सत्यमेव जयते
ITP Division
Ministry of External Affairs
Government of India

Weekly Economic Bulletin

Date: November 15-21, 2011 **Issue No. 447**

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News Feature

Economy to grow at 7.5% to 8%: Rangarajan

Prime Minister's Economic Advisory Council Chairman C Rangarajan has projected a GDP growth rate of 7.5 per cent to 8 per cent in the 2011-12 financial year.

"Initially, the growth rate forecast for 2011-12 by the council was 8.2 per cent. The world situation is not very encouraging and it may vary between 7.5 per cent to 8 per cent," Rangarajan said.

He said that India has the potential of growing at 9 per cent in a sustained way.

Rangarajan, a former governor of the RBI, said that India's savings rate has crossed 34 per cent of GDP, while the investment rate exceeds 36 per cent.

"Even with an incremental capital-output ratio of four, the Indian economy will be able to grow at 9 per cent in a sustained way," Rangarajan said.

Referring to broader macro-economic concerns, he said that the target of keeping the fiscal deficit at 4.6 per cent of the GDP for 2011-12 would be difficult.

In this context, he said that the government should take a look at its expenditure, particularly subsidies.

Over the medium-term, the government's aim would be to achieve the fiscal responsibility and budget management (FRBM) target of 3 per cent of the GDP.

http://www.financialexpress.com/news/economy-to-grow-at-7.5-to-8-rangarajan/878013/0

Exports from SEZs up 26 pc in April-September

Exports from special economic zones grew 26.2 per cent year-on-year to Rs 1.76 lakh crore during April-September this fiscal, according to the Export Promotion Council for EOUs and SEZs (EPCES).

During April-September 2010-11, exports from the tax free enclaves had clocked Rs 1.39 lakh crore.

"This quantum of growth in exports will be maintained and this sector will generate more and more employment," EPCES Chairman Jatin Mehta said in a statement.

Exports from SEZs grew 43.11 per cent to Rs 3.15 lakh crore in 2010-11.

Out of 381 notified zones, 148 are operational. Maximum number of these enclaves are in sectors like IT/ITES, engineering, electronics, hardware and textile.

SEZs and Export Oriented Units (EoUs) contributed 34 per cent in the country's total shipments in 2010-11.

As on September 30, the zones employed 7,32,839 people. Under the SEZ Act, the units get 100 per cent tax exemption on profits earned for the first five years, 50 per cent exemption for the next five years and another 50 per cent exemption on re-invested profits in the following five years.

SEZ developers, on the other hand, get 100 per cent tax exemption on profits for 10 years.

However, in the wake uncertainties over tax incentives, hundreds of SEZ developers were given more time to execute their project and several have surrendered.

The draft Direct Taxes Code has proposed withdrawal of exemptions for new units that come up after the tax code is implemented and replacement of tax exemption on profits for developers with sops on investments.

http://economictimes.indiatimes.com/news/economy/indicators/-exports-from-sezs-up-26-pc-in-april-september/articleshow/10754549.cms

Overseas Investment

US looking for more Indian FDI

The US is eyeing more Foreign Direct Investment from India, which has already put in USD 7 billion in the country, a top American government official said.

Among others, the US strategic focus is on Asian and European countries including China for attracting investments there, Barry E A Johnson, Executive Director of SelectUSA told.

Established in June this year, SelectUSA is a government-wide initiative within the US Department of Commerce to encourage, facilitate and accelerate business investments by both domestic and foreign firms in the country.

"Current Indian FDI is USD 7 billion and it is 27th among all the source countries that have invested in the US(we look forward to attracting) as much as possible," Johnson said

when asked if they had set any target for Indian investments.

Besides, Johnson said that considering India's size, potential and pace of development, there was "huge room for improvement."

There was an overall focus on attracting industries and products with high-growth prospects, he said, adding foreign investment would be a "huge plus" to both the US and the countries the investments came from.

