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News Feature

India's economy to grow 8.2 pc this fiscal: Meira Kumar

Lok Sabha Speaker Meira Kumar said India has retained its growth target of 8.2 per cent for the current fiscal despite adverse global economic condition and high inflation.

"India is surging ahead to become super power of the 21st century despite adverse global condition and high inflation. We have maintained GDP growth rate of 8.2 per cent for 2011-12 with projected industry growth of 7.8 per cent," she said at a function of PHD Chamber.

Kumar's comments come against the backdrop of a more cautious approach adopted by the Reserve Bank of India, which has lowered the economic growth forecast to 7.6 per cent for 2011-12.

"You must remember, millions of countrymen and women are excluded from benefit of the progress. We have to strive for inclusive growth," Kumar said.

She asked the business community to play a key role for inclusive growth.

"The business community has to play key role in establishing inclusive and egalitarian society. Inclusive growth is easily attainable if we calibrate our objective and strategy towards achieving financial prosperity with a sense of social responsibility," Kumar added.

http://economictimes.indiatimes.com/news/economy/indicators/indias-economy-to-grow-8-2-pc-this-fiscal-meira-kumar/articleshow/10884912.cms

India no. 2 in 'most-confident' list

Indians have emerged as the second most confident people about their economy, across the world, on account of higher consumption and increased foreign investment, according to a report by research firm Ipsos.

The report said that India's economic confidence grew by 6 points to 75 per cent in the month of October compared to the previous month, becoming the second most economically confident country after Saudi Arabia.

"The Indian economy has been well insulated from global economic conditions as it has been fueled by domestic consumption and the increased FDI into the country. Our economy has remained steady at a robust 8.1 per cent and this positive consumer sentiment is seen reflected in our survey," Ipsos India

Managing Director Mick Gordon said.

The report, which examined citizens' assessment of the current state of their country's economy, said that the overall global average economic confidence was down by one point to 38 per cent last month.

In terms of gains, two countries-- India and South Africa-- gained maximum economic confidence by five points and six points, respectively.

Individually, Saudi Arabia experienced a six-point drop to 83 per cent but continued to hold its pole position, followed by India (75 per cent), Sweden (69 per cent), Canada (66 per cent) and China (65 per cent).

http://www.financialexpress.com/news/india-no.-2-in-mostconfident-list/881554/0

India received $56 billion in remittances

India received nearly USD 56 billion in remittances in the year 2010-11, which is a jump of USD 2 billion from the corresponding period a year ago.

Overseas Indian Affairs Minister Vayalar Ravi, addressing a conference of heads of missions of Gulf region, gave out the figure saying remittances has touched USD 55.9 billion last fiscal.

India had received a total of USD 53.9 billion as remittances in the year 2009-10 while in 2008-09, the amount was USD 46.9 billion.

The World Bank had earlier this year in a report said Indian expatriates are expected to remit about USD 55 billion into the country in 2010-11 and will be the top receiver of remittances.

The top remitting countries in 2009 were United States (USD 48.3 billion), Saudi Arabia (USD 26 billion) and Switzerland (USD 19.6 billion).

http://economictimes.indiatimes.com/news/economy/finance/india-received-56-billion-in-remittances/articleshow/10868072.cms

Overseas Investment

FDI in retail: Cabinet approves 51% in multi-brand & 100% in single-brand retail

An embattled UPA government has hung the 'Open' sign for foreign retailers, ending years of prevarication on an issue that had become

a litmus test of its commitment to take forward the next phase of economic.

The cabinet faced down opposition from within and outside to allow foreign retailers to own a 51% stake in the multi-brand retail sector, paving the way for global groups such as Walmart, Carrefour and Tesco to open supermarkets in India.

It also allowed 100% FDI in single-brand retail, a decision that will encourage companies such as Sweden's homeware firm Ikea and clothing retailers Gap and H&M to set up shop. Until now, foreign firms were allowed 51% in single-brand retail, while being allowed to own 100% of back-end cash-and-carry operations that serve wholesalers.

