

WEEKLY ECONOMIC BULLETIN



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Afghanistan's proposed US deal figures in Karzai-PM meeting

Afghanistan's proposed bilateral security agreement (BSA) with the US figured during visiting Hamid Karzai's meeting with Prime Minister Manmohan Singh on December 13 with India maintaining that the accord was important for security and stability of the neighbouring country.

Ministry of External Affairs spokesman Syed Akbaruddin told reporters in New Delhi that the BSA figured during Afghanistan President Hamid Karzai's meeting with the prime minister.

"Both see the agreement important for security and stability of Afghanistan," Akbaruddin said.

He said India's approach was not "prescriptive, intrusive or judgemental".

The spokesperson said India was confident Karzai would do what was best for Afghanistan.

Karzai, who arrived in India on a four-day visit, discussed bilateral and regional issues of mutual concern with the prime minister.

Earlier in the day, External Affairs Minister Salman Khurshid held talks with President Karzai.

Source: Indo-Asian News Service



No compromise on fiscal consolidation: Chidambaram

Finance Minister P. Chidambaram on December 11 said the government will not compromise on fiscal consolidation, and will contain fiscal deficit and bring it down to 3 percent of the gross domestic product (GDP) by the financial year 2016-17.

"At the top of the list is fiscal consolidation. There can be no compromise - and I speak for the government when I say there will be no compromise - on the decision to walk on the path of fiscal prudence and contain the fiscal deficit, step by step, year by year, until we reach the goal of 3 percent of GDP in 2016-17," he said while speaking at the Delhi Economic Conclave 2013.

The fiscal deficit target for the current financial year ending in March 2014 is set at 4.8 percent of GDP.

"The current account deficit would also need close attention. India cannot finance a current account deficit of the order of \$88 billion as we did in 2012-13. Nor can India afford to pay for import of gold in the order of \$50 billion or more. Nor should India import coal when it has coal in abundance. Nor should India tie itself in policy knots and be forced to import goods and commodities that it has the capacity to manufacture or produce," he added.

The finance minister said next on the list is tackling inflation.



“It is common knowledge that the government of the day will pay a price for high inflation, especially if inflation persists over a long period of time. The current high inflation - measured by the CPI or the WPI - is driven by high food prices, especially prices of fruit, vegetables, meat, fish, eggs and milk. Sometimes, pulses and edible oils also witness sharp spikes in prices,” he said.

Chidambaram added: “The answer to inflation, therefore, especially inflation in food articles, is to increase supplies and to radically transform the manner in which commodities and food articles are stored, transported, distributed and sold in the various markets, especially urban markets.”

He said there is also a need to deal wisely with harvesting and marketing and deal strictly with hoarding and profiteering. “Laws in this behalf are entirely in the domain of the state government. Two laws stand out: one is the Agricultural Produce Markets Act and the other the Essential Commodities Act.”

“The powers of notification and enforcement under these Acts are with the state governments, yet state governments are loathe to take action under these Acts. I think it is necessary to highlight the inaction of the state governments in this behalf, even while accepting that the central government must do all it can, within its powers, to moderate inflation,” the finance minister said.

He said the Goods and Services Tax, the Direct Taxes Code, the Insurance Laws Amendment Bill and the Uniform Financial Code are the game changers in the financial sector.

“Each one of them requires the building of a broad consensus. My experience has been that consensus is built after several months of hard work and then the consensus crumbles when it is hit by a seizure of political opportunism,” he said.

Source: Indo-Asian News News Service

India, LAC nations must cooperate more in education: Khurshid

India and Latin American and Caribbean (LAC) countries should look to increase bilateral cooperation for poverty eradication and promote collaboration in areas such as education, External Affairs Minister Salman Khurshid said.

Delivering the keynote address at the valedictory session of the Confederation of Indian Industry (CII) India-Latin America and Caribbean conclave in New Delhi on December 10, he said India and the LAC countries can promote collaborations in areas such as schooling and vocational education.

Khurshid called for improvement in consular services and issuance of visas on both sides as it will facilitate business partnerships and people-to-people contacts.

Noting India-LAC bilateral trade and investment flows have increased several fold in the past 10 years but the true potential of bilateral economic exchanges have not been realised yet, Khurshid called for closer cooperation between small and medium enterprises (SMEs) in India and this region.

Nicaraguan Foreign Affairs Minister Samuel Santos noted India and the LAC countries have many common socio-economic challenges, and a better understanding of each other's capabilities will help both regions to tackle their emerging developmental challenges more effectively.

