

## Weekly Economic Bulletin

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## News Feature

### Exports grow by 22.5 pc to USD 16.64 bn in August

Exports grew by 22.5 per cent to USD 16.64 billion in August compared to the same period last fiscal, a senior Commerce Ministry official said.

Imports, too, jumped by 32.2 per cent year-on-year to USD 29.7 billion in August, Commerce Secretary Rahul Khullar told.

"Export growth is relatively slow, well below the level of 2009. From next month onwards hopefully, you should see growth at the level of 2008," Khullar said.

During April-August this fiscal, exports posted a growth rate of 28.6 per cent to USD 85.27 billion on a year-on-year basis. Imports during the April-August period grew by 33.1 per cent to USD 141.89 billion.

The country's trade deficit widened to USD 13.06 billion in August compared to the year-ago period. For the April- August, 2010, period, the trade deficit amounted to USD 56.62 billion.

<http://economictimes.indiatimes.com/news/economy/indicators/Exports-grow-by-225-pc-to-USD-1664-bn-in-August/articleshow/6558635.cms>

### Economy to grow by 9% in 2011-12: Mukherjee

The Indian economy is estimated to grow by 8.5 per cent this fiscal and 9 per cent in 2011-12, Finance Minister Pranab Mukherjee said.

"We have not revised our projections of achieving the growth rate of 8.5 per cent despite achieving the growth of 8.8 per cent in the first quarter of the current financial year," Mukherjee said at the platinum jubilee celebration of Bank of Maharashtra.

He said that with the growth back on high trajectory, the government was trying to make it more inclusive so that the benefits also reached the poor in the country.

The minister asked banks to increase their presence in rural areas so that more people could be brought under the banking net.

<http://economictimes.indiatimes.com/news/economy/indicators/Economy-to-grow-by-9-in-2011-12-Mukherjee/articleshow/6566857.cms>

### RBI hikes repo rate by 25 bps, reverse repo rate by 50 bps

The Reserve Bank of India raised interest rates more aggressively than expected, keeping up its fight against inflation, but signalled that it may be nearing a pause in its current tightening cycle.

The RBI lifted the repo rate, at which it lends to banks, by 25 basis points to 6 percent and raised the reverse repo rate, used to absorb excess cash, by 50 basis points to 5 percent. The new rates, which comes into effect immediately.

The hike in rates will lead to a rise in cost of funds for the banks and eventually makes loans expensive, which will reduce consumption.

The rate increase was India's fifth since March. "The Reserve Bank of India believes that the tightening that has been carried out over this period has taken the monetary situation close to normal. Consequently, the role of normalisation as a motivation for further actions is likely to be less important," it said.

The central bank said that while inflation remains the dominant concern in economic management, "current and expected macroeconomic conditions will be the more important considerations going forward."

The yield on India's benchmark 10-year bond rose by 4 basis points after the rate increase while the 1-year swap rate jumped by 9 basis points.

<http://economictimes.indiatimes.com/news/economy/policy/RBI-hikes-repo-rate-by-25-bps-reverse-repo-rate-by-50-bps/articleshow/6564503.cms>

## **Overseas Investment**

### **India hot spot for FII investments**

India is the most popular destination for overseas portfolio investors to park their fund in the Asian region for 2010. It may be a signal of increasing confidence in the Indian growth story, when the rest of the world is struggling to fight the recession. Bloomberg data shows that foreign institutional investors (FIIs) have purchased domestic equities worth \$13.7 billion in 2010 till date making it the only Asian markets to have received more than \$10 billion of investment this year. It is 56% higher than corresponding period of last year.

This year, FII investment into India is over 57% higher than that of South Korean, which remains at the second slot in terms of overseas investment followed by Indonesia, Taiwan, Thailand, Philippines and Vietnam among others. Interestingly, higher amount of FII investment has flowed into India despite the fact that domestic equities are commanding a relatively higher PE against its regional peers. While Nifty of NSE is trading at a PE of 19.36, it is 13.66 for South Korea, 4.16 for Indonesia, 14.98 for Taiwan and 14.61 for Philippines. As regards, future FII inflows into India will depends on the second quarter numbers, which would give a cue into the future earnings trajectory of India Inc.