The cabinet decision by several ministers who attended a late evening meeting and set to be formally announced by the government in Parliament provided the spark for a series of realignments in the country's fledgling organised retail sector. For instance, the world's biggest retailer Walmart indicated that it would extend its 'back-end' partnership with the Bharti Group into front-end retailing soon, possibly by picking up a stake in Bharti Retail.

"We have a good relationship with Bharti in the back-end. It is only natural that we will carry this to the front-end," said Raj Jain, head of Bharti-Walmart India. This will in one stroke give US-based Walmart access to Bharti's Easy Day stores that sell directly to consumers.

http://economictimes.indiatimes.com/news/economy/policy/fdi-in-retail-cabinet-approves-51-in-multi-brand-100-in-single-brand-retail/articleshow/10862317.cms

FDI inflows up 41 pc at $22.5 bn during Jan-Sep

Foreign Direct Investment in India surged by 41 per cent to USD 22.5 billion during the January-September period this year, notwithstanding uncertain global economic environment.

During January-September 201O, the country had attracted Foreign Direct Investment (FDI) worth USD 15.97 billion.

Experts maintained that the government should further streamline policies and make the environment more conducive to FDI.

The sectors that attracted maximum FDI during the nine-month period include services (financial and non- financial), telecom, housing and real estate, and construction and power, according to the industry ministry's latest data.

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

The FDI inflows totalled USD 19.42 billion in 2010-11 financial year, down from USD 25.83 billion in 2009-10.

Recently, the government further liberalised the FDI regime, allowing overseas investment in bee-keeping and share-pledging for raising external debt.

Besides, the conditions for FDI in construction of old-age homes and educational institutions have been eased. These will not be subject to the minimum and built-up area, capitalisation and lock-in period norms as applicable for the construction activities.

http://economictimes.indiatimes.com/news/economy/finance/fdi-inflows-up-41-pc-at-22-5-bn-during-jan-sep/articleshow/10819597.cms

Finance Ministry clears 18 FDI proposals worth Rs 2,126 crore

The Finance Ministry approved 18 FDI proposals, including that of Dish TV and MCX, envisaging foreign investment of Rs 2,126 crore, while referring the application of Unitech Wireless to Cabinet.

The proposals were cleared following recommendations of Foreign Investment Promotion Board (FIPB).

However, decision on 16 proposals including that of Religare Capital Markets and Cordia International Corp, USA, was deferred and 11 were rejected, the Finance Ministry said.

The request of "Unitech Wireless (TN), amounting to Rs 8,250 crore, has been recommended for consideration of Cabinet Committee on Economic Affairs (CCEA)," the statement said.

The company is seeking foreign investment to promote its telecom business including unified access services. FDI proposals envisaging investment of over Rs 1,200 crore and more are referred to CCEA for clearance.

It also said that decision on Vodafone-Essar's request of transfer of shares from resident to non-resident to carry out the activities relating to telecommunication could not be taken as more deliberations were needed.

"(Vodafone Essar's Rs 2,835 crore) proposal has been recommended for the consideration...after the receipt of inputs from concerned departments," it added.

The government cleared Dish TV India's Rs 980 crore proposal to raise foreign equity to produce telecom equipment and marketing of mobile satellite communications.

The statement further said MCX's (Multi Commodity Exchange of India) request for sale of equity shares through an Initial Public

Offering (IPO) to Indians and Sebi registered FIIs has also been cleared.

The proposal of Mauritius-based Ventureast Life Fund III LLC seeking induction of foreign equity worth Rs 950 crore in a trust has also been cleared.

http://economictimes.indiatimes.com/news/economy/finance/finance-ministry-clears-18-fdi-proposals-worth-rs-2126-crore/articleshow/10870915.cms

FIIs want more shares in PSU stake sale

A group of foreign institutional investors (FIIs) pressed for higher allocation of shares at the time of stake sale in state-owned firms.

“We have asked the FIIs to send a paper to us this week on their issues. Although the Department of Disinvestment will take the final call, we can push for it if their demand is genuine,” a Finance Ministry official said after the meeting with the representatives of FIIs.