He urged Indian companies to fully leverage compelling investment opportunities that were being created in different LAC countries.

Triveni Group CMD Dhruv Sawhney said India and the LAC countries could look to exchange technologies and expertise to address food and energy security challenges.

The conclave saw participation of over 300 delegates from India and the LAC countries and projects worth \$35 billion were put on offer, according to a CII release.

The next edition of the conclave will be held in New Delhi in September 2014.



Source: Indo-Asian News Service

FII's pump in Rs 8,500 crore in first two weeks of December

Overseas investors have poured in over Rs 8,500 crore (about \$ 1.4 billion) in the equity market this month.

Foreign institutional investors (FIIs), the major participants in the Indian stock market, were gross buyers of shares worth Rs 32,163 crore and sellers of equities worth Rs 23,608 crore till December 13, resulting in a net inflow of about Rs 8,555 crore, according to Sebi data.

So far in 2013, FIIs have invested Rs 1.05 lakh crore (\$ 18.9 billion) in the domestic stock market.

Source: The Economic Times



Etihad announces expansion of India operations

In a bid to capture the growing outbound passenger traffic from India, Etihad Airways on December 9 reported that it has doubled flight services between Abu Dhabi-Mumbai and Abu Dhabi-New Delhi.

"India is a significant and growing market for us," James Hogan, president and chief executive, Etihad Airways, said.

"These increases enable us to serve not only the local traffic demands between Abu Dhabi and India, but also to deliver much greater international connectivity for business and leisure guests."

The airline said it has tripled the number of seats on these sectors by adding second daily service between the two Indian cities and Abu Dhabi.

The evening flights between Abu Dhabi and Mumbai have been upgraded to wide-bodied Airbus A340 aircraft, while Abu Dhabi-New Delhi evening flights have been upgraded to wide-bodied A330 jet.

In another major announcement, the company said it has commenced major expansion of its Indian operations through its investment in Jet Airways.

"Both airlines are exploring synergies ranging from integration of their loyalty programs to shared airport facilities, common training and deployment of joint sales forces," Hogan added.

Recently, the Abu Dhabi based airline made a 24 percent investment in Jet Airways.

Etihad plans to use Abu Dhabi as a global hub connecting international passengers and freight with flights to and from India.

Pending the opening of a new facility, United States-bound passengers will be able to clear US immigration and customs at Abu Dhabi airport.

Etihad and Jet also plan to code-share on each others' flights between Abu Dhabi, India and other markets in the Middle East, North America and Europe.



Source: Indo-Asian News Service

CAC Corp to acquire 51 percent stake in Accel Frontline

Japan-based CAC Corporation will acquire a 51 per cent stake in Accel Frontline Ltd. (AFL), making it the third “strategic” equity partner the Chennai-based IT company has roped in over the last decade.

AFL currently has an equity base of 24.26 crore, which will increase to 29.76 crore after the fresh equity is brought.

The \$400-million Japanese IT firm will acquire 51 per cent of equity shareholding through purchase of equity shares from promoters. It will also subscribe to the company’s new equity and purchase equity shares from public shareholders through offer for up to 26 per cent of the fully-diluted equity capital at Rs. 45 per equity share, according to a company release.

However, as part of the plan, CAC will also invest more equity in the company to expand its capital base. “At present, promoters hold 65 per cent in Accel Frontline, which will reduce to somewhere around 25 per cent after the transaction. In all, CAC is likely to infuse Rs. 130 crore in the entire deal,” N. R Panicker, Chairman, Accel Frontline, said, while addressing reporters on December 9. Mr. Panicker also pointed out that the company would be run as a joint venture between CAC and the current promoters of AFL, and that he would remain as executive chairman.

“CAC will also provide long-term soft loans to the company. While CAC will gain an immediate platform in the Indian IT services market, we will have access to CAC’s relationships in Japan to provide IT service with India as a service hub,” he said.

Accel Frontline currently has revenue of \$67 million, and employs around 2,000 people, according to a company release.

Source: The Hindu

India exported 12 lakh tonnes of sugar in 2012-13: K.V. Thomas

India exported about 12 lakh tonnes of sugar in the marketing year 2012-13 (October-September), Parliament was informed on December 10.

In a written reply to the Lok Sabha, Food Minister K.V. Thomas said as per the Directorate General of Commercial Intelligence and Statistics (DGCIS), about 12 lakh tonnes of sugar was exported during the year.

In the current marketing year, the country had exported about 1.5 lakh tonnes of sugar till October, he said.

Mr. Thomas said the decision to allow free exports of sugar was taken keeping in view the stock position and domestic demand.

