

# Weekly Economic Bulletin

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## CONTENTS

- |  |            |
|--|------------|
| <b>1 News Feature</b>  | Page 1-2   |
| <ul style="list-style-type: none"><li>• India's long term growth story intact: Mukherjee to World Bank</li><li>• India can help the world economy: Manmohan Singh at UN</li></ul>  |            |
| <b>2 Overseas Investment</b>   | Page 2-4   |
| <ul style="list-style-type: none"><li>• Forex reserves rise by \$266 m to \$316.76 b</li><li>• FDI in multi-brand retail soon, Pranab tells foreign investors</li><li>• FIPB to take up 29 FDI proposals next week including Walt Disney Company and Vodafone Essar</li></ul>  |            |
| <b>3 Trade News</b>  | Page 4-10  |
| <ul style="list-style-type: none"><li>• SAARC members keen on Indian investments, expertise</li><li>• ASEAN markets more accessible to Indian companies: FICCI</li><li>• Businessmen hopeful of Indo-Pak trade touching \$10 billion in 2 yrs</li><li>• India, China to hold maiden strategic economic dialogue</li><li>• India, Canada agree to enhance investment</li><li>• India, South African countries to ink trade pact soon</li><li>• Indo-German bilateral trade to touch Euro 20mn: Chamber</li><li>• India, Zimbabwe to deepen investment, trade ties</li><li>• India signs DTAA with Estonia, to collaborate on ICT, education</li></ul> |            |
| <b>4 Sectoral News</b>   | Page 10-14 |
| <ul style="list-style-type: none"><li>• National Automotive Board to be set up soon</li><li>• India 2011/12 soymeal exports seen at 5 mnT</li><li>• Mobile payments market expected to touch \$245 bn by 2014: E&amp;Y</li><li>• Steel output in August up 7%, says global body</li><li>• India to become world's 2nd largest steel producer by 2015</li><li>• IATA seeks no additional taxes on aviation sector</li></ul>   |            |
| <b>5 News Round-up</b>   | Page 14-15 |
| <ul style="list-style-type: none"><li>• India on verge of reaping demographic dividend: JP Morgan</li></ul>  |            |



## News Feature

### **India's long term growth story intact: Mukherjee to World Bank**

India's long term growth remains intact, although it has been affected in the short term, Indian Finance Minister Pranab Mukherjee has informed the World Bank.

The country's long term growth story is intact due to demographics, rising middle class, urbanisation, strong savings and investments, Mukherjee told World Bank President Robert Zoellick at a meeting with him.

Officials said the Indian minister also said that the country was witnessing rising entrepreneurship and continuing reforms under a democratic polity.

Mukherjee was in Washington to attend the annual meeting of International Monetary Fund and World Bank.

While Mukherjee sought Zoellick's view on the global scenario, the latter was interested in the steps being taken by India on governance and fighting corruption in view of the recent civil society protests against that in India.

A senior Indian official, said Mukherjee told Zoellick that his government is committed to

tackling corruption, bringing transparency in procurements and allocating resources through auctions. Besides, it has undertaken other measures such as doing away with discretionary powers of the Ministers.

A new National procurement Law and a new Land Acquisition Bill are under consideration, Mukherjee informed.

The minister is also believed to have said that negotiations of various agreements for the purchase of IBRD Bonds up to USD 4.3 billion by RBI are at an advanced stage and are likely to be finalised in a short time.

<http://economictimes.indiatimes.com/news/economy/indicators/indias-long-term-growth-story-intact-mukherjee-to-world-bank/articleshow/10129200.cms>

### **India can help the world economy: Manmohan Singh at UN**

As the global financial crisis deepened, prime minister Manmohan Singh said a fast growing India can help the world economy, around which no protectionist barriers should be erected.

Addressing the UN General Assembly, Singh said India wants to quicken the pace of its



## Weekly Economic Bulletin



transformation in partnership with the international community.

"A fast growing India can expand the boundaries for the global economy," he said, adding developing countries need investment, technology and market access for their products.

Despite global headwinds, Indian economy has been expanding close to 8 per cent, the second fastest growth in the world after China.