Replying to a question on the "Occupy Wall Street" protests and its impact on business, he said the agitation has in "no way shut down business."

http://www.financialexpress.com/news/us-looking-for-more-indian-fdi/875825/0

Govt OK's PFRDA Bill change, allows FDI

The government approved amendments to the PFRDA Bill 2011 (Pension Fund Regulatory and Development Authority) while agreeing to the proposed 26 per cent foreign direct investment (FDI) in the pension sector but refrained from providing assured returns to subscribers in the proposed law.

The government had decided not to mention FDI cap in the legislation itself for retaining the flexibility of changing it through an executive order. The 26 per cent FDI cap is to be mentioned in the regulations to the legislation.

The changes to the PFRDA Bill were approved by the Union Cabinet at its meeting.

The Bill, which has already been scrutinised by the Parliamentary Standing Committee on Finance, is likely to be taken up for consideration and passage in the Winter Session beginning November 22.

"The government is of the view that FDI cap in the pension should be at 26 per cent at par with the insurance sector. However, it would like to retain the flexibility of changing the cap of FDI as and when required and that is why it has not been kept as part of the bill", an official spokesperson said.

The proposed legislation, the official said, will not provide assured returns to the subscribers of pension schemes.

The Committee, which is headed by senior BJP leader and former Finance Minister Yashwant Sinha, wanted the government to specify the FDI cap in the legislation itself and provide minimum guaranteed return to subscribers.

The government also turned down the Committee's recommendation for allowing greater flexibility to subscribers of pension schemes for pre-mature withdrawal of funds from their accounts.

"The flexibility of withdrawals from funds under the pension scheme, however, would be tightened. It would be allowed only in case of genuine needs...It would be considered when the need is critical. It will not be allowed for frivolous reasons," the official explained.

The government, however, upheld the panel's suggestion to provide greater participation of the employees and stakeholders in the Pension Advisory Committee, the official said.

http://www.financialexpress.com/news/govt-oks-pfrda-bill-change-allows-fdi/876731/0

FII cap in govt, corp bonds hiked by $5 bn

The Finance Ministry increased the investment limit for foreign institutional investors (FIIs) in government securities and corporate bonds by USD 5 billion each, a move that will enhance capital flows and increase the availability of resources for Indian corporates.

The FIIs can now invest up to USD 15 billion in government securities (G-secs) and USD 20 billion in corporate bonds, official sources said.

The investment limit in long-term infrastructure bonds, however, has been kept unchanged at USD 25 billion.

A notification giving effect to the new FII investment ceilings will be issued by market regulator Securities and Exchange Board of India (Sebi) soon.

"The present enhancement will increase investment in debt securities and help in further development of the government securities and corporate bond markets in the country," the official added.

The decision, which was taken after a review of the macro-economic situation, would enhance capital flows and make additional financial resources available to the Indian corporate sector, he said.

The official added that the increase in investment limits became necessary as "...little space was available for further FII investment in G-secs and corporate bonds".

As against the FII investment ceiling of Rs 43,650 crore in G-secs, foreign institutions had invested Rs 41,253 crore as of October 31, 2011.

Similarly, in the case of corporate bonds, FIIs have invested Rs 68,289 crore (as of October

31, 2011) as against the ceiling of Rs 74,416 crore.

http://www.financialexpress.com/news/fii-cap-in-govt-corp-bonds-hiked-by-5-bn/877148/0

Trade News

Trade pact with South Africa Customs Union by next year

India is expected to sign the much-awaited preferential trade agreement (PTA) with South Africa Customs Union (SACU) by the first quarter of 2012, as both sides are currently engaged in active negotiations on seeking greater access of each others' markets and easier movement of professionals.

SACU consists of Botswana, Lesotho, Namibia, South Africa and Swaziland. Since 2007, negotiations have been on over having a PTA with the grouping. So far, around eight rounds of negotiations have taken place.