In another reply, the Minister said sugar production in the current marketing year is estimated to drop about 7 per cent to 241.31 lakh tonnes. In the previous season, output was 258.58 lakh tonnes.

"Sugar production in the country has exceeded the domestic consumption requirement in last three sugar seasons and is likely to exceed in the current sugar season also," he said.

Mr. Thomas added that domestic consumption in the current season is estimated to rise to 235 lakh tonnes from 230 lakh tonnes in the last season.

The estimated opening stock of sugar in the current season is at 91.09 lakh tonnes, while the closing stock is expected at 87.4 lakh tonnes, according to the data shared by Mr. Thomas.



Source: Press Trust of India

Government identifies exports to Africa with growth potential

Aiming to increase bilateral trade with Africa, the government has identified certain sectors of India's exports to African countries that are presently quite low, the commerce ministry said.

Minister of State for Commerce Sudarsana Natchiappan informed the Parliament that "the sectors identified as having considerable potential for growth in exports from India to Africa are, namely, transport equipment, pharmaceutical products, machinery, plastic and linoleum products, textiles", a ministry release said.

The minister further informed that in order to enhance India's exports in these sectors, trade promotion events and bilateral meetings with governments of various African countries have been held in recent year.

"India Show events have been held in South Africa during 2010, in Ethiopia during 2011, in Ghana during 2012, and in Tanzania during 2013," the statement added.

India-Africa bilateral trade during fiscal 2012-13 was worth \$70.25 billion, while a target has been set of \$90 billion by the year 2015.

While exports from India to Africa in 2012-13 have registered an annual growth of 18.11 percent over exports in the financial year 2011-12, imports from Africa to India have registered a decline of 6.79 percent over the previous year (2011-12).

At the second meeting of India-Africa Business Council (IABC) held Oct 1 at Johannesburg, South Africa, members from the five working groups from both sides met and have recommended a concrete action plan of engagement at bilateral, sub-regional and Pan-African levels to further trade, investment, technology transfer, skill development, capacity building and small industries' development, the statement said.

The minister also said that under the framework of India Africa Forum Summit (IAFS), food as well as energy security have been given high priority and provisions made for training, sharing of expertise and setting up of capacity building institutions in this area.

Source: Indo-Asian News Service

India for expanding trade ties with South American nations: Commerce secy

India is considering widening its trade agreement with MERCOSUR bloc comprising Brazil, Argentina, Uruguay and Paraguay with an aim to enhance economic engagement with these countries, a top official said.

"India has signed a preferential trade agreement with MERCOSUR and we are currently looking at expanding this," Commerce Secretary S.R. Rao said in New Delhi at a CII function.

India-MERCOSUR preferential trade agreement (PTA) came into effect from June 1, 2009. The major sectors covered in the offer list under the PTA include meat, chemicals, leather goods, iron and steel products, machinery items and electrical machinery.

Under its market diversification process, India is exploring ways to increase exports in Latin American region after its traditional partners - the US and EU - were impacted by the global economic slowdown.

The government is targeting African and Latin American countries to increase exports and is also providing certain fiscal sops to exporters to explore these markets.

Rao said that regional economic integration has increasingly becoming a new age instrument to enhance trade and investments.

"We are actively engaged with regional economic entities like MERCOSUR, one of the largest trading bloc with a combined GDP of over \$2 trillion," he added.

He also called for joint collaboration to reduce barriers for trade like inadequate infrastructure, lack of access to technology, innovation and competitiveness.

He said that India can work in building shipping links with the Latin American countries.

Source: Business Standard.

Rs 8,000 cr projects in oil, gas sector approved: Moily

The Cabinet Committee on Investments, headed by Prime Minister Manmohan Singh has cleared Rs 7,947-crore worth projects in the oil and gas sector, Minister for Petroleum and Natural Gas M. Veerappa Moily said in New Delhi on December 13.

Five projects were taken up by the high-level panel on December 9. These projects involve companies such as IOC, CPCL and HPCL.

The Rs 2,379 crore Assam renewal project taken up by ONGC for the revamp and replacement of various installations has also been cleared.

Moily said that the panel also cleared a proposed Rs 5,200 crore worth LNG terminal project of GSPC at Mundra

The Minister said that the scheme of direct transfer of cooking gas subsidy into bank accounts has been successful. As on December 1, Rs 1,615 crore subsidy has been transferred to bank accounts of 1.274 crore domestic cooking gas customers.

The Ministry has also filed a petition and an affidavit for modification/clarification stating that Aadhaar is mandatory for receiving subsidy in bank accounts after the expiry of the three-month grace period.