The FIIs are reportedly pressing for special treatment so that they can apply for larger quantum of shares during the disinvestment of PSUs.

At present, FIIs are clubbed with the qualified institutional buyers (QIBs) which are entitled to buy up to 50 per cent of shares being sold through IPO and FPOs. Besides FIIs, the QIBs include insurance companies, banks and mutual funds. The retail investors can by 35 per cent shares, the High Networth Investors can get up to 15 per cent of shares sold.

http://www.financialexpress.com/news/fiis-want-more-shares-in-psu-stake-sale/878869/0

Draft Cabinet note for 26% FDI in airlines

With Kingfisher Airlines and several other airlines landing into dire straits, the Industry Ministry has moved a draft Cabinet note on allowing 26 per cent FDI by foreign airlines in the domestic carriers.

"Private airlines in the country are in dire need of funds for their operations and service upgradation to compete with other global carriers," the note circulated by the Department of Industrial Policy and Promotion (DIPP) said.

The DIPP in the Industry Ministry has stuck to its guns suggesting FDI cap of 26 per cent and not 24 per cent, as proposed by the Civil Aviation Ministry.

The DIPP feels anything below 26 per cent would not attract strategic investment from the foreign airlines.

Investor with 26 per cent stake or more is considered strategic, as he can have say in the policy decision of a corporate entity under the Indian company laws. An investor with 26 per cent support can block a special resolution in board of directors for policy change.

The note has been circulated among the key ministries including the civil aviation, finance, home and and law.

At present, FDI in domestic passenger airlines is allowed up to 49 per cent by overseas entities, other than the foreign airlines. Non-resident Indians can invest 100 per cent.

http://www.financialexpress.com/news/draft-cabinet-note-for-26-fdi-in-airlines/879172/0

Trade News

India, Nepal sign revised DTAA; to share banking, tax info

India and Nepal signed a revised Double Taxation Avoidance Agreement (DTAA), which will facilitate exchange of information on banking between the two countries and help prevent tax evasion.

The revised tax treaty was signed by India's Finance Minister Pranab Mukherjee and his Nepalese counterpart Barshaman Pun. It will replace an earlier agreement signed between the two countries in 1987.

On his arrival,Mukherjee told, "I am confident that this mechanism will strengthen and deepen our bilateral relations, and we would be in a position to move forward and expand our trade and other economic activities."

DTAA, which embodies modern trade principles, will enable Indian investors and traders to enjoy tax relaxation in India once they pay taxes in Nepal.

The agreement is also likely to boost confidence of investors and help Nepal attract more investment from India, experts said.

India is the biggest source of foreign investments in Nepal, as also its largest trading partner. However, Nepal accounts for only 0.44 per cent of India's total trade.

The bilateral trade between the two nations has increased from USD 1.98 billion in 2009-10 to around USD 2.70 billion in 2010-11, registering an increase of 37 per cent.

Indian firms are the biggest investors in Nepal accounting for about 47.5 per cent of total approved foreign direct investments.

"The agreement reflects the international environment, which is prevalent today and the old agreement needs to be amended," Mukherjee said.

http://economictimes.indiatimes.com/news/economy/foreign-trade/india-nepal-sign-revised-dtaa-to-share-banking-tax-info/articleshow/10892051.cms

Indo-Malaysia trade target of $15bn to be met by 2015: Najib Razak

Malaysia and India have great potential to expand bilateral trade and investment, Premier Najib Razak has said, voicing confidence that the trade target of USD 15 billion would be reached by 2015 in the wake of the landmark comprehensive economic cooperation pact between them.

Najib, who is seen as a pro-India leader, said "What is heartening is that for first nine months of this year, (bilateral) trade hit USD 9.4 billion, representing an increase of 34.8 per cent over the same period last year."

The Premier, who also handles the Finance portfolio, said his optimism was particularly buoyed by the Comprehensive Economic Cooperation Agreement (CECA) signed between the two countries in February and which came into force from July this year.