"When you negotiate, there is always the aspect of give and take," said South African Deputy Minister for Trade and Industry Elizabeth Thabethe. "It has to be mutually beneficial for both the sides, taking care of sensitivities on each side. Every country within the union has its own set of demands. We are discussing that. We hope to reach an agreement by the first quarter of 2012 or the second quarter," she told.

Thabethe, who is in India to take part in the India International Trade Fair that began on November 14, also said the next round of negotiations would take place soon. The progress, so far, has been "considerable". However, she highlighted that the PTA should yield a win-win situation for both sides and boost bilateral trade and investment.

Under a PTA, the negotiating countries reduce their tariffs on a particular number of products from the level they maintain with countries that are not parties to the pact. Unlike free trade agreements (FTAs), a PTA does not slash or eliminate duties from a large number of tariff lines.

Earlier this year, Minister for Commerce and Industry and Textiles Anand Sharma had indicated that the PTA would initially result in tariff cuts on a specific number of products.

It could be expanded into an free trade agreement (FTA) depending on the progress of the PTA, he had indicated during the visit of South Africa's Trade Minister Rob Davies. Since then, both sides are also discussing a bilateral investment promotion and

protection agreement.

Thabethe is to hold a bilateral meeting with Jyotiraditya Scindia, minister of state for commerce and industry.

Both countries have earlier set the target of achieving $15 billion worth of bilateral trade by 2014 from around the present $11.12 billion. Thabethe said this target was “attainable” with greater cooperation in the small and medium sector, information technology, infrastructure, rural development and handicrafts.

http://business-standard.com/india/news/trade-pactsouth-africa-customs-union-by-next-year/455765/

India, EU committed to trade pact by early next year

The Centre said India and the European Union are committed to a balanced and ambitious Broad-based Trade and Investment Agreement (BTIA) by early 2012.

Stating this, the Minister of Commerce, Industry and Textiles, Mr Anand Sharma, said in a statement that “This agreement (India-EU BTIA) will lead to increase of opportunities for market access in goods and services for both sides.”

The statement added that Mr Sharma was speaking during his meeting with Mr Kris Peeters, Minister President of the Flemish Government and the Flemish Minister for Economy, Foreign Policy, Agriculture and Rural Policy. The Flemish region is a part of Belgium.

Mr Sharma said Belgium is India's second largest trading partner in the EU. India-Belgium trade in 2010-11 grew by 52.44 per cent to $14.9 billion, of which India's exports to Belgium were $6.3 billion and imports from that country were $8.6 billion.

http://www.thehindubusinessline.com/industry-and-economy/economy/article2630344.ece

India-China trade can touch $100 bn due to iron ore trade & mining'

Creating a favourable macro-environment in the area of iron ore trade and co-operation in the field of mining exploration can help achieve the ambitious India-China trade target of $100 billion by 2015, a top Chinese diplomat said.

Speaking at a Conference on International Iron Ore & Steel Making Raw Materials at a resort near Panaji, Economic and Commercial Counselor of the Embassy of China Peng Gang said the target set during Premier Wen Jiabao's New Delhi visit last year was a challenge against the backdrop of the ongoing

global financial crisis.

"Our two sides should continue to deepen mutual trust, strengthen communication, promote mutually beneficial cooperation, properly handle differences so as to enhance the development of China-India Strategic Cooperative Partnership...," the diplomat said.

Peng also called for preferential foreign direct investment (FDI) policies and creating a better investment opportunity had helped China in its long 30 year phase of opening up and reform.

"We would like to encourage more Chinese competent enterprises to establish more joint ventures in iron ore and steel-making sector with their Indian peers to increase the capability of iron processing and steel production of India," he said.

Peng said the $1 trillion thrust in India's 12th Five Year Plan on infrastructure development would also open up new opportunities for development of mines in India. He said it was "important to keep a transparent and stable policy system of mining, trading and export".

