap in IPTV, Mobile TV, HITS and Teleport to 74%. Also, 49% out of the overall 74% foreign investment cap in each of these sectors will be via the automatic mode.

However, for content services like news channels, all foreign investments will require the FIPB nod and there will not be any automatic route. The sector regulator — The Telecom Regulatory Authority of India (Trai) — had earlier batted for bringing all foreign investment up to 26% in the broadcasting sector under the automatic route.

The government has also increased the foreign investment cap for the private FM radio sector from 20% to 26% but with prior government approval.

Trai has now given its nod to a complete revamp of FDI norms in the broadcasting space, as proposed by the information and broadcasting (I&B) ministry. Now the revamped proposal will go before the Cabinet for its approval. "The Cabinet is expected to give its nod within the next few weeks," a senior government official said.

Because of the revamp of FDI caps in DTH, the existing six private DTH operators will not only be able to bring in more foreign investment but also in a transparent manner.

http://www.financialexpress.com/news/automatic-nod-for-49-fdi-in-dth/799737/0

India among preferred FDI destinations: E&Y

Despite regulatory hurdles, India continues to be among the preferred destinations for FDI due to the country's high economic growth, with both Mumbai and Delhi being touted as among the cities likely to produce the next Microsoft or Google, a survey said.

According to the '9th Annual European Attractiveness Survey' by Ernst & Young, India will rank fifth among the most attractive destinations for European firms within the next three years, mainly on account of India's perceived specialisation as a hub for low cost outsourcing business.

"Foreign investors are not deterred by current regulatory issues to invest in India... India's perceived specialisation as a low-cost business process outsourcing (BPO) hub continues to appeal the investors across the globe," the report said.

As per the E&Y report, a huge number of respondents felt that India would be the home to the next big brand name in the IT sector.

"... Eight per cent of global respondents named Mumbai and 4% named New Delhi as the best cities to produce the next 'Microsoft' or 'Google'," it said.

Around 800 executives from top-level global firms participated in the survey.

As per the survey, 31% of the participants each felt that Western Europe and China would be among the attractive markets for investing within three years.

"India ranked at fifth position, with 17% of respondents believing the country to be a profitable economy for expansion of business," E&Y said.

Experts have been warning againts regulatory hurdles and a slowdown in the reform process, including failure to liberalise the retail and insurance sectors further, as likely irritants in attracting FDI.

Foreign direct investments into the country had fallen to $19.43 billion (Rs 88,520 crore) in 2010-11 as against $25.83 billion (Rs 12.31 lakh crore) in the previous fiscal, a decline of 25%.

http://businessstandard.com/india/news/india-among-preferred-fdi-destinations-ey/137559/on

Trade News

Two MoUs on skill development signed with Germany

India has signed two memoranda of understanding (MoUs) with Germany for promotion of skill development in the country.

The first MoU is between National Skill Development Corporation (NSDC) and iMOVE of Germany. The second is between ILF&S Cluster Development Initiative Ltd and Handwerkskammer Rhein-Main (Rhine-Main Chamber of Skilled Crafts).

The MoUs were signed by Germany's Federal Minister of Education and Research, Dr Annette Schavan, and the Union Minister of Labour and Employment, Mr Mallikarjun Kharge.

Under the MoU with NSDC and iMOVE, the two agreed to promote the transfer of know-how in vocational education and training, foster private sector initiatives in vocational education and training between German and Indian stakeholders, such as training providers, educational institutions, corporations and others.

According to the second MoU involving ILF&S Cluster Development Initiative Ltd, 100 multi-skilled schools across the country may be set up to provide skills training for local industries.

The aim is to focus on some high growth sectors and eventually seek to provide skilled manpower for the global markets.

The German Chamber will support the initiative through identification of skills and competencies, preparation of course curriculum, preparation of training manual, setting up of workshops, train the trainee, supervision of training activities, testing and certification and so on. Certificates will be issued jointly by ILFS and Rhine-Main, an official release said.

According to the NSDC estimates, India needs 40 million skilled workers a year to meet the target of training 500 million people by 2022.

http://www.thehindubusinessline.com/industry-and-economy/article2065981.ece

India allows duty-free import of goods from Afghanistan

India has extended duty-free market access to Afghanistan as part of its economic package for least developed countries (LDCs).