"We are confident that with the rollout of CECA and continued government focus, the 47.7 billion ringgit (USD 15 billion) trade target will be met by 2015 and quite possibly before," he said in his keynote address at a CECA commemoration gala dinner here last night, which was attended by visiting Minister of State for Textiles Minister P Lakshmi.

Najib noted that while the trade figures were promising, Malaysian and Indian companies had yet to take full advantage of the trade and investment opportunities available in each other's countries.

http://economictimes.indiatimes.com/news/economy/foreign-trade/indo-malaysia-trade-target-of-15bn-to-be-met-by-2015-najib-razak/articleshow/10843656.cms

Pakistan to increase trade with India: PM Yousuf Raza Gilani

Pakistan would gradually increase trade with India and ensure that the interests of local industry would not be undermined, Prime Minister Yousuf Raza Gilani has said.

Gilani told Sultan Mahmood, former prime minister of Pakistan-administered Kashmir, that the interests of the local industry would be taken care of, reported Associated Press of Pakistan.

On Nov 2, Pakistan granted MFN (most favoured nation) status to India, reciprocating a 15-year-old gesture.

Trade between India and Pakistan, currently at around $2.5 billion, is expected to double over the next three years on account of Pakistan granting MFN status to India.

http://economictimes.indiatimes.com/news/economy/foreign-trade/pakistan-to-increase-trade-with-india-pm-yousuf-raza-gilani/articleshow/10839775.cms

Sectoral News

SMEs to contribute 22pc to GDP by 2020, says government official

Contribution of small and medium enterprises to the country's gross domestic product (GDP) is expected to increase to 22 per cent by 2020, from the present 17 per cent, a top official of Department of Science and Technology said.

Indian companies, products and services were being seen as budding stars and paving way for 'brand India', especially in the Middle East and Africa, where Indian firms were given preference over others, K Jayakumar, Joint Secretary, Department of Scientific and Industrial Research, DST, said.

He was speaking at the TechEx 2011, a technical and engineering exhibition, organised by the alumni of PSG Institute of Technology.

L Ganesh, Chairman, RANE group of Companies, said the eight to nine per cent growth of Indian economy could be sustained through manufacturing sector and not IT sector alone.

Though IT sector was playing a major role in the GDP growth, the manufacturing sector with its present contribution of 15 per cent should increase it to 25 to 30 per cent in the near future, Ganesh said.

The alumni of the college from 1955 to 2011 are participating in the three-day exhibition, where 347 stalls showcasing different types of products are displayed.

http://economictimes.indiatimes.com/news/economy/indicators/smes-to-contribute-22pc-to-gdp-by-2020-says-government-official/articleshow/10869394.cms

Public sector spending on healthcare to double in 12th Plan

The government said it is studying the report of an expert committee on healthcare, constituted by the Planning Commission, which if implemented will increase the public expenditure in the sector to 2.5 per cent of GDP by the end of 12th Five Year Plan.

In the current Five Year Plan, the public expenditure on healthcare stands at 1.2 per cent.

In a written reply in Lok Sabha, Minister of State for Planning Ashwani Kumar said the High Level Expert Group (HLEG) on universal health coverage constituted by the Planning Commission has given its recommendations.

"The report of the HLEG is under examination and recommendations approved by the government would be implemented in the 12th Five Year Plan (2012-17)... The implementation of the proposed scheme will increase the public expenditure on health from the current level of 1.2 per cent of GDP to 2.5 per cent by the end of the 12th Plan," he said.

As per National Health Accounts, total health expenditure, including both public and private sectors, stood at 4.25 per cent of the GDP in 2004-05.

The recommendations of the HLEG includes using general taxation as the principal source of health care financing.

"HLEG has stated that general taxation is the most viable option for mobilising resources to achieve the target of increasing public spending on health and creating mechanisms for financial protection," Kumar said.

http://economictimes.indiatimes.com/news/economy/policy/public-sector-spending-on-healthcare-to-double-in-12th-plan/articleshow/10847255.cms

Cellphone sales in India to reach 231 mn: Gartner

Mobile handsets market in India is likely to increase 8.5 per cent to 231 million units in 2012, compared to 213 million units expected this year, research firm Gartner said.