In the backdrop of protectionist measures in

several developed countries, Singh called upon the international community not to let economic slowdown trigger barriers to movement of people, services and capital.

"We should not allow the global economic slowdown to become a trigger for building walls around ourselves through protectionism or erecting barriers ...," he said.

<http://economictimes.indiatimes.com/news/economy/indicators/india-can-help-the-world-economy-manmohan-singh-at-un/articleshow/10107039.cms>

## Overseas Investment

### Forex reserves rise by \$266 m to \$316.76 b

India's foreign exchange reserves rose by \$266 million to \$316.763 billion in the week ended September 16, according to Reserve Bank of India's 'Weekly Statistical Supplement'.

This rise in reserves, which is mainly on account of change in currency valuation, follows a huge decline in reserves in the previous week.

In the previous week ended September 9, India's foreign exchange reserves fell by \$4.29

billion to \$316.497 billion.

The reserves rose due to an increase of \$202 million in the country's foreign currency assets to \$280.903 billion.

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

In the week under consideration, the euro strengthened against the dollar.

Gold was unchanged at \$28.319 billion. SDRs declined by \$2 million to \$4.549 billion. India's reserve position in the IMF rose by \$62 million



# Weekly Economic Bulletin



to \$2.992 billion.

After a sharp fall this week, when it almost touched levels of 50 against the dollar, the rupee is likely to trade between 49.30 and 49.70/90, next week.

There would be pressure on the rupee due to pressure of half-yearly closing and settlement of import bills.

<http://www.thehindubusinessline.com/todays-paper/tp-money-banking/article2480354.ece>

## **FDI in multi-brand retail soon, Pranab tells foreign investors**

The Finance Minister, Mr Pranab Mukherjee, has assured foreign investors that foreign direct investment (FDI) would soon be allowed in multi-brand retail.

“A consensus on allowing FDI in multi-brand retail is being evolved and will be operationalised in the near future,” Mr Mukherjee said in his address at the India Investment Forum in New York.

Currently, foreign investment is not allowed in multi-brand retail. In the case of single-brand outlets, foreign investment is allowed up to 51 percent.

In cash and carry or wholesale trade, up to 100 per cent is allowed.

<http://www.thehindubusinessline.com/todays-paper/article2477249.ece>

## **FIPB to take up 29 FDI proposals next week including Walt Disney Company and Vodafone Essar**

The government will consider 29 foreign direct investment (FDI) proposals, including that of Walt Disney Company and Vodafone Essar, at its meeting.

The meeting to be chaired by Economic Affairs Secretary R Gopalan on September 30, would take up the Walt Disney Company (Southeast) Asia Pte Ltd' proposal, which seeks to increase its shareholding in a joint venture firm to 100 per cent from the present 48.02 per cent.

The joint venture firm is engaged in film distribution, content development and downstream broadcasting business.

Last month, the Competition Commission of India (CCI) had cleared the proposed merger of media and entertainment firm UTV Software Communications with Walt Disney (Southeast Asia) at about Rs 2,000 crore.

Further, the board would also take up the request of Vodafone Essar to induct foreign equity by way of transfer of shares from "Resident to Non-Resident" to carry out activities relating to telecommunication.



## Weekly Economic Bulletin



Proposal of 9X Media Pvt Ltd to increase foreign equity participation to up to 100 per cent, from 80 per cent is also on the agenda.

<http://economictimes.indiatimes.com/news/economy/policy/fipb-to-take-up-29-fdi-proposals-next-week-including-walt-disney-company-and-vodafone-essar/articleshow/10065897.cms>

### Trade News

#### SAARC members keen on Indian investments, expertise

From the Maldives to the south of India to Bhutan in the north, several SAARC countries are keen to seek Indian investment and expertise. And not without reason, because 55 per cent of the intra-regional trade potential in South Asia remains untapped.

Realising this, Bhutan, which has recently come up with a revised foreign direct investment policy and is to shortly announce a new renewable energy policy to promote and develop renewal energy for its current and future needs, is keen to seek Indian investments in four to five sectors including power, tourism, construction and industry.

