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News Feature

Indians to be at the centre of global talent war

With a projected fall in the 'productive population' of the developed world within a few years, the Indian students would be at the centre of the 'global talent war', Vayalar Ravi, Minister for Overseas Indian Affairs, said today.

Addressing students at the twenty-first annual convocation ceremony at the Vellore Institute of Technology here, Ravi said: "the ageing population in the western world puts a premium on your knowledge".

"By 2025, the number of people in the age group 15 to 64 is projected to fall by seven per cent in Germany, nine per cent in Italy and 14 per cent in Japan. It will also make a big difference in China thanks to its 'one child' policy".

http://www.financialexpress.com/latest_full_story.php?content_id=146228

Overseas Investments

FII inflows cross \$7 bn

Foreign institutional investors' (FIIs) net investments in equities crossed \$7 billion in calendar 2006 on Monday. FII net investment has thus far been \$7.08 billion (Rs 32,310 crore), marginally lower than \$7.97 billion (Rs 34,773 crore) in the corresponding period of last calendar year.

FIIs had made \$10.7 billion worth of investment (Rs 47,181 crore) in calendar 2005.

The investment figures have been culled from the website of the Securities and Exchange Board of India (Sebi). With this, for the fourth consecutive years, FIIs net investment in Indian equities have crossed \$7 billion.

Since December 1993, when the overseas investors were allowed exposure to Indian equities, the aggregated FII investment stood at \$48 billion.

As many as 151 new FIIs have opened their offices in India during first 10 months. In the corresponding period last year, 166 new FIIs entered India. The total number of FIIs that have set shops in India are 974 as on November 7.

<http://www.business->

[standard.com/common/storypage.php?autono=264009&leftnm=0&subLeft=0&chkFI](http://www.business-standard.com/common/storypage.php?autono=264009&leftnm=0&subLeft=0&chkFI)

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32 FDI proposals worth Rs 250 cr approved

Walt Disney, Volvo, Honda Motors get nod for investment plans.

As many as 32 foreign direct investment proposals worth Rs 250 crore recommended by the Foreign Investment Promotion Board at its meeting on October 20 have been approved by Finance Minister P Chidambaram.

These include investment plans of companies like Volvo, Walt Disney and Honda Motor Corporation, an official release said.

The largest proposal cleared was Singapore-based Walt Disney Company (South East Asia) Pte Ltd's Rs 140.62 crore investment proposal in United Home Entertainment. United runs the popular Hungama channel.

Disney will own and operate the channel with permission to uplink from India. It will induct foreign equity by way of acquisition of shares from the existing shareholders of the company.

http://www.businessstandard.com/common/storypage_c.php?leftnm=10&autono=263952

FDI inflow in realty builds up to \$3 bn in H1

The real estate sector has attracted FDI worth \$3bn in the first half of '06. This is the highest ever FDI inflow into the Indian real estate sector. Total FDI inflow into the country in FY06 was \$7.5bn.

The Dubai-based Emaar Group is perhaps the biggest FDI contributor in the country, with the bulk of its \$850m investment coming in the first half of this calendar year.

Other big-ticket FDI inflows included Morgan Stanley Real Estate, investing Rs 300 crore in Alpha G Corp, US-based Siachen Capital buying stake in Bangalore-based Nitesh Estates for \$100m, and UK's Liberty International which picked up 25% in Prozone Enterprises for Rs 202.5 crore to develop large format shopping centres.

However, India's share in cross-border real estate investment is still small. Global cross-border real estate investments in the first half of '06 touched \$290bn, and this figure is expected to reach \$600bn by the year end, according to estimates by realty consultancy Jones Lang LaSalle.

<http://economictimes.indiatimes.com/articleshow/361138.cms>

Trade News

India-Sweden trade doubles

Trade between Sweden and India has doubled between 2002 and 2006 to about \$1.7 billion per year.

With Swedish exports to India increasing by 42.5% in 2006 alone, the country is optimistic that the future of bilateral trade relations between the two countries is bright.

Launching the second edition of the Sweden-India Business Guide 2006-2007, Mr Harald Fälth of the Swedish embassy pointed out that trade had multiplied in both directions. "India is the third largest export market for Sweden in Asia. And Indian export to Sweden is steadily increasing. The two-way future of Swedish-Indian trade sure looks very upbeat. Besides, Sweden is amongst the ten largest European investors in India," he said.