Under the scheme, the import of most

products from the neighbouring country will be allowed at zero duty.

The Finance Ministry has issued a notification in this regard.

India's Duty-Free Tariff Preference (DFTP) scheme, launched by Prime Minister Manmohan Singh in 2008, provides preferential duty access on products comprising 92.5 per cent of global LDC exports.

The DFTP scheme grants duty-free access on 85 per cent of India's total tariff lines. The scheme is to be implemented over a period of five years through five equal tariff reductions of 20 per cent each on the current applied rates to bring down the duty rate to zero.

Some of the products of interest for LDCs which are covered include cotton, cocoa, aluminium ore, copper ore, cashewnut, cane sugar, readymade garments, fish fillets and non-industrial diamonds.

The countries which have been notified under the DFTP scheme include Cambodia, Tanzania, Uganda, Rwanda and Madagascar.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-allows-duty-free-import-of-goods-from-afghanistan/articleshow/8710776.cms

Trade pact to boost India's ties with Canada

Taking forward their long-standing relationship, India and Canada aim at a bilateral trade target of $15 billion in the next five years. Both countries are in talks for a Comprehensive Economic Partnership Agreement (CEPA) that would yield significant economic benefit and lower tariff on a large number of products for both the countries.

The bilateral relationship is based on shared democratic values, multi-cultural, multi-ethnic and multi-religious nature of the two societies and strong people-to-people contacts. Speaking at Seoul last November at the G20 Summit, Prime Minister Manmohan Singh noted that the India-Canada relations had undergone a "sea change". On November 12, 2010, Singh and his Canadian counterpart Stephen Harper announced the launch of talks on the CEPA.

"A Comprehensive Economic Partnership Agreement is an FTA from our perspective. It is aimed at promoting market opening policies and stands to become one of the most important building blocks in constructing a broader, deeper bilateral relationship," said Stewart G Beck, Canadian high commissioner at New Delhi. "First round of negotiations have already taken place and we are now

awaiting dates for the second round. Everything is open to discussions. Financial services are very active in Canada and we would want to discuss this along with other sectors, including agriculture and mining."

The high commissioner said Canada was particularly well placed to collaborate with India in knowledge-based industries. "This is largely due to the tremendous investments Canada has made to support the country's research and investment infrastructure," he said.

A Canada-India joint study estimated that an agreement could increase GDP in each country by approximately $6 billion and increase our two-way bilateral trade by 50%. A free trade agreement with India stands to benefit a wide range of Canadian export sectors such as forest products, minerals, manufactured goods, agricultural products, fish and seafood products, machinery, construction materials and equipment, aerospace and environmental technologies.

"Right now, there are about 250 Canadian companies active in the Indian market and we have set a target of 750 companies. By having more companies involved it will be easier to reach the trade target of $15 billion by 2015 as set by the two leaders," Beck added.

Bilateral trade figures of the two countries indicated an upward trend during the January-October 2010 period as compared with the same period in 2009. India's exports to Canada registered a 11.4 % increase whereas India's imports from the the North American country were up 7.9 % over the same period in 2009. Overall, bilateral trade during January-October 2010 showed 10.28% increase over the same period in 2009.

http://www.financialexpress.com/news/trade-pact-to-boost-indias-ties-with-canada/799652/0

Sectoral News

India's exports rise 34.42% in April 2011

Exports jumped 34.42% in April 2011 to $ 23.8 billion continuing the fast paced growth of the previous fiscal. Imports, too, continued to rise although at a lower pace of 14/13% to $32.8 billion.

The trade deficit for April 2011 was estimated at $ 8.98 billion which was lower than the deficit of $ 11.02 billion during April 2010.

Oil imports during April, 2011 were valued at $ 10.18 billion which was 7.7% higher than oil imports of $ 9.45 billion in the corresponding period last year.

Non-oil imports during April, 2011 were estimated at $ 22.64 billion which was 17.3% higher than non-oil imports of $ 19.31 billion in the previous year.

India's exports grew a record 37.6 percent in the 2010-11 fiscal year due to high growth in the engineering sector, gems & jewellery and petroleum products.

http://economictimes.indiatimes.com/news/economy/foreign-trade/indias-exports-rise-3442-in-april-2011/articleshow/8679935.cms

Agriculture sector grows by 6.6% in FY11

Agriculture and allied sectors showed a marked improvement by registering 6.6% growth in 2010-11 as against 0.4% in the previous fiscal helped by a record foodgrain production of 235.88 million tonne.