“In the future, there will be openings for smaller power projects for private sector companies to consider,” the Secretary-General, Bhutan Chamber of Commerce and Industry, Mr Phub Tshering, said. These projects will be below 500 MW, he added. The country is also inviting investments from India

in the proposed education city project.

In Maldives, Indian investors can look at tourism, hotels, ports, airports and fisheries.

#### *Huge potential*

“Don't look at the size of the country or the economy. The world has millions of billions. We are trying to attract them. It is for the Indian business community to explore the potential in the Maldives. If India does not look into it there are other countries which are equally rich who can. But we are very comfortable with India. It is our closest neighbour and strategically very important for us,” the Maldives High Commissioner to India, Mr Abdul Azeez Yoosuf, said.

Sri Lanka, too, is keen to see investments from India touch the \$ 1 billion level in the next three years from the current level of about \$ 200 million, the Minister for International Cooperation, Dr Sarath Amunugama, said.

<http://www.thehindubusinessline.com/today-paper/tp-economy/article2482854.ece>



## Weekly Economic Bulletin



### **ASEAN markets more accessible to Indian companies: FICCI**

Free trade agreement (FTA) with Association of Southeast Asian Nations (ASEAN) has increased market access for Indian companies, a survey by the Federation of Indian Chambers of Commerce and Industry (FICCI) said.

"FTA has opened up more opportunities for Indian industries in terms of greater market access for their products in the ASEAN region," said the FICCI in its findings on the impact of the FTA on Indian industry.

Under the FTA signed August, 2009, ASEAN member countries and India will lift import tariffs on more than 80 percent of traded products between 2013 and 2016. It became operational in 2010 between India and a few ASEAN countries.

"A majority of the respondents - 59 percent-- foresee no negative impact of duty reduction in the domestic market," said the study conducted on 78 companies across sectors.

The study further revealed that 20 percent respondents in sectors like engineering products, processed food, textiles, garments, plantation crops and auto parts have reported a fast pace of imports from ASEAN.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/asean-markets-more-accessible-to-indian-companies-ficci/articleshow/10113412.cms>

### **Businessmen hopeful of Indo-Pak trade touching \$10 billion in 2 yrs**

Businessmen from India and Pakistan are hopeful that with a little push from their respective governments, the bilateral trade can jump five-fold to USD 10 billion in the next two years.

"If Pakistan can make a negative list, instead of the present positive list and some of the trade barriers are lifted by both the countries, bilateral trade can easily touch USD 10 billion in the next two years," a senior official of industry body Ficci, which is organising Pakistani Commerce Minister Makhdoom Amin Fahim's visit, told.

In 2000, the bilateral trade was only USD 200 million, which, in 10 years rose to USD1.86 billion in 2010, he pointed out.

<http://economictimes.indiatimes.com/news/economy/indicators/businessmen-hopeful-of-indo-pak-trade-touching-10-billion-in-2-yrs/articleshow/10130643.cms>



## Weekly Economic Bulletin



### **India, China to hold maiden strategic economic dialogue**

India and China, the world's fastest-growing economies, will hold their first strategic economic dialogue in Beijing that seeks to address widening trade deficit and explore new areas of cooperation.

The two-day dialogue will be co-chaired by Montek Singh Ahluwalia, deputy chairman of the Indian Planning Commission, and Zhang Ping, director of China's National Development and Reform Commission.

Representatives of the Planning Commission and the ministries of external affairs, commerce, water resources, renewable energy and power are expected to participate in the dialogue.

It will focus on macro-economic outlook, communication and coordination on economic policy-making and other opportunities for pragmatic cooperation, China's foreign ministry spokesman Hong Lei has said.

The mechanism of strategic economic dialogue was unveiled during the visit of Chinese Prime Minister Wen Jiabao's trip to India in December 2010 amid growing concerns in India about the widening trade deficit.

India exports mostly primary commodities and raw materials to China.

China exports, among other things, high-value power and telecom machinery that has tilted bilateral trade heavily in Beijing's favour. The trade deficit has already reached \$14 billion this year, and could surpass last year's figure of \$20 billion.