"The companies of both countries might strengthen cooperate and investment with each other in mining supporting transport, logistics, ports construction and improvement with a purpose of creating favourable infrastructure conditions of mining development and trade between the two countries," he said.

He said that both sides might also try to establish long-term iron ore trade agreement with a new pricing system.

Peng also advocated green innovative technologies to produce green and clean steel and other products.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-china-trade-can-touch-100-bn-due-to-iron-ore-trade-mining/articleshow/10768008.cms

Pakistan allows more imports from India

Pakistan has removed import restrictions on 12 more items from India, officials said.

The goods included machinery as well as raw materials for leather and textile industries. Both countries have been trying to boost their trade following a recent thaw in ties.

Pakistan recently said it will grant India most favoured nation (MFN) status as part of efforts to help normalize trade ties. India gave Pakistan MFN status in 1996.

The commerce ministry had urged the Economic Coordination Committee (ECC), the top decision-making body on economic affairs, to increase the number of import

items from India.

India-Pakistan trade is logged at $2.5 billion in 2010-11 and the two countries are targeting to double this in the next five years.

Prime Minister Yousuf Raza Gilani and his Indian counterpart

Manmohan Singh have hailed the progress in diplomatic ties and promised a "new chapter" in relations when they met on the sidelines of a regional summit in the Maldives recently.

http://economictimes.indiatimes.com/news/economy/foreign-trade/pakistan-allows-more-imports-from-india/articleshow/10817904.cms

Indian Ocean Rim Association for Regional Cooperation to boost trade

The Indian Ocean Rim Association for Regional Cooperation (IOR-ARC) decided to support intra-regional growth of business through infrastructure building and trade facilitation to boost intra-trade.

"Though intra-regional trade accounts for 24 percent of the global trade, we have the capacity to increase it by encouraging our forums to reach out to business and commercial expertise in the region," the association said in a communique after its 11th council of ministers meeting.

The day-long meeting, held under the chairmanship of India for the first time, discussed the possibility of initiating a comprehensive study on the feasibility of preferential trading arrangements for the region.

"We are of the firm view that the academic, scientific and business communities of our membership will find their participation in the wide variety of trade and tourism expositions and fairs held in the region of benefit and use," the association said in its "Bangalore Declaration".

Emphasising on the need for cross-fertilisation of ideas between the academic and business forums and the working group on trade and investment to strengthen cooperation in the region, the meeting agreed upon capacity building in these sectors through programmes and workshops.

"Capacity building in ICT (information and communication technologies), analytical studies on investment promotion, study of monsoon, marine biology and management of our coastal zones are areas of relevance. Energy efficiency and renewable energy technologies need close attention," said the declaration.

Appreciating the diversity and richness of the region's tourism potential and tourism promotion as an attractive vehicle for socio-

economic growth and development in the region, the communique said intra-regional tourism offered huge potential to target high growth in the sector.

"The second phase of tourism feasibility study will be undertaken at the initiative of Oman. We believe that the member countries can target the tourism sector to realise its full potential," the communique observed.

The meeting also favoured increasing cultural exchanges to promote people-to-people contacts, contribute to greater appreciation of our diverse capacities, social and cultural values and enhance the visibility and value of the association.

On the suggestion of Australia as the new vice chair of the association, the meeting agreed to consider a new name for the association and directed its officials to initiate consultations on changing the name by the next meeting in 2012.

The regional bloc in which India is a founding member, was set up in Mauritius in 1997 with Australia, Bangladesh, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, the UAE (United Arab Emirates) and Yemen as the member-countries.

Seychelles, which left the organisation in 2003, re-joined Tuesday to become the 19th member of IOR-ARC.