The rising trend in farm production, experts warned might not continue in the current fiscal.

The government had earlier projected 5.4% growth in 2010-11 for agriculture sector.

"Third advance estimates of crop production released by Agriculture Ministry showed an upward revision as compared to their second advance estimates in the production of wheat, pulses, oilseeds and sugarcane during 2010-11," an official statement said.

Due to upward revision in the farm output, 'agriculture, forestry and fishing' sector in 2010-11 has shown a growth rate of 6.6% as against the growth rate of 5.4% in the advance estimates, it added.

Commenting on the data, PMEAC Chairman C Rangarajan said: "The agriculture growth this year will be lower than last fiscal...6.6% growth comes after drought year [making the base low]."

According to GDP data released, the farm sector posted a growth of 7.5% in the fourth quarter of last fiscal as against 1.1% in the year-ago period.

As per the third advance estimates for 2010-11 crop year (July-June), the country's foodgrain production is pegged at record 235.88 million tonne against 218.11 million tonne in the previous year. The previous record was 234.47 million tonne in 2008-09 crop year.

The country witnessed record production in wheat at 84.27 million tonne, pulses at 17.29 million tonne, oilseeds 30.25 million tonne and cotton at 33.9 million bales (170 kg each).

Good monsoon in 2010 coupled with schemes launched by the government to boost production contributed to the record foodgrain output in 2010-11 crop year.

http://businessstandard.com/india/news/agriculture-sector-grows-by-66-in-fy11/137077/on

India may open more nano manufacturing tech centres

India is looking at setting up more nano manufacturing technology centres as it seeks to give enhanced thrust to value-added output, Commerce and Industry Minister Anand Sharma said.

He was speaking after laying the foundation stone for an advanced nano technology laboratory, as a part of the nano manufacturing technology centre being established at a cost of Rs 120 crore, at the Central Manufacturing Technology Institute (CMTI).

Asked if the government planned to set up more such centres, Sharma told: "There will be. I am sure that we will be looking at augmenting because India needs more technology centres....".

He also said: "It is required in our country to give more thrust to value-added manufacturing which as of now is on the lower side compared to other developed economies or emerging economies".

The government was very keen that India, through collaboration and on its own efforts, was in a position to manufacture green technologies, Sharma said, adding, the country can become a workshop of the world given its institutional strength and human resources.

The Minister also laid the foundation stone for the Academy of Excellence for Advanced Manufacturing Technology at CMTI, a human resources initiative to produce qualified "job-ready" engineers in advanced manufacturing technologies.

A Rs 10 crore advanced machine tool testing facility was also inaugurated at CMTI, an autonomous body which carries out applied R & D and pre-competitive R & D in manufacturing technology.

http://businessstandard.com/india/news/india-may-open-more-nano-manufacturing-tech-centres/137436/on

Wheat procurement touches record 26.43 MT, up 18%

Wheat procurement in the country has broken a record, with 26.43 million tonnes of wheat purchased so far on the back of record production of the rabi crop, registering an increase of 18%.

Food Corporation of India (FCI) had procured 22.41 million tonnes in the year-ago period.

Wheat procurement, which generally starts from April and continues till June, has been higher during the current marketing season 2011-12, due to record output of 84.27 million tonnes.

This year, the procurement so far has surpassed the previous record of 25.38 million tonnes during the 2009-10 marketing year (April-March) and last year's total purchase of 22.51 million tonnes.

FCI, the nodal agency for procurement and distribution of foodgrains, has achieved the procurement target of 26.2 million tonnes set for 2011-12 marketing year.

The record output of wheat led to the increase in arrival of crop in the mandis across the country by 19% to nearly 30 million tonnes till June 3, in the current marketing year as against 25.21 million tonnes in the year-ago period.

According to the government data, Punjab -- which contributes maximum to the government's buffer stock -- has so far procured 10.92 million tonnes, followed by Haryana at 6.87 million tonnes.

Wheat procurement by Madhya Pradesh, Uttar Pradesh and Rajasthan stood at 4.81 million tonnes, 2.42 million tonnes and 1.11 million tonnes, respectively.