<http://www.financialexpress.com/news/india-hot-spot-for-fii-investments/681173/>

## **Sensex crosses 19,000 on FII flows, banking sector charge**

The Sensex soared 408 points, reaching a 32-month high, as foreign institutions poured in more than Rs 2,500 crore, according to provisional data.

The benchmark index closed at 19,208.33, up 2.1 per cent from its previous close. The Nifty closed at 5,760, up 2.13 per cent.

The strong performance was led by RIL and the entire banking sector.

Bank stocks were at their all-time high with SBI, India's largest bank, hitting a peak of Rs 3,148.55 on the NSE.

According to analysts, the gains made by stocks over the last few trading sessions have been primarily liquidity driven as is evident from the heavy FII inflows.

Domestic institutions, which were net sellers for Rs 960 crore, and retail investors, who sold for a net of Rs 219 crore (on the BSE), took advantage of the highs and booked profits. "It was fantastic opportunity for retail investors like us to sell and especially for those who had bought at April 2009 levels," said Mr Ashish Choudhary, a retail investor.

Technical analysts said the Nifty was moving in the 4300-5600 range for a long time and Monday's "break-out" could prompt an up-move equal to the width of the channel, that is, 1,200-1,300 points.

<http://www.thehindubusinessline.com/2010/09/14/stories/2010091453020100.htm>

## **Trade News**

### **Russia, India in pact to develop biotech network**

An agreement on Russia-India Biotech Network (RIBN) was signed to serve as a dedicated platform to help facilitate collaboration between Russian and Indian biotech companies.

The agreement was signed and exchanged in the presence of the Chief Minister, Mr K. Rosaiah by Prof. Raif Vasilov, President, Russian Biotechnology Society and CEO of Russian Biotechnology Association, and Dr. B.S. Bajaj, Convenor of Bio-Asia 2011 and Secretary of Federation of Biotech Associations (FABA).

Commenting on the development, the Chief Minister said that this platform will prove to be a very useful tool to accelerate the cross-border collaboration between the two countries. The first phase of this initiative is expected to be operational by February coinciding with Bio-Asia, Prof. Raif Vasilov said.

Coinciding with the signing of the agreement, the Chief Minister today announced that the eighth edition of Bio-Asia, a global bio-business forum will be held during February 21-24 at Hyderabad and serve as a platform to accelerate the growth of the biotech sector.

Bio-Asia 2011 will feature multi-track conferences, trade shows, networking conferences and other satellite events. The previous edition of Bio-Asia held this year in February was witness to participation of over 4,000 delegates from 21 countries. The event brought together over 160 companies and recorded over 800 onsite business-to-business interactions.

The Chief Minister said the State has recognised the importance of biotech sector and has made efforts to provide right environment for its growth by providing necessary infrastructure and encouraging biotech companies offering them incentives.

<http://www.thehindubusinessline.com/2010/09/15/stories/2010091550931900.htm>

### **Gujarat govt inks MoU with UK trade body**

The investment promotion body of Government of Gujarat, iNDEXTb, signed a memorandum of understanding (MoU) with Leicestershire Asian Business Association (LABA) today in Leicestershire.

The MoU will encourage and facilitate actions leading to the promotion and development of commercial exchange and of economic co-operation between the UK and Government of Gujarat.

It will enable both the parties to analyse business conditions, legal and economic environment between the two regions and take action to improve cooperation among companies in their respective countries as well as the establishment of joint ventures.

The MoU will also lead to creation of export panels on international marketing as well as on foreign trade management and skills. Further, it will help create joint symposiums and seminars on economic and trade information.

The MoU was signed by the delegation convener Guruprasad Mohapatra, managing director, Gujarat Alkalies and Chemicals Limited (GACL) and Jaspal Singh Minhas, president, LABA.

LABA is the leading British Asian Business led economic driver for Leicestershire and wider East Midlands region fostering business development, training, inward investment and international trade for the last twenty five years.