India's trade with China is expected to touch \$70 billion this year. The two sides are hoping to scale it up to \$100 billion by 2015.

***<http://economictimes.indiatimes.com/news/economy/indicators/india-china-to-hold-maiden-strategic-economic-dialogue/articleshow/10114589.cms>***

### **India, Canada agree to enhance investment**

India and Canada have sorted out all the issues related to two agreements which will help in flow of investments and also provide social security to the expatriates of the two countries.

India's commerce and industry minister Anand Sharma and Canada's minister of international trade Edward Fast during a bilateral meeting agreed on all the issues related to the Foreign Investment Protection Agreement and the Bilateral Social Security



## Weekly Economic Bulletin



Agreement, India's ministry of commerce and industry said.

All the issues have been resolved and "both agreements could now be signed at an opportune time," it said.

During the meeting, the Indian minister emphasised on the need for convening a meeting of the India-Canada CEO Forum at an early date so that the agenda for positive engagement between the businesses of the two countries could be pushed forward.

India has also urged Canada to increase the supply of Potash.

The Canadian government should view this matter from a "strategic perspective and urge the Canadian businesses to enter into long term agreements with the Indian buyers on commercial terms," Sharma said.

Referring to the problems faced by Indian IT professionals in obtaining Canadian visa, Sharma said it was limiting trade services between the two countries.

Sharma urged the Canadian authorities to remove impediments to the movement of IT professionals from India to Canada.

**<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-canada-agrees-to-enhance-investment/articleshow/10104259.cms>**

### India, South African countries to ink trade pact soon

India is likely to sign a preferential trade agreement with south African countries soon in a bid to lower trade barriers and boost two-way trade, Minister of State for Commerce and Industry Jyotiradiya M. Scindia said.

"It will give a considerable boost to our exports in the southern African region," said Scindia, who is on a one-day official visit to South Africa.

Scindia, who met South Africa's Deputy Minister for Trade and Industry Elizabeth Thabethe, expressed the hope that talks on the preferential trade agreement between India and South African Customs Union (SACU) would be concluded soon.

India has been negotiating a preferential trade agreement with SACU, comprising South Africa, Lesotho, Swaziland, Botswana and Namibia, since 2007.

The proposed trade agreement is aimed at boosting trade by lowering tariffs and other barriers.

South Africa is India's second largest trading partner in the African region. India-South Africa bilateral trade increased to \$10.6 billion in 2010-11. The two countries target boosting bilateral trade to \$15 billion by 2014.



# Weekly Economic Bulletin



"There is, however, ample scope of diversifying the existing trade basket by bringing in many more manufactured goods," Scindia said.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-south-african-countries-to-ink-trade-pact-soon/articleshow/10077578.cms>

## **Indo-German bilateral trade to touch Euro 20mn: Chamber**

Bilateral trade between Germany and India is set to touch Euro 20 million this year, a senior official of Indo-German Chamber of Commerce said.

"It was Euro 15.5 million last year.. this year we are expecting to reach Euro 20 million..", Indo-German Chamber of Commerce Regional Director S Raj told.

He said there were about 120 German companies in India employing more than 1.50 lakh people.

Stating that 2011 commemorates 60 years of relations between Germany and India, he said a series of programmes were being organised in this connection.

German Consul General Dr Stefan Weckbach, who recently assumed office, said "India was the first few countries to recognise Federal

Republic of Germany in March 1951."

He said various cultural events, exhibitions, conferences on trade, infrastructure projects would be conducted during the next 15 months till November 2012.

Beginning this month, he said the events would be conducted in 13 cities across the country.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/indo-german-bilateral-trade-to-touch-euro-20mn-chamber/articleshow/10069286.cms>

## **India, Zimbabwe to deepen investment, trade ties**

India and Zimbabwe have agreed to further strengthen bilateral trade and investment ties even as the two countries expedite the ratification process of a Bilateral Investment Promotion and Protection Agreement.