"The Indian mobile device market is driven by the lowest call rates in the world and dominate by low-cost devices, which account for 75 per cent of overall sales in India in 2011," Gartner's Principal Research Analyst Anshul Gupta said in a statement.

On the other hand, home-grown brands are gearing up to give stiff competition to global brands by ramping up capacity and expanding product portfolio.

"The big global brands will continue to face competition from local and Chinese brands as some of these brands are building capabilities to compete at a larger level covering broader consumer segments," Gupta said.

The Indian mobile device market is very

competitive with over 150 manufacturers and growing influence of local handset players in the low-end segment that has weakened position of traditionally stronger big global players, he added.

By the end of third quarter of 2011, Nokia led the market, followed by Samsung, Gartner said.

Chinese mobile handset company G'five has taken the third spot in terms of unit sales. Karbonn Mobile and Micromax occupied fourth and fifth positions, the statement said.

India accounts for approximately 12 per cent of worldwide sales and is an important market for device manufacturers with aspirations to grow their global share. The market is also supported by many local manufacturers.

http://www.financialexpress.com/news/cell phone-sales-in-india-to-reach-231-mn-gartner/879129/0

Spices exports up 29% in value

Indian spices exports have increased by 29 per cent in rupee value terms to Rs 4,165.59 crore ($920.55 million) in April-September during the current fiscal. In dollar terms, the increase was 32 per cent.

The total exports of spices and spice products stood at 2,37,585 tonnes during the period, a decline of 19 per cent in volumes.

About 2,94,925 tonnes of spices and spices product valued at Rs 3,220.16crore ($699.25 million) were exported during the same period in the previous year, the Spices Board said.

During April to September 2011, export of pepper, cardamom (small), cardamom (large), ginger, turmeric, nutmeg and mace and other spices such as tamarind, asafoetida, have shown an increase both in volume and value compared to the previous year.

The export of value-added products, curry powder/paste has also increased both in volume and value. However, in the case of chilli, spice oils and oleoresins and mint products, the increase is in terms of value only.

The export of other spice items has shown a decline both in volume and value compared to the last year.

About 11,250 tonnes of pepper valued Rs 311.52 crore have been exported during the period against 9,250 tonnes valued Rs163.10 crore in the previous year. The unit value of pepper has increased from Rs 176.32 per kg to Rs 276.91 per kg.

A total quantity of 1,825 tonnes of cardamom (Small) valued Rs 161.00 crore was exported against 335 tonnes valued at Rs 39.84 crore.

During the period, a total quantity of 280 tonnes of cardamom (large) valued Rs 22.68 crore have been exported against 210 tonnes valued Rs 9.97 crore of last year.

The unit value of cardamom (large) has increased from Rs 474.68 per kg in April to September 2010, to Rs 809.82 per kg during April to September 2011.

About 41,500 tonnes of turmeric valued at Rs 450.76 crore was exported against 28,500 tonnes valued Rs 389.59 crore last year.

Compared with the spices export target of 500,000 tonnes valued Rs 6,500 crore fixed for the current financial year, the achievement of 2,37,585 tonnes valued Rs 4,165.59 crore during April to September 2011, is 48 per cent in terms of quantity 64 per cent in rupee and 63 per cent in dollar terms of value.

http://www.thehindubusinessline.com/todays-paper/tp-agri-biz-and-commodity/article2644519.ece

Commercial aviation to grow by 9%

The commercial aviation sector in India and the Middle East is expected to achieve overall annual growth of 9 per cent and 10 per cent, respectively, for several years to come and will account for 11 per cent of the total aircraft deliveries worldwide over the next decade.

A new report by aviation intelligence firm OAG and UBM Aviation, reveals a striking contrast of opportunities and challenges in two of the world's fastest-growing travel markets.