A high-level 16 member delegation of business leaders and government officials from Gujarat arrived in Leicestershire today to meet with business communities and had a road show to promote Vibrant Gujarat 2011 Summit.

<http://www.business-standard.com/india/news/gujarat-govt-inks-mouuk-trade-body/407977/>

## **Kerala, Taiwanese cos forge business ties**

More than 35 tie ups were announced by the representatives of Taiwan business delegation and Kerala-based industries at the end of the business meet organised by the Kerala State Industrial Development Corporation in Kochi.

The State expects an investment of Rs 2,500 crore as a result of the meet.

### *Taiwanese firms*

About 38 companies from Taiwan representing sectors like electronics, machinery manufacturing, automobile components and hardware, participated in the meet.

While Mr T. Balakrishnan, Additional Chief Secretary, Industries and Commerce and Mr Alkesh Sharma, Managing Director, KSIDC, led the Kerala delegation at the discussions, Mr Wen-Chyi, India-Taipei Economic and Cultural Centre, New Delhi, led the delegation from the Taiwanese side. A one-to-one interactive session was also held as part of the business meet.

More than 140 companies from Kerala including Keltron, Industrial Steel Forging, SILK, KEL, TELK, CII Guardian and Nest, took part in the meeting . Earlier, about 30 seafood manufacturers from Kerala visited Taiwan in June to participate in the Taipei Food Exhibition.

Another business delegation from the State is likely to visit Taiwan soon to firm up the initiatives taken in areas of trade and investment.

<http://www.thehindubusinessline.com/2010/09/20/stories/2010092050631300.htm>

## **Singapore invites Indian investments in pharma, solar energy**

Singapore has invited Indian businesses to collaborate with its local players in sectors like solar power, pharmaceutical and chemicals.

"There are huge opportunities available for Indian business community there. Indians can collaborate with Singaporean player to set up research and development centres in areas of solar energy and pharmaceuticals," Singapore Economic Development Board (SEDB) International Director Engkeat Lee said.

Mumbai-based SEDB is a leading agency of Singapore government for planning and executing strategies to attract investments globally.

Elaborating, Lee said Singapore is facing problems in manufacturing medicines for diseases like cancer, diabetes, and heart problems.

"An Indian pharma company can set up a wholly-owned manufacturing or R&D facilities there or can explore collaborations with Singapore companies," he said.

He also said that chemicals is another important area for exploring business opportunities.

Currently, Indian companies are investing mainly in services sectors.

The presence of Indian companies has increased substantially in Singapore in the recent years. The number has increased to 4,090 from 2,579 four years ago.

"This clearly reflects the friendly investment environment in Singapore," Lee added.

Indian firms in Singapore, include Tata Consultancy Services, Mahindra Satyam, NIIT Technologies, Godrej and Usha Martin.

Lee also said that Singapore business community is looking to invest in the infrastructure sector in India.

"The Indian government is investing billions (of rupees) in this sector, so Singaporean firms can explore business opportunities here," he added.

After Mauritius, Singapore is second largest investor in India. While, India-bound investments from Singapore amounted to about USD 9.5 billion in 2009, Indian investments there have crossed USD 11 billion.

The two-way trade between the nations stood at USD 14 billion in 2009-10.

The two countries have reduced or eliminated duties on several products under a comprehensive free trade pact operationalised since 2005.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/Singapore-invites-Indian-investments-in-pharma-solar-energy/articleshow/6583874.cms>

### **Commerce Ministry to seek Cabinet nod soon for Indo-Japan trade pact**

The Commerce Ministry will seek the Cabinet's approval soon for the India-Japan free trade agreement (FTA) likely to be signed during the Prime Minister Manmohan Singh's forthcoming visit to Tokyo in October.

Singh is expected to attend the India-Japan Summit scheduled on October 25.

"The negotiations have been completed and we want to take the Cabinet nod by the month-end," an official told PTI.

The Prime Minister headed Trade and Economic Relation Committee (TERC) has already cleared the market opening pact with Japan, with which India has a bilateral trade of \$ 10.4 billion.