The association has also five dialogue partners - Egypt, Japan, China, Britain and France - and two observers - Indian Ocean Tourism Organisation (IOTO) and Indian Ocean Research Group (IORG).

http://economictimes.indiatimes.com/news/economy/foreign-trade/indian-ocean-rim-association-for-regional-cooperation-to-boost-trade/articleshow/10744811.cms

Sectoral News

Rs 500 cr more to be spent on innovation in farm, allied sectors

The National Agricultural Innovation Programme (NAIP) will spend Rs 500 crore more in the next two years on various projects to add value to agriculture and allied sectors.

The project cost is pegged at Rs 1,200 crore. The programme is aimed at developing technology-based innovations to improve the income of farmers and those living on allied sectors. The project is funded by the World Bank and is guided by Indian Council of Agriculture Research.

“The programme has already started yielding results. Though they are implemented in certain pockets, they can be replicated to other areas,” Dr Bangali Baboo said.

Dr Baboo was here to address the ‘Innovations for industry' (crop sciences) at the National Academy of Agricultural Research Management (NAARM).

Giving an example of replicable projects, Dr Baboo said a project in Ratnagiri (Maharashtra) had developed a model that helped fishermen go to a particular place in the waters to catch fish. “The model uses information sent by satellites. It saves time and fuel for fishermen,” he said.

The meet showcased innovations from seven Government research institutes such as Central Tobacco Research Institute, Directorate of Sorghum and Directorate of Rice Research.

http://www.thehindubusinessline.com/todays-paper/tp-economy/article2643010.ece

Mobile trading picks up speed

Mobile trading, approved by the capital market regulator late last year, has seen a nearly fourfold jump in turnover in the past few months.

Market players say an increasing number of retail investors are embracing the new platform to deal in equities. The availability of trading applications across mobile platforms has acted as a catalyst, they say.

Mobile trading, in simple terms, refers to investors placing buy/sell orders using their mobile phones. The Securities and Exchange Board of India (Sebi) gave its go-ahead to mobile trading in August last year. The regulator allowed brokerages to introduce applications for mobile phones, which clients could download and trade through. Stock exchanges provide their own versions of trading applications.

According to the National Stock Exchange (NSE), the total monthly turnover of mobile trading has risen to Rs 2,606 crore in October from Rs 715 crore in April — a 264 per cent rise in just six months. Initially, when mobile trading was launched, the monthly turnover was in the range of Rs 10-12 crore on NSE. In fact, the monthly turnover has registered a steady rise since April as more investors have started to adopt the new platform. Meanwhile, in the current year, the Bombay Stock Exchange has seen its monthly mobile trading volume more than double from Rs 6 crore to Rs 14 crore.

An NSE spokesperson said the exchange had launched applications for all smartphones and tablets along with "reasonable phones with GPRS connections". "Volumes from mobile trading have been growing and we are confident the trend will pick up further," said the spokesperson.

Market players, meanwhile, say the availability of trading applications across platforms — Android, BlackBerry, Windows, etc — has led to investors warming up to mobile trading. "Mobile trading is much simpler than internet trading as a simple handheld device does the trick. So, clients who are on the move use it extensively. While the percentage of investors opting for mobile trading is still minuscule, the trend is encouraging," says Vinay Agrawal, executive director, Angel Broking.

Prior to the regulatory approval, most of the large brokerages were already providing mobile platforms through which their clients could access live quotes and portfolio details. These applications were tweaked to meet regulatory norms and buy/sell functionalities were added.

http://www.business-standard.com/india/news/mobile-trading-pickssspeed/455736/

78% of SMEs in packaging industry to expand

In line with the optimistic trend seen since December 2010, 78.3 per cent of the SMEs in the packaging industry which participated in a survey carried out by IndiaMART Knowledge Services said that they were planning to increase their production capacity, while 21.7 per cent felt otherwise.