"When I look at the potential of our bilateral trade and investment relations, I am quite convinced that we have only touched the tip of the iceberg," Minister of State for Commerce and Industries Jyotiraditya M. Scindia said.

"India has much to offer Zimbabwe in terms of investments, technology, skills, products and services in diverse economic and social



## Weekly Economic Bulletin



streams. The challenge, for all of us, lies in translating this potential and promise into multiple partnerships in diverse business sectors," he added.

Scindia earlier held talks with Zimbabwean Industry and Commerce minister Welshman Ncube.

During the meeting the two leaders "agreed to expedite the ratification of Bilateral Investment Promotion and Protection Agreement," an official statement released after the meeting said.

Scindia said there were scope for significant diversification and increase in India-Zimbabwe bilateral trade.

Bilateral trade between India and Zimbabwe was \$125 million in 2010-11. Scindia said there was scope to substantially increase this.

"In the coming years, the maximum growth will be from South-South trade amongst the countries of Asia, Africa and Latin America," he said.

He said Indian government-run firms like Indian Railway Construction Company (IRCON) and Rail India Technical and Economic Services (RITES) could assist Zimbabwe in expanding and rehabilitating its rail infrastructure.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-zimbabwe-to-deepen-investment-trade-ties/articleshow/10065198.cms>

### **India signs DTAA with Estonia, to collaborate on ICT, education**

India has signed a double taxation avoidance agreement (DTAA) with Estonia and has also forged a pact to work with the European nation in the fields of information, communications and technology (ICT).

Communications and Information Technology Minister Kapil Sibal signed the pact during his visit to Estonia on September 19, during which he also met Estonian Prime Minister Andrus Ansip, an official statement said.

Sibal signed the DTAA with Estonian Minister of Finance Jurgen Ligi.

During the visit, India and Estonia also reached an agreement to work together in the fields of information, communication and technology, education and e-governance, the statement added.

Further, India will establish a Chair on Cyber Security in Tallinn University and a Chair on Indian languages, literature and history in another of Estonia's universities.

The Estonian government has also announced



## Weekly Economic Bulletin



20 scholarships for Indian students that enroll with Estonian universities for accredited doctoral programme leading to a PhD degree in information and communication technology, material technology, environment technology, biotechnology, power engineering or health, the statement said.

Following his visit to Estonia, Sibal travelled to

Helsinki, Finland, to participate in a summit on information and network security for emerging markets.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/india-signs-dtaa-with-estonia-to-collaborate-on-ict-education/articleshow/10064803.cms>

## Sectoral News

### National Automotive Board to be set up soon

A National Automotive Board (NAB) to look into policy and certification-related issues of the automobile industry will soon be in place. It is expected to come into force in the next two to three months.

“The NAB will mainly be the co-ordinating authority for the upcoming seven automotive centres of National Automotive Testing and R&D Infrastructure Project (NATRiP). All certification such as mileage and pollution check will come under its scanner,” said the Department of Heavy Industry Joint Secretary, Mr Ambuj Sharma.

The board is also considering formulating guidelines regarding recall of vehicles. “Currently, the guidelines for recalls are being deliberated. We are also discussing imposition

of penalties if the auto maker does not recall vehicles despite faults,” Mr Sharma said.

It will look into issues such as electric and hybrid mobility and replacement of vehicles. “We have set up a demo centre at Chennai for replacing old vehicles, which should be functional by the end of this fiscal,” he added.

<http://www.thehindubusinessline.com/today-paper/tp-economy/article2474156.ece>

### India 2011/12 soymeal exports seen at 5 mnT

India's soymeal exports are seen at more than five million tonnes in 20-11/12, the chief executive of farm business Adani-Wilmar said, jumping about 25 percent from a year-ago.

Atul Chaturvedi also said the country's could produce more than 11 million tonnes of



## Weekly Economic Bulletin



soybean in 2011/12 against 10 million tonnes in the previous crop year.

He said Indian importers had virtually stopped buying crude palm oil after Indonesia after the Southeast Asian country lowered export taxes on refined palm oils but hiked it for the crude variant.