He said the three year old negotiations were completed after resolving the contentious issues, including those related to pharmaceutical sector.

India did not want to take more intellectual property rights obligation than provided in the WTO's TRIPS agreement.

"We got what we wanted in the agreement," the official said.

The immediate beneficiary of the pact would be the textiles sector, which will be able to export its product to Japan without any duty.

"Indian side has more advantage in textile sector, as Japan will immediately eliminate duties in the sector," he said.

Indian pharma exports too are likely to get significant boost from the agreement.

In all duties would be reduced or eliminated in about 10,000 product lines.

For India, the Comprehensive Economic Partnership Agreement with Japan would be its third such pact. It has already signed similar agreements with South Korea and Singapore.

The two sides have recently reached at an in-principle agreement for the pact.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/Commerce-Ministry-to-seek-Cabinet-nod-soon-for-Indo-Japan-trade-pact/articleshow/6565933.cms>

### **US, India look to seal deals before Obama's Nov visit**

The ministries of defence and external affairs are involved in a flurry of activities ahead of US President Barack Obama's visit to India in November. Defence minister AK Antony's visit to the US at end of the month, which will follow the visits of foreign secretary Nirupama Rao and minister of commerce and trade Anand Sharma, comes in the backdrop of defence-related agreements with the US like the Logistics Support Agreement (LSA), the End-User agreement and the Communications Interoperability and Security Memorandum of Agreement (CISMOA). These agreements will ease high-tech defence exports to India.

The US is trying hard to ensure that most of the agreements with India are formalised ahead of Obama's visit. Antony's visit is expected to give a fresh impetus to Indo-US defence ties, which are currently down owing to the absence of a proper framework and trust deficit issues.

'Inter-operability' is the key word for the US in the ever expanding lexicon of the Indo-US defence ties. "The development of inter-operability procedures, communications and doctrines is only possible through familiarisation, understanding and building confidence, focusing on areas of mutual interest, and enhancing the professional development of personnel," sources said.

Early last month, a team from the Pentagon, led by US under-secretary of defence on policy Michèle Flournoy, interacted with their Indian defence ministry counterparts to prepare for a meeting of the Defence Policy Group, the joint committee headed by top civilian bureaucrats in the two defence ministries that charts bilateral defence cooperation. Both the sides had exchanged notes on fostering greater cooperation in defence through

more equipment sales, greater joint exercises, frequent high-level exchanges and the possibility of inking three military agreements.

Flournoy had maintained that the US viewed India as a “natural partner” and indicated Washington’s wish list vis-à-vis New Delhi in the area of defence. The list includes buying more American-origin defence equipment, ‘realistic’ joint exercises and stepped-up visits by officers of Indian armed forces.

Describing the three military agreements, which the US has been pursuing with India, as “foundational” in nature, Flournoy had said the three agreements being offered have been inked with many close partners, and this has enabled the Pentagon to offer cutting-edge defence technology. They also allow the US to “share” the next higher level of technology. She, however, went on to clarify, “It is not a requirement (for closer cooperation). It is a choice of the government of India.”

<http://www.financialexpress.com/news/us-india-look-to-seal-deals-before-obamas-nov-visit/681124/>

## **Sectoral News**

### **GSM operators add 13.5 million users in Aug**

GSM operators added a whopping 13.5 million mobile subscribers in August taking the total tally to 481 million. The growth was led by Vodafone Essar which added 2.3 million new subscribers followed by State-owned Bharat Sanchar Nigam Ltd with 2.29 million new users. Uninor, which is among the new players to get licences in 2008, managed to get 2.2 million new subscribers in August beating even market leader, Bharti Airtel.

“These numbers come from only the 13 circles where Uninor is commercially present today. While it is early days yet, we believe our strategy is taking us in the right direction..” said Uninor.

Bharti Airtel added a little over two million users to take its total user base to 141.25 million. Vodafone is at second place with a subscriber base of 113.77 million at the end of August. IDEA cellular continues to be the third largest GSM mobile operator with a subscriber base of 72.7 million and State-owned BSNL is in fourth position in terms of GSM mobile user base with total subscribers of about 70.4 million.

