

India News



Economy

Finance Minister, Mr Pranab Mukherjee on July 29, 2009, said in the Parliament that the economy was expected to maintain a growth rate of 6.7 per cent in 2009-10, the same as the last fiscal, as some signs of pick up were visible.



Standard & Poor's Asia-Pacific arm, in its mid-year review of the Indian economy, anticipates that India will remain in positive growth territory throughout this global recession and forecasts India's GDP growth at 5.8-6.3 per cent in 2009 and 6.8-7.3 per cent in 2010.

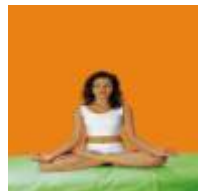


Foreign investment

Foreign companies are continuing to leverage India's stable business environment and growth potential in manufacturing and R&D. Significantly, 3M India is setting up one more R&D centre in the southern city of Bengaluru, aiming to have an R&D strength of about 200 scientists over the next four years. French tyre major, Michelin, has received approval from the Foreign Investment Promotion Board (FIPB) for its US\$ 2.26 billion foreign direct investment (FDI) proposal to set up a manufacturing facility in Tamil Nadu.



Mercedes-Benz plans to invest €700 million (US\$ 10.1 billion) to increase the production capacity of its trucks in its manufacturing plant in Chennai.



StemCyte to conduct clinical trials for spinal cord injuries in India US-based stemcell transplantation and therapeutics company, StemCyte Inc, has set up a first-of-its-kind umbilical cord blood (UCB)



public bank for India in a joint venture with Chennai-based Apollo Hospitals and Ahmedabad-based Cadila Pharmaceuticals to aid in carrying out clinical trials in India.

Merger & Acquisitions

The Companies Act Amendment Bill, which was tabled in Parliament in the Budget session, has proposed to allow Indian companies to merge with overseas companies, a move that could introduce greater flexibility in cross-border merger and acquisitions (M&As).

Free Trade Agreement

The signing of the Free Trade Agreement (FTA) with the Association of South-East Asian Nations (ASEAN), would increase the overall trade turnover between India and the 10-country block by over a fourth to as much as US\$ 50 billion by 2010.

India signed a Comprehensive Economic Partnership Agreement (CEPA) with the Republic of Korea on August 7, 2009, in a bid to promote trade of industrial and farm goods and also boost exchanges of manpower, particularly in the services sector between the two countries.

Domestic Investment

Mphasis, the IT and BPO services company, has acquired the Indian IT arm of the global insurance giant AIG. The deal is expected to strengthen Mphasis's domain-based solutions in its key banking, financial services and insurance (BFSI) industry vertical.

Jaiprakash Power Ventures Ltd (JPVL), promoted by the US\$ 7-billion Jaypee group, has signed a Rs 4,000-crore (US\$ 831.15 million) agreement with Larsen & Toubro Ltd for supply of equipment for its Nigrie Super Thermal Power Project in Madhya Pradesh.

The Rs 3,000-crore (US\$ 623.33 million) Yash Birla Group is foraying into the education segment in a full-fledged manner and will invest Rs 500 crore (US\$ 104 million) by 2012.

Resources - Expression of Interest invited

Coal Videsh, a GoI Undertaking, proposes to acquire coal resources abroad. The company is considering options ranging from equity stakes and long-term off-take options to licenses to explore, develop, operate coal blocks/mines and import the coal produced to India. Coal Videsh has invited an Expression of Interest from prospective strategic partners in coal rich countries (US, Australia, Indonesia and South Africa). From Australia, Coal Videsh is interested in sourcing coking coal. *Submission of Response of EOI Document not later than 16.00 Hrs IST, August 31, 2009.*

Important visit

US Secretary of State Hillary Clinton visited India July 19 and 20, 2009, during which the two countries launched a new chapter in their strategic partnership and deepen their engagement. Clinton met Prime Minister Manmohan Singh and held talks with External Affairs Minister S M Krishna. She also met UPA chairperson Sonia Gandhi and Leader of the Opposition L K Advani. She delivered a lecture at the Delhi university. Both Governments concluded three important agreements (i) on creation of a Science & Technology Endowment Board (ii) a Technical Safeguards Agreement which will permit the launch of civil or non-commercial satellites containing US components on Indian space launch vehicles and (iii) and have agreed on the end-use monitoring arrangements that will henceforth be referred to in letters of acceptance for Indian procurement of US defence technology and equipment.

Sources: IBEF & various