Indonesia does not have the capability to meet India's monthly demand of 600,000 tonnes of palm oils, and with costlier crude imports commercially unviable, India, the world's largest buyer of edible oils, could face a shortage in the near-term.

<http://www.financialexpress.com/news/india-2011-12-soymeal-exports-seen-at-5-mn-t/851196/>

### **Mobile payments market expected to touch \$245 bn by 2014: E&Y**

Billed as the future of banking, the value of financial transactions carried out through mobile phones has been pegged at USD 245 billion worldwide by 2014 in a new report by global consultancy firm Ernst & Young.

"Overall, mobile payment services are expected to reach USD 245 billion in value worldwide by 2014," according to the report by Ernst and Young (E&Y).

At the same time, the number of users

carrying out transactions using mobile money is expected to total 340 million by 2014, equivalent to 5 per cent of existing mobile subscribers across the globe, the report said.

There were 81.3 million people worldwide that used their mobile devices to make payments in 2009 and the value of m-payments stood at USD 69 billion during the period, according to an estimate.

The mobile payments market has gained traction in recent years, owing to factors such as higher penetration of handsets in comparison to coverage of population with banking services and benign regulatory environments.

"The acceleration of mobile remittance services alongside new mobile payment scenarios highlights the range of opportunities for the mobile phone to redefine the movement of money by lowering costs, increasing convenience and reducing fraud," the report said.

The increasing use of the mobile payment concept by consumers across the globe, especially in heavily populous countries in the Asia-Pacific region, may inflate the market for mobile payments in the coming years.

The report said that mobile money is being seen as the key for many operators in Asia to provide value-added services to customers



## Weekly Economic Bulletin



and operators in emerging markets, such as the Philippines and Bangladesh, as well as a catalyst for bringing banking services to the large unbanked population of these countries.

It further said that operators in developed markets are targeting e-wallets at smartphone users.

<http://www.financialexpress.com/news/mobile-payments-market-expected-to-touch-245-bn-by-2014-e&y/852000/0>

### Steel output in August up 7%, says global body

India's steel production grew 7.4 per cent during August 2011, marginally slower than the global rate of 9.8 per cent.

Steel production in India stood at 6.16 million tonnes in August against 5.73 million tonnes in corresponding last year, according to latest estimates of the World Steel Association. During this period, world steel output grew to 124 million tonnes against 113 million tonnes in the previous year.

China, with a 13.8 per cent growth in output at 58.72 million tonnes, was the world's largest producer of steel in August, followed by Japan at 8.9 million tonnes and the US at 7.53 million tonnes.

For the first eight months of calendar 2011,

India's steel output grew 5.3 per cent to 47.95 million tonnes against 45.52 million tonnes in corresponding last year. Global output in the first eight months of 2011 grew 8.3 per cent to 1.01 billion tonnes against 933 million tonnes in the corresponding last period.

India, at present, is the fourth largest steel producer. Recent estimates by the Steel Ministry indicated a 10 per cent growth in finished steel production at 29 million tonnes for the April-August period.

However, steel consumption for the period grew by a mere 1.3 per cent to 28 million tonnes. Consumption in the first five months of current fiscal has been largely subdued due to the lower demand from sectors such as construction, automobiles and consumer durables. Steel Ministry officials, who had earlier predicted a 10 per cent growth in demand, are hopeful of a pick up in demand post monsoon.

<http://www.thehindubusinessline.com/today-paper/tp-economy/article2471192.ece>

### India to become world's 2nd largest steel producer by 2015

India is expected to become the world's second-largest producer of crude steel by 2015, riding on expansion plans of domestic players like Steel Authority of India (SAIL) and



## Weekly Economic Bulletin



Rashtriya Ispat Nigam (RINL), the government said.

Chairing a meeting of the Parliamentary Consultative Committee, Steel Minister Beni Prasad Verma said annual demand for steel is likely to grow at an average of over 10% in the next five years as compared to 8% growth during 1991-92 and 2010-11.

India slipped one rank to become the fourth largest steel producer in 2010, with 68.3 million tonne of output. It produced 63.5 million tonne steel in 2009.

China is the number one producer of steel, followed by Japan and the US at second and third places, respectively.