<http://www.thehindubusinessline.com/2010/09/16/stories/2010091653100700.htm>

### **IT index touches record high**

Technology counters had a field day with IT bellweather Infosys Technologies leading the charge. Robust overseas trends shored up the shares of Infosys over 2%, helping the company touch a life-time high of Rs 3,000 on the BSE. The scrip closed 1.38% higher from the previous day at Rs 2,975.95.

Shares of TCS too touched an all-time high of Rs 898 before closing at Rs 894, up 1.65%. Wipro gained the most at 3.66% to close at Rs 417.45.

The BSE-IT index gained 83.24 points to close at 5,804.72, making it the second highest gainer among all the sectoral indices.

Market analysts said the export-oriented shares rose on the hope of an improving US economy, Indian IT's main revenue geography contributing to 60% of its exports. The bourses also seemed to shrug off comments from IT companies which said technology spending could turn cautious in the months ahead.

<http://www.financialexpress.com/news/it-index-touches-record-high/681514/>

### **Soyameal sales to double this month**

India's soyameal sales are likely to double to around 3,00,000 tonne in September from a month ago as buyers snap up cargoes from the South Asian nation, offering competition to suppliers of US and South American meal.

Asia's top soyameal supplier, India is likely to produce a bumper crop of around 9.5 million tonne this year, up nearly 12% from 8.5 million in 2009 on ample monsoon rains across key growing areas, traders said.

Last month they sold around 1,50,000 tonnes but in September sales are looking good, a regional trader, who declined to be identified, said on the sidelines of a grains meeting in Vietnam.

It should be in the range to 2,50,000 to 3,00,000 tonnes as Indian prices are competitive and buyers are signing deals at a rapid pace.

In a recent deal, Vietnam bought 12,000 tonne of soyameal from India at around \$410, including cost and freight, for shipment in November. Soyameal from Argentina is being quoted around \$430 to \$440 a tonne.

<http://www.financialexpress.com/news/soyameal-sales-to-double-this-month/682001/>

### **Basmati exports cross 1-mt mark**

Notwithstanding objection from some European countries, export of high-value basmati(aromatic) rice from India continues to surge and has already crossed one million tonnes between April to July 2010.

Officials and traders believe that basmati exports from India this year could be higher than 2009-10 because of large-scale damage to standing crops in Pakistan in the recent floods. Pakistan and India are two biggest basmati rice producers in the world. Some estimates show that around seven lakh hectare of rice crop has been impacted by floods in Pakistan.

Meanwhile, according to the latest industry data, India has exported around 9.04 lakh tonne of basmati during April-July 2010, while the contracted amount till August stood at more than 1.15 million tonne. Last year during the same period, exports of the aromatic rice had crossed 1 million tonne

“In comparison to last year the exports are slightly on the lower side, but we are quite hopeful that it will pick up once monsoon withdraws,” Vijay Setia, president, All India Rice Exporters Association, told.

According to Agricultural & Processed Food Products Export Development Authority (Apeda), exports of the premium aromatic rice had increased by 44% to 2.3 million tonne in 2009-10 from 1.6 million tonne achieved in 2008-09. In value terms, the export of basmati rice had crossed Rs 12,000 crore in 2009-10 as against Rs 9,476 crore in 2008-09.

In June, a Hamburg-based lab had reported that organic basmati rice imported from India has elevated levels (0.03%) of carbendazim and isoprothiolane (both plant protection products and PPP), while the European Commission had fixed an arbitrary minimum residue limit (MRL) of 0.01 ppm. This has stalled exports of around 10,000 tonne of basmati rice to Germany .

“Our main market is Gulf countries, till now there is no cause of concern on basmati rice exports there,” Asit Tripathy, Chairman, Apeda said. Rice exports to Iran and Saudi Arabia constitute close to 60% of the total exports.

<http://www.financialexpress.com/news/basmati-exports-cross-1mt-mark/682000/>

### **India to resume sugar futures from Oct**

After more than a year, commodities market regulator, the Forward Market Commission (FMC) will allow sugar futures to start from October 2010 in view of expected bumper production of the sweetener next year.