The OAG India and Middle East Aviation Market Analysis bases its projections on the consistently growing demand for air travel, a surge in aircraft orders, steadily increasing inbound tourism, spectacular airport development plans and the enthusiasm of investors for the sector.

"However, both markets face immense challenges in meeting the expected future growth in passengers and aircraft operations, which require massive expansion of infrastructure and high-performing aviation systems," the report said.

In India, the government's open-sky policy has enticed many foreign aviation leaders to enter the market, spurring rapid industry expansion boosted by the growing population and increased demand for international travel and trade, as well as an increasing VFR (Visiting Friends and Relatives) market, the report said.

However, airlines must contend with insufficient infrastructure and challenging political bureaucracy in India. "It is estimated that in the next decade, the Indian market will

absorb approximately 316 commercial jets and need three times the number of airports that it has today, whilst at the same time, the country doesn't have enough skilled labour to maintain or to fly the aircraft," the report, which was released here, said.

"Additionally, intense foreign competition prevents domestic carriers from international expansion, deeply affecting balance sheets," it said.

Mario Hardy, Vice President - Asia Pacific, UBM Aviation, said: "India is amongst the world's most promising aviation markets and the region has already taken steps to address some issues through the recent privatisation of airports." "Skilled aviation personnel in developed nations with stuttering economies may want to look East for opportunities, but the region is not without risk -- there is significant progress yet to be made in airport modernisation, aircraft maintenance, pilot training and air cargo services," he said.

"It remains to be seen whether the Indian aviation industry can handle the region's relentless growth, with its Middle Eastern, oil-rich neighbours all too keen to take on more capacity with new fleets of super-jumbos based in the Gulf and hundreds more on order," Hardy said.

The OAG market analysis of India and the Middle East concludes that in order to cut costs, boost efficiencies and spur competition, mergers of the more than 30 competing airlines in the Middle East and India will be necessary.

http://www.financialexpress.com/news/commercial-aviation-to-grow-by-9/879545/0

'Business intelligence mkt to grow 15.6%'

The market for business intelligence (BI) software in India is forecast to reach a revenue of USD 81.5 million in 2012, a 15.6 per cent increase over the previous calendar year, according to technology researcher Gartner, Inc.

Worldwide BI software market revenue is forecast to grow 8.7 per cent to reach approximately USD 12.7 billion in 2012, Gartner said in a statement.

Gartner analysts said the market for BI platforms would remain one of the fastest growing software markets despite expectations of an economic slowdown. Organisations continue to turn to BI as a vital tool for smarter, more agile and efficient business, and they are increasing their current usage scenario from just an information delivery mechanism.

"The BI market has remained strong because the dominant vendors continue to put BI, analytics and performance management at the centre of their messaging, while end-user organisations largely continue their BI projects, hoping that resulting transparency and insight will enable them to cut costs and improve productivity and agility down the line," said Bhavish Sood, research director at Gartner.

"It's a sign of the strategic importance of BI that investment remains strong".

Among the sub segments, BI platforms is still expected to be the largest in pure revenue terms, while Corporate Performance management (CPM) suites is expected to grow the highest.

http://www.financialexpress.com/news/business-intelligence-mkt-to-grow-15.6/879562/0

Foodgrain productivity up 8 pc at 1,921 kg/hectare in 2010-11

Foodgrain productivity rose by 8 per cent to 1,921 kg per hectare in 2010-11 crop year, Parliament was informed.

India's foodgrain productivity stood at 1,798 kg per hectare in the 2009-10 crop year (July-June), Minister of State for Agriculture Harish Rawat told the Rajya Sabha.

"The productivity of foodgrains has increased from 1,715 kg per hectare in 2005-06 to 1,798 kg per hectare in 2009-10 and further to 1,921 kg per hectare in 2010-11," Rawat said.

The average annual growth in the agriculture and allied sectors during the first four years of the 11th Five-Year Plan (2007-08 to 2011-12) was 3.2 per cent as against the targeted rate of 4 per cent, he added.