The government is paying Rs 1,170 per quintal to farmers this season, including a bonus of Rs 50 per quintal.

http://businessstandard.com/india/news/wheat-procurement-touches-record-2643-mt18/137503/on

News Round-Up

India's wealth to grow at 14% in 2010-15: Report

Wealth in India is all set to grow at 14% between 2010 and 2015 with the country's assets under management (AUM) accounting for 8% of the overall increase in AUM. India is among the group of four countries including the UK, US and China that have shown the largest absolute gains in wealth.

AUM includes cash deposits, money market funds, listed securities held directly or indirectly through managed investments, and onshore and offshore assets. It excludes wealth attributed to investors' own businesses, residences, or luxury goods.

According to global management consulting firm Boston Consulting Group's global wealth report 2011 · "Shaping a new tomorrow: How

to capitalise on the momentum of change” ·

India ranks 12th in the number of millionnaire households at 150,000. This was driven by private wealth, which grew at more than double the global average in the Asia-Pacific region. India experienced exceptional growth of 21.6% in AUM while the Pacific region reported the highest growth rate in family wealth across the world during 2010.

The findings of the report are based on a comprehensive market-sizing study and a benchmarking survey of 120 wealth managers around the world. The report, the 11th in this series, includes close-ups of two wealth markets · Asia-Pacific and Latin America · along with an in-depth look at pricing and a special focus on Islamic wealth management.

The report noted that wealth climbed by 8 % in 2010 to $121.8 trillion or about $20 trillion from the levels two years earlier, despite the global financial crisis.

http://www.financialexpress.com/news/indias-wealth-to-grow-at-14-in-201015-report/798131/0

India could be world's third largest economy by 2030: StanChart

India could be one of the largest economies in the world in the next two decades, according to an official from the Standard Chartered Bank .

"We are projecting that by 2030, China, India and Brazil would be the world's first, third and fourth-largest economies," Standard Chartered Bank's Global Head (Client Access Transaction Banking) Neal Livingston said at an event here today.

"Asia accounts for a third of the world's GDP and is responsible for more than two-third of the world GDP growth," he said.

The bank expects a roll-over in the top five economies of the world and believes that their power could be under threat from the BRIC nations.

India's GDP is expected to be $ 30-trillion by 2030. Increased capacity, better infrastructure, quality of education, health and hygiene are likely to boost India's growth.

http://economictimes.indiatimes.com/news/economy/indicators/india-could-be-worlds-third-largest-economy-by-2030-stanchart/articleshow/8681902.cms

India backs package for poor nations

India is keen to support an "early harvest'' package mainly targetting least developed countries (LDCs) in December at the World Trade Organisation--a move that could help dispel notions that its hard stance on tariff elimination on industrial goods was

preventing poor countries from benefiting from a concluded Doha round.

WTO DG Pascal Lamy has suggested that all issues be split into three groups and approached at different speeds - in fast, medium and slow lanes.

The Doha round for liberalising trade in goods and services launched in November 2001 has reached a stalemate with the US and the EU demanding that big developing countries like India, China and Brazil eliminate tariffs on a few industrial products like chemicals, electronics & electricals and industrial products.

"India does not want to be seen as a game spoiler for LDCs as we have always supported their cause. We want to protect our interest without harming the interest of poor countries and feel that an early harvest package is a good idea," a government official told.

The mandate for the Doha round talks about duty-free and quota free market access for LDC's products and additional measures to improve market access. This would include elimination of export subsidies on cotton by the US to help revive markets for cotton growing African countries.

Last week, commerce and industry minister Anand Sharma said there was a unanimous resolve emerging among trade ministers from key WTO countries that a package of deliverables which had at its heart the interests of LDCs be accorded priority and efforts made to fast track negotiations in those areas for conclusion by end December. He spoke after attending an informal meeting of trade ministers from about 20 countries including Brazil, China, the EU, US and Australia on the sidelines of the OECD meeting in Paris.

"While the WTO is talking in terms of a LDC plus package by December, India would be happy to support a package even if it is limited to benefits for LDCs," the official said.

In a meeting of the WTO's trade negotiations committee--the body overseeing negotiations on all topics, member countries agreed that a package for least-developed countries is the most urgent and feasible priority for a first-step Doha Round outcome at the December 2011 ministerial meeting, with another group of issues - a "plus" currently being discussed - having the next level of priority.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-backs-package-for-poor-nations/articleshow/8687434.cms

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