According to an Embassy release, Swedish companies have been investing heavily in India, primarily in manufacturing, automotive, pharmaceuticals, medical technology, and telecom and IT.

<http://economictimes.indiatimes.com/articleshowcnews/346171.cms>

France sees brisk rise in trade with India

France and India are likely to surpass a target to take their two-way trade to 8 billion euros a year by 2010, the French ambassador to New Delhi said on Friday.

Dominique Girard said small and medium enterprises would fuel the growth as they were keen to tap India's booming market.

"I think this will be reached ahead of target as our trade with India is already growing by more than 26 per cent (annually)," Girard told Reuters on the sidelines of a conference.

The two countries had set a target of doubling trade in five years during French President Jacques Chirac's India visit in February.

<http://economictimes.indiatimes.com/articleshowcnews/400485.cms>

India, Trinidad set to sign new trade pact

India and Trinidad & Tobago have concluded negotiations for a bilateral investment promotion and protection agreement that is designed to boost investor confidence and joint ventures on both sides.

"We have completed the formalities from our side and are ready to sign the agreement at the earliest convenience from your side," Vice-President Bhairon Singh Shekhawat said Thursday at a banquet in his honour by Trinidad & Tobago President George Maxwell Richards.

Shekhawat arrived here Thursday on the final leg of his two-nation tour of the Caribbean.

Stating that India was deeply appreciative of Trinidad & Tobago's economic progress, he said that the increasing investment by Indian companies in Trinidad & Tobago and in other parts of the world is the sign of emergence of a new India.

Trade between India and this tiny Caribbean nation of 1.3 million ethnically diverse people stood at Rs 1.75 billion in 2005. A number of Indian companies - including the Essar group and Asian Paints - have invested in this country and more are in the offing.

<http://economictimes.indiatimes.com/articleshow/394701.cms>

Putin visit may strengthen trade ties

Economic relations between India and Russia are all set to reach a new high in February '07 when Russian Prime Minister Vladimir Putin visits India. A bilateral economic pact — on the lines of a comprehensive economic cooperation agreement (CECA) including goods, services and investment — is likely to be signed during his visit.

Speaking to ET, official sources said Mr Putin's visit to India '07 was more or less confirmed. "If everything goes well, we will have a trade and investment agreement in place during that time," an official said.

The joint study group (JSG) on trade and investment, studying the feasibility of a bilateral CECA, is expected to come up with its recommendations next month. "Whatever is recommended by the JSG will be given a formal shape later by the two PMs," an official said. The government believes that a bilateral trade and investment agreement will be a win-win for both the countries.

<http://economictimes.indiatimes.com/articleshow/360157.cms>

India, Italy to focus on commercial links

India and Italy have resolved to focus efforts at reinforcing stronger commercial links in areas covering textiles, garments, leather goods, auto components, gems and jewellery by combining Italian strengths in design and technology with India's manufacturing deftness and human resource skills.

At the 17th session of the India-Italy Joint Commission for Economic Cooperation held in Rome on November 6, India and Italy have decided to set up a Joint Working Group (JWG) on infrastructure, which would provide necessary framework for enhanced cooperation and build business ties in this sector.

The idea was to spur Italian investments that would bring Italian technology for India's infrastructure.

The first meeting of the JWG will be held in New Delhi in January 2007, an official statement issued by the Department of Commerce said here on Tuesday.

<http://www.thehindubusinessline.com/2006/11/08/stories/2006110804571000.htm>

Decision soon on lifting sugar export ban: Pawar

The Government is "seriously considering" taking a decision on lifting the current ban on sugar exports within the "coming two weeks", according to the Union Agriculture and Food Minister, Mr Sharad Pawar.

Speaking at the Economic Editors Conference here on Wednesday, Mr Pawar admitted "if we don't take a decision in appropriate time, it will affect the interests of farmers."

The Minister's comment comes as the country's largest cane and sugar-producing State — Uttar Pradesh (UP) — is headed for Assembly elections around February.

A decision on lifting the export ban, in place since July 4, has been on hold for weeks now, mainly due to differences between the Finance and Agriculture ministries. The Finance Ministry is keen on not allowing exports, fearing that it could impact domestic supply and hence push up prices. Mr Pawar, however, dismissed these concerns.