"The average growth in Gross Domestic Product (GDP) of agriculture and allied sectors suffered a setback due to severe drought in many parts of the country during 2009-10 and drought/deficient rainfall in some states namely Bihar, West Bengal, Jharkhand and East Uttar Pradesh in 2010-11," he said.

However, the GDP growth for agriculture sector touched 6.6 per cent in 2010-11 -- the highest growth rate achieved in last six years -- on account of the corrective actions taken by the government, the minister informed the house.

Rawat also said that investments in the farm sector in the country have been increasing in the past five years.

"The level of investment (Gross Capital Formation) in the agriculture sector has been increasing over the years from Rs 76,096 crore in 2004-05 to Rs 1,33,377 crore in 2009-10, he noted.

This includes public sector investment from 16,187 crore in 2004-05 to Rs 23,635 crore in 2009-10 and private sector investment from Rs 59,909 crore to Rs 1,09,742 crore in the same period at 2004-05 prices, Rawat added.

http://www.financialexpress.com/news/foodgrain-productivity-up-8-pc-at-1-921-kg-hectare-in-201011/880504/0

India to produce 121.7 mt milk in 2011, says FAO

India's milk production is expected to rise by 4% to 121.7 million tonne in 2011 on the back of rising domestic consumption, United Nation's body Food and Agriculture Organisation (FAO) said in a report.

The country produced about 116 million tonne of milk in 2010, FAO data said.

Rising domestic demand for milk and dairy products is stimulating growth in the country as India is largely absent from the international market for dairy products, the FAO report said.

The international body on the farm sector in its latest 'Food Outlook' report also estimates global milk production in 2011 to grow by 2% to 728 million tonne.

"Much of the anticipated expansion is likely to accrue in Asia, where India is expected to witness an output rise of 5 million tonne to 121.7 million tonne," FAO said.

According to a recent study by industry body, Associated Chambers of Commerce and Industry of India (ASSOCHAM), India — the world's largest milk producer -- accounts for around 20% of global milk production, with most of it consumed domestically.

The domestic dairy industry is expected to touch R5 lakh crore by 2015, with milk output pegged at 190 million tonne at the end of the period, the Assocham study said.

http://www.financialexpress.com/news/india-to-produce-121.7-mt-milk-in-2011-says-fao/881164/0

News Round-Up

India provides ideal opportunity for investment: Participants at chartered accountants conference

India provides a lucrative opportunity for investment amid the worsening crisis in the global economy, industry participants said at a chartered accountants conference.

While India accounts for 7 per cent of the world's GDP, it accounts for only 2.5 per cent of the world capitalisation market, ASK Investment Holdings Director Bharat Shah said.

Speaking at the Bahrain Chapter of the Institute of Chartered Accountants of India (BCICAI) in Bahrain, Shah said India's percentage share of global investments is just 0.5 per cent, which logically has to increase considering the South Asian nation's share of the world GDP and market capitalisation.

"While the US and Europe are going through a serious economic crisis, the rapid growth of the Indian economy, backed by strong fundamentals, positions India as a favourite investment destination compared to the rest of the world," BCICAI Chairman T D Balraj said.

"There is evidence of corporate earnings growing at a faster pace than GDP growth in India. Corporate earnings are likely to grow at 15 to 20 per cent, whereas the GDP is likely to grow at 9 per cent. This shows the market capitalisation growth is stronger than both GDP growth and growth in corporate earnings," Shah was quoted by Bahrain's Gulf Daily News as saying.

"The stronger growth in market capitalisation suggests the need for re-rating of Indian markets and greater valuations than the Indian markets have been commanding," he said.

According to Shah, the return on equity of Indian companies is far superior compared to comparable firms in other countries and India has a rich diversity of businesses and sectors, including information technology and other intellectual property-backed businesses.

He said the time was ripe for India to become a favourite destination for global capital.

http://economictimes.indiatimes.com/news/economy/indicators/india-provides-ideal-opportunity-for-investment-participants-at-chartered-accountants-conference/articleshow/10881321.cms

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