Trading in sugar futures was suspended in May 2009 as retail prices spiked on the back of sharp drop in production.

“Sugar futures trading would be allowed from October when the new marketing season starts,” Reuters news agency reported quoting BC Khatua, chairman of commodities market regulator, the Forward Markets Commission on Wednesday, adding that the regulator will grant permission to exchanges to resume futures trading in sugar as and when they seek it.

Later while talking to newsmen, Khatua also indicated that the regulator was considering resumption of tur dal futures, trading in which was suspended in 2007 also because of expected rise in production.

Meanwhile, sugar millers reacted positively to the announcement and said it would allow hedging against possible price slides.

“Now with much higher production expected next year, it is a welcome move. It will give some certainty to the producers and provide a platform for hedging,” said Narendra Murkumbi, managing director of Shree Renuka Sugar, the country's top sugar refiner.

Prakash Naiknavare, managing director of Maharashtra State Cooperative Sugar Factories Federation, said: India is poised to produce a bumper sugar (crop) in 2010-11. There is going to be pressure on prices. Futures are one of the effective ways to safeguard (against a) price slide.

<http://www.financialexpress.com/news/india-to-resume-sugar-futures-from-oct/681999/>

### **Fresh demand to spur two-wheeler growth**

The Indian two-wheeler industry will register a strong growth in the coming years on the back of replacement demand, according to a study released. The industry is expected to grow at 19.4% in the current financial year, according to research firm Analysis and Research (CARE).

As per CARE Research, the longer term outlook is also expected to be healthy, with domestic sales projected to grow in double-digits over the next five years. Investment in the sector would be in the range of Rs 900 crore-Rs 1,000 crore over the next 2-3 years for capacity expansion as well as product development, the report said.

D R Dogra, managing director and CEO of CARE Ratings said, “About 1.6 crore two-wheelers are aged above 10 years, as against the domestic sales of 93 lakh vehicles in FY10. Thus, the demand for replacing old two-wheelers is a huge growth potential for the industry in the coming years.”

The demand in two-wheeler industry picked up in 2009-10 registering a strong domestic sales growth of 26.4%. The acceleration continued with the first five months from April to August 2010, registering a growth of 27.2%.

The growth in September-March 2011 is expected to be around 13.5%, with sales averaging between 935,000–940,000 units per month. The lower growth for September 2010 to March 2011 period can be attributed to high base effect last year. Domestic sales had witnessed 33% growth in September-March 2010 period over similar period in 2008-09. Improvement in consumer sentiments due to revival in the economy, rise in employment levels and increase in personal disposable incomes combined with improvement in systemic liquidity were some of the key factors that influenced this growth. Soaring sales translated to higher capacity utilisation levels, which has led to major expansion drive in the industry that otherwise was nearly held up during last two years due to recession, the study said.

<http://www.financialexpress.com/news/fresh-demand-to-spur-two-wheeler-growth/682615/>

## News Round-Up

### Manufacturing to push economic growth: Kaushik Basu

Amid the Reserve Bank expressing doubts over the efficacy of industrial data, a top adviser to the Finance Ministry said manufacturing is on buoyant path that will keep Indian growth story going in the medium to long run.

"... I get the sense that the manufacturing sector growth of the last months is not just a one time correction but the start of a new trajectory for Indian manufacturing," chief economic adviser Kaushik Basu told.

He said if services and farm sectors, which are performing below capacity, also return to their full capacity, Indian growth will be quite robust for some years to come.

The comment assumes importance, since the Reserve Bank had expressed doubts over the efficacy of industrial growth data in mirroring the ground reality.

"Although the year-on-year (industrial) growth rate for the first four months of the year remains robust at 11.4 per cent, the high volatility over the past two months raises some doubts about how effectively the index (of industrial production) reflects the underlying momentum in the industrial sector," RBI had said in its mid-quarterly review.

Basu said medium to long run economic growth prospects are good because of robust manufacturing.

He stuck to the Finance Ministry's growth projections of 8.5 per cent this fiscal.