A majority of the respondents – 69.8 per cent – are looking to expand their employee base, while the remainder is not so keen to do so. Only 48.1 per cent of the participants were interested in expanding their office network, while a majority (51.8 per cent) did not feel so inclined. Some 63.2 per cent of respondents had high expectations for the next quarter in terms of business prospects, 16.9 per cent had low expectations, and 19.8 per cent believe there will be no change. Forty-nine per cent expect the market to grow in the next quarter, 30.1 per cent expect negative growth, and only 20.7 per cent said they expect the market to remain the same.

The participating SMEs are involved in flexible packaging, glass packaging, liquid cartons packaging, metal packaging, paper-based containers and rigid plastic packaging. When asked whether their order book had increased after December 2010, around 30.1 per cent of the participants said that it had increased by more than 20 per cent, while 34 per cent said that the orders increased between zero and 20 per cent. There was no change for 31.1 per cent of the respondents and only 4.1 per cent witnessed a decline.

http://www.business-standard.com/india/news/78smes-in-packaging-industry-to-expand/455439/

Forging industry to see over 20% growth a year

The Rs 15,000-crore Indian forging industry is poised to grow by over 20 per cent a year and see investment of about $3 billion (about Rs 15,000 crore) by 2015 for capacity expansion, according to the Association of Indian Forging Industry.

The industry, which thrives on 70 per cent of its business coming from automotive sector supplies, says that it is undeterred by the current slowdown in the sector and turmoil in other markets.

From an average growth of about 25 per cent a year, the automotive sector in India this year has come down to about 8 per cent. This is not small even by any comparison to other markets which have had de-growth. But what is interesting is the potential for the domestic automotive market to grow to a 10 million per annum from three million. This will sustain growth, Mr Baba Kalyanai, Chairman and Managing Director Bharat Forge Ltd, said.

Addressing a press conference at the 20th International Forging Congress -IFC 2011, Mr Deven Joshi, President AIFI, said the overall production of forgings increased to 2.3 million tonnes during the year ended March 31, 2011, from 1.8 million tonnes in 2009-2010, registering a growth of over 28 per cent. This is predicted to reach 4 million tonnes by 2014.

Mr Vidyashankar Krishnan, Managing Director of MM Forgings and Ex-president-AIFI, said that 75 per cent of the total forging business comes from the domestic market. By offering innovative products, the forging industry is seeking to increase the overall exports from 25 per cent. Significantly, the domestic opportunity itself is pretty huge.

The IFC, which is held once every three years, is being hosted in India after a gap of two decades. The four-day event has over 1,000 delegates from across the globe.

http://www.thehindubusinessline.com/companies/article2627027.ece?homepage=true&ref=wl_home

Indian dairy industry seen at Rs 5 lakh cr

The value of the Indian dairy industry is expected to touch Rs 5 lakh crore by 2015, with milk output pegged at 190 million tonnes

at the end of the period, industry chamber ASSOCHAM said.

According to an Associated Chambers of Commerce and Industry of India (ASSOCHAM) study, the Indian dairy industry is growing at the rate of 10 per cent per annum.

"Milk production is likely to reach about 190 million tonnes in 2015 from current level of about 123 million tonnes," the ASSOCHAM study, titled, 'Indian Dairy Industry: The Way Ahead', said.

India -- the world's largest milk producer – accounts for around 20 per cent of global milk production, with most of it consumed domestically, it added.

In India, about 60 per cent of milk is consumed in liquid form, while the remaining 40 per cent is used in the form of butter, clarified butter (desi ghee), cheese, curd, paneer, ice cream, dairy whiteners and traditional sweets.

"Growing at about 10 per cent annually, the Indian dairy industry is predominantly controlled by the unorganised sector, which accounts for nearly 85 per cent," ASSOCHAM Secretary General D S Rawat said in a statement.

About eight crore rural families across India are engaged in dairy production and the rural market consumes over half of the total milk produced, he added.

According to the study, an upward spiral in prices, the lack of proper infrastructure like cold storages and absence of a transparent milk pricing system are affecting retail consumption of milk and leading to escalating milk prices in the domestic market.