"India also maintained its lead position as the world's largest producer of direct reduced iron (DRI) or sponge iron," the official statement said, adding the per capita steel consumption during the last six years has risen from 38 kg in 2005-06 to 55 kg in 2010-11.

The steel sector contributes nearly 2% of the GDP and employs over 5 lakh people.

Expressing concerns over exports of iron ore, a fast depleting resource, Verma said iron ore is a non-renewable natural resource and his Ministry is of the view that it should be

conserved for long-term utilisation of domestic steel industry.

"Our policy should, accordingly, aim at value addition of iron ore within the country instead of exporting iron ore," he said. National Steel Vision and strategy paper are being finalised for promoting steel sector, he said.

The Minister also elaborated on expansion plans of PSUs like SAIL, RINL etc.

"The major thrust of the modernisation and expansion plans is to adopt the best modern technology, which in addition to being cost effective should also be energy efficient and environment-friendly," he said.

State-run SAIL has undertaken a massive expansion drive to increase its steel production capacity from current 14 million tonne to about 24 million tonne, with an investment of about Rs 70,000 crore.

<http://businessstandard.com/india/news/india-to-become-worlds-2nd-largest-steel-producer-by-2015/147599/on>

### **IATA seeks no additional taxes on aviation sector**

Global airlines body the International Air Transport Association (IATA) asked world governments to make aviation a part of their overall economic strategy, desist from



## Weekly Economic Bulletin



imposing additional taxes and create an environment for the sector to grow stronger.

The IATA, which released its latest industry financial forecast today, estimated that global airlines would earn a net profit of \$6.9 billion, with those from Asia-Pacific region likely to contribute the most by earning \$2.5 billion.

"As governments seek to re-start troubled economies, a strategic approach to aviation policy would deliver broad economic benefits. Every plane that takes off is a catalyst for economic growth and prosperity," IATA Director General and CEO Tony Tyler said while releasing the report in Singapore.

Observing that time and again aviation has shown its resilience to all kinds of challenges, he said it was important for governments to focus on aviation policy as part of their overall economic strategy.

"Not to tax us and add even further burdens but to set an environment for aviation to grow stronger and provide opportunity across all sectors of the global economy dependant on connectivity. The governments must carefully evaluate the negative impact of the current high levels of taxation, absolutely resist increases or new taxes, and develop policies that support aviation's growth with efficient infrastructure," Tyler said.

While the IATA upgraded its June global industry profit estimates from \$four billion to \$6.9 billion, it said Asia-Pacific would deliver the most to the industry's total profit with a net return of \$2.5 billion.

<http://businessstandard.com/india/news/iat-a-seeks-no-additional-taxesaviation-sector/147158/on>

### News Round-Up

#### India on verge of reaping demographic dividend: JP Morgan

J P Morgan India Chief Executive Officer Kalpana Morparia said India, one of the fastest-growing major economies, is on the verge of reaping a significant demographic dividend.

"India is amongst the youngest nations in the world and even in 15 years (in 2025), half of India's population will be below the age of 30, and there are encouraging signs of skill upgrading in India," she said here.

The top banker was speaking on the topic 'Global economy-uncertain times' organised by Federation of Gujarat Industries (FGI) at

## Weekly Economic Bulletin



their 92nd Annual General Body meeting.

Despite a large domestic market, India is more open than you think. A vast majority of manufacturing output is now exported and Indian exports are quickly moving up the value chain, Morparia maintained.

"Engineering export grew 84 per cent in FY11. Growth of engineering products and chemicals significantly outstripped growth of India's traditional exports in FY11."

According to her, export growth suggests increasing factory productivity and geographical diversity. She welcomed the move to formulate a new land acquisition law, saying it will encourage investments.

Morparia said India is on course to becoming the third largest market in the world by 2050.

<http://economictimes.indiatimes.com/news/economy/indicators/india-on-verge-of-reaping-demographic-dividend-jp-morgan/articleshow/10131581.cms>

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**While we endeavour to keep the information updated, we make no claim to the accuracy and completeness of the same**



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