However, he added that the second quarter figures will be below even 8.5 per cent, while the third quarter will witness more than 8.8 per cent economic expansion, witnessed in the first quarter.

"Where we have had unequivocal success with policy is in the case of growth ... The reason why the medium to long term growth prospects are even better for India is that the manufacturing sector is experiencing a buoyancy rarely seen before," Basu said.

While industrial growth accelerated to 13.8 per cent in July, belying all expectations of slow down, manufacturing, constituting around 80 per cent of industry, rose by 15 per cent that month.

<http://economictimes.indiatimes.com/news/economy/indicators/Manufacturing-to-push-economic-growth-Kaushik-Basu/articleshow/6573791.cms>

### Deloitte sees increase in M&A activity in India

Global consultancy Deloitte has said that merger and acquisition activities in India are expected to be "healthy" and "sustainable" in the near term and a lot of money is waiting to be invested in the country, especially in the energy space. The global M&A scene is

bustling with multi-billion dollar transactions as many companies are flush with funds, after lying dormant during the financial turmoil in 2008-09.

“Deal making activities in India are anticipated to remain healthy in the coming months. In the Indian context, these activities will also be sustainable in near term,” said Deloitte India’s financial advisory leader Avinash Gupta. According to him, there is a lot of money waiting to be invested in India and many large companies are looking at the country for making investments.

Sounding bullish on the country’s energy sector, he said that more investments are expected to happen in that space. Last month, London-listed mining entity Vedanta Resources said it will acquire up to 51% stake in Cairn India from parent firm Cairn Energy in a \$8.48 billion-deal. Cairn India owns India’s largest onland oilfield. Mr Gupta said that more investments and deal-making activities are also likely in the infrastructure and services, financial services and life science and pharmaceuticals, among other sectors.

Another deal announced in August was that of Reliance Industries buying 14.12% stake in EIH, which runs the Oberoi and Trident hotels and resorts. The deal was worth `1,021 crore. Globally, many big-ticket transactions have been announced in the past few weeks, including chip maker Intel Corp buying security software company McAfee for \$7.68 billion.

Others include global fund manager Blackstone Group snapping up American energy firm Dynegy for around \$4.7 billion and technology giant Hewlett-Packard bagging storage solutions provider 3PAR in an over \$2 billion-deal.

<http://economictimes.indiatimes.com/news/economy/indicators/Deloitte-sees-increase-in-MA-activity-in-India/articleshow/6588239.cms>

### **Organised sector adds 3.2 lakh new jobs in July-Sept: Survey**

It is boom time in new hiring in the organised sector with the addition of nearly 3.2 lakh jobs during July to September and the services sector leading the way.

In the first six months of the calendar year the organised sector added 4.18 lakh jobs, according to a survey by Ma Foi Randstad Employment Trends.

There is optimism in the economic scenario across all sectors. In the services sector, healthcare and hospitality are seen to add the maximum number of jobs, the survey says.

The survey was conducted among 650 companies across 13 industry segments in eight Indian cities.

The top management and senior HR personnel at these companies were queried on their hiring intentions in the present quarter as compared with the previous quarter and their views for the whole year.

The survey shows 4,18,564 jobs were created between January and June 2010 with 1.21 lakh jobs in healthcare and 63,000 jobs in hospitality. The top five sectors leading the

boom are healthcare, hospitality, real estate and construction, IT and ITeS, and education, training and consulting.

New Delhi, Mumbai and Chennai are the leading job generators — 112,987 jobs during January to September 2010. Kolkata, Bengaluru and Hyderabad follow closely with 30,000-plus jobs during the same period, says the survey that tracks Indian employment trends and opportunities.

Mr Ben Noteboom, CEO and Chairman of the Executive Board, Randstad Holding, said, “We see positive trends across many economies such as US, Germany, France, Asia Pacific and parts of Europe which are clearly growing. I expect India to continue its economic growth and employment generation fuelled by its domestic consumption and stabilising global economy.”

<http://www.thehindubusinessline.com/2010/09/17/stories/2010091750321900.htm>