The lack of fodder, resulting in low yield from cattle, is another problem affecting the sector, it added.

Despite overall food inflation easing marginally to 10.63 per cent for the week ended November 5, milk prices grew at a faster pace of 10.74 per cent during the period.

The private sector can play a pivotal role in reducing the cost of milk production by employing advanced techniques to enhance productivity, providing breeding facilities for cattle and by developing processing and marketing infrastructure, Rawat said.

Andhra Pradesh, Bihar, Haryana, Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh are the leading milk producing states in the country.

http://www.financialexpress.com/news/indian-dairy-industry-seen-at-rs-5-lakh-cr/877638/0

Indian food market to treble to $900-bn by 2020: Report

Indian food market is likely to triple to $900 billion by 2020 from the current $300 billion, according to an industry report.

"Accounting for 16 per cent of the world population and 12 per cent of the world food production, India is one of the largest producers and consumers of food in the world. Indians spend around 35 per cent of their total spend on food - $300 billion annually that will grow to about $900 billion by 2020," a Boston Consulting Group report 'India Food Processing: Mission 2020' said. However, the report adds food processing levels are substantially lower than most emerging and developed economies with only six per cent of the agricultural produce in the country being properly processed. Of the total food consumed today ($300 billion), 20 per cent is processed and it is expected to increase to 35 per cent (of $900 billion) by 2020.

"Food processing system needs to be remodelled. We have to figure a way to invest more in people and capacity among other things," BCG India principal Nimisha Jain said.

"Food processing is important as it helps to extend shelf life and reduces wastage, thereby increasing food supply," Danone Director Eric Soubeiran said.

The domestic food processing industry is likely to invest Rs 14,000 crore in the next two years, according to Ficci. Most of the investment is likely to come from the existing companies.

"It is difficult to estimate what will be the investment cost but company wise, Danone is setting up manufacturing unit, Britannia is going towards north-east, we at Nestle are doubling all our capacities. So there is tremendous interest in investing," Nestle chairman and MD and Ficci food processing committee chairman Antonio Helio Waszyk said. The report also found that last year there was a shift from pulses to poultry, and this year it is towards fruits and vegetables. Fruits and vegetables today account for 25 per cent of the food consumed and by 2020 it is likely to be 40 per cent of the food consumed.

http://www.financialexpress.com/news/indian-food-market-to-treble-to-900bn-by-2020-report/876810/0

News Round-Up

Employment grew by 2.15 lakh in April-June

Overall employment grew by 2.15 lakh during the April-June 2011 quarter, with most sectors showing an increase except textiles, including apparels, and transport.

"An upward trend in employment has been continuously observed since July 2009," according to the Labour Bureau's quarterly quick estimates to assess the impact of the post-2008 economic slowdown on employment in the country.

IT/BPO Sectors Lead

The information technology and BPO sectors generated the maximum number of jobs at 1.64 lakh during June over March 2011, followed by 0.53 lakh in metals, 0.18 lakh in automobiles, 0.13 lakh in gems and jewellery, 0.01 lakh in leather and 0.01 lakh in handloom and powerloom sectors.

"The maximum increase in overall employment by 1.90 lakh was seen in the direct category of workers as compared to 0.25 lakh in the contract category," states a Ministry release.

In export-oriented units, employment at the overall level rose by 0.67 lakh, while in non-exporting units, it increased by 1.48 lakh during June 2011 over March.

However, compared with the last four quarterly surveys during 2010-11 (June 2011 over June 2010), overall employment increased by 10.31 lakh, with highest rise in IT/BPO (7 lakh) followed by 1.31 lakh in textiles, including apparels, 0.96 lakh in metals, 0.78 lakh in automobiles, 0.16 lakh in transport and 0.13 lakh in leather.

The Labour Bureau surveyed 2,289 units and establishments spread across 11 States and Union Territories.

http://www.thehindubusinessline.com/todays-paper/tp-economy/article2640158.ece

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