<http://www.thehindubusinessline.com/2006/11/09/stories/2006110901431100.htm>

Sectoral News

India sees 06/07-textile investment at \$7.4 bn

India expects investment in its textile sector of Rs 330 billion during the current fiscal year, compared to Rs 219 billion the year before, a textile ministry statement said on Wednesday.

About Rs 250 billion of that would be channeled through the government-funded textile modernization fund, Textile Minister Shankersinh Vaghela said.

The main feature of the Technology Upgradation Fund Scheme (TUFS) is a 5 per cent reimbursement of interest to financial institutions, which lend under the scheme. It also offers capital-linked credit subsidies to the textile industry.

http://www.financialexpress.com/latest_full_story.php?content_id=145890

Pharma Inc rides drug launches to profit zone

The pharma industry recorded strong growth in the second quarter ended September '06, driven by launch of new generic drugs with 180 days exclusivity period in the US market.

The top ten-pharma companies reported an impressive 57% growth in consolidated net profit at Rs 1,405 crore, as against Rs 897 crore in the same quarter of the previous year, while consolidated net sales were up 51% at Rs 7,828 crore. Dr Reddy's Labs, Ranbaxy Labs and Cipla were the main beneficiaries of this strong revenue growth.

Ranbaxy Labs launched a generic version of Merck's cholesterol-lowering drug, Zocor, generic name Simvastatin, in June this year after successfully challenging the US pharma major's patent.

<http://economictimes.indiatimes.com/articleshow/387071.cms>

Industrial production sustains high growth at 11.4% in Sept

The country's industrial production has kept up its brisk momentum, rising by 11.4% in September 2006 over last year. The Index of Industrial Production (IIP) released on Friday, indicates that the the growth was powered by the double-digit growth of 12% and 11.3% in the manufacturing and electricity sectors respectively.

In the first half of this year, IIP has grown by 10.9% over the corresponding period of 2005-06. During the April-September months, manufacturing grew by 12.1%, electricity by 6.6% and mining by 3.1%. Mining has grown only by 3.9% during the period.

Icrier director Dr Rajiv Kumar said the interesting feature of the current growth spell was the narrowing of differences in rates between manufacturing and electricity. He said this could make the trend sustainable.

<http://economictimes.indiatimes.com/articleshow/401932.cms>

Car sales zoom 16% in October, mobikes 13%

The festive season in October proved good for car manufacturers as they clocked 16.34 per cent growth in sales to 92,383 units compared with 79,407 units in the same month last year. However, the figure was comparatively lower than the September figure, which stood at 94,734 units.

According to the Society of Indian Automobile Manufacturers (SIAM) figures, Maruti led the march by clocking 9.88 per cent growth in sales to 47, 994 units this October against 43,676 units for the corresponding period last year.

The second-largest passenger car maker, Hyundai Motor India, led by the launch of its latest mid-size sedan Verna, had a higher growth rate of 18.28 per cent at 18,563 units in October this year.

http://www.business-standard.com/common/storypage_c.php?leftnm=10&autono=264377

News Roundup

NCAER pegs GDP at 8.2 pc for 2006-07

The National Council of Applied Economic Research (NCAER) has revised its growth projections for the economy in the current fiscal to 8.2 per cent, bolstered by positive developments in real sectors so far.

In its latest quarterly review of the economy discussed in-house at the State of Economy seminar, organised by the council here, NCAER said that this is the third forecast for 2006-07, after two earlier estimates in April and August 2006.

The latest third revision in GDP growth rate as compared with its August forecast represents an increase by 0.2 percentage points.

<http://www.thehindubusinessline.com/2006/11/08/stories/2006110804551000.htm>

India dynamic in commercial services, says WTO

Even as India ran a trade deficit of close to \$40 billion in 2005, it showed a modest surplus in trade in commercial services of \$4 billion and moved up to the 11th and 13th slots among the leading exporters and importers in that sphere.

In its International Trade Statistics released recently in Geneva, the World Trade Organisation said that among a group of 50 leading exporters in merchandise trade, India has reached 29th position accounting for \$95.1 billion, with a share of 0.9 per cent in world trade last year. This is up by 26 per cent compared to the previous year. Among leading importers in world merchandise trade, India has reached 17th slot, accounting for \$134.8 billion with a share of 1.3 per cent in world trade.

<http://www.thehindubusinessline.com/2006/11/11/stories/2006111104640700.htm>