Moily also hinted that an expert panel's call for a Rs 5 a litre hike in diesel and Rs 250 increase in LPG rates will be diluted, saying that a balanced view keeping consumer interest in mind would be taken, according to news agency PTI. The government-appointed Kirit Parikh committee suggested an "immediate" hike in prices of diesel by Rs 5 a litre, Rs 4 per litre in kerosene and Rs 250 per cylinder in LPG, reducing annual entitlement of subsidised cooking gas cylinder from six from nine and phase out diesel subsidy in one year to cut a record subsidy burden.

"Economically that is the right decision but how practical is it, how we can apply (it), that is something we have to take a view on it," Moily told reporters in the Capital.

The Minister said the suggestions given by the Committee are "very good" as they will help restore fiscal balance.\

"If the country has to go forward, reform is a must. But the question is whether we can implement what has been recommended, because we have to balance between the consumer (interest) and government revenue. A balanced view will be taken on the report," he said.



Source: Business Line

Cabinet clears 900 MHz, 1,800 MHz spectrum auction reserve price

The Cabinet Committee on Economic Affairs on November 9 cleared the spectrum auction reserve prices for 900 megahertz (MHz) and 1,800 MHz, an official statement said.

The cabinet panel has given the nod to an earlier decision of the empowered group of ministers (EGoM) on spectrum pricing, taken in November.

The Telecom Commission had earlier suggested fixing a minimum Rs.1,765 crore per MHz as the price for pan-India spectrum (22 circles) in the 1,800 MHz band, 15 per cent higher than the Telecom Regulatory Authority of India's (TRAI) suggested rate of Rs.1,496 crore.

"The reserve price for 1,800 MHz band of Rs.1,765 crore per MHz pan India works out to Rs.8,825 crore," it said.

The Telecom Commission further suggested to keep the base price for 900 MHz 25 per cent higher than the TRAI recommendation, which the EGoM agreed.

Spectrum in 900 MHz band will cost at least Rs.360 crore per MHz for Delhi, Rs.328 crore for Mumbai and Rs.125 crore for Kolkata.

The government plans to auction these airwaves in the third week of January 2014 and expects to mop up Rs.4,000 crore from the exercise.

The spectrum likely to be auctioned in 2014 is more than 400 MHz of airwaves for commercial use in 1,800 MHz and 45 MHz of airwaves in 900 MHz.

The decisions will result in efficient utilisation of the scarce natural resource of spectrum, facilitating expansion of telecom services in the country, the statement added.

Source: Indo-Asian News Service

Railways revenue up by 13.27 percent during April-November

The total earnings of Indian Railways on originating basis during April-November 2013 were Rs.89,339.64 crore approximate compared to Rs.78,871.47 crore during the same period last year, which is a growth of 13.27 percent, an official release said on December 10.

The total goods earnings have gone up from Rs.54,482.80 crore during April 1 to Nov 30, 2012, to Rs.60,150.41 crore during April 1-November 30, 2013, registering an increase of 10.40 percent.

The total passenger revenue earnings during April-November 2013 were Rs.24,523.69 crore compared to Rs.20,423.28 crore during the same period last year, registering an increase of 20.08 percent, the release said.

The approximate revenue earnings from other coaching amounted to Rs.2,515.81 crore during April 1-Nov 30, 2013, compared to Rs.2,061.53 crore during the same period last year, an increase of 22.04 percent.



The total approximate numbers of passengers booked during April 1 to Nov 30, 2013 were 5,662.38 million compared to 5,695.10 million during the same period last year, showing a decrease of 0.57 percent.

In the suburban and non-suburban sectors, the numbers of passengers booked during April-November 2013 were 3,027.88 million and 2,634.50 million compared to 2,958.80 million and 2,736.30 million during the same period last year, showing an increase of 2.33 percent and a decrease of 3.72 percent respectively.

Source: Indo-Asian News Service

Reliance Jio, Bharti Airtel deal a positive for the Indian telecom market, say analysts

The infrastructure-sharing deal between Reliance Jio and Bharti Airtel would be positive for the Indian telecom market, say analysts.

On December 11 when Bharti Infratel stocks were up by 3.79 per cent to close at Rs 184.90 per share on the BSE, which fell by 0.39 per cent to close at 21,171, Kotak Institutional Equities said in a note: "The deal is positive for the industry, as it lowers the possibility of Reliance Industries attempting to disrupt industry discipline. What we are suggesting is convoluted logic, we understand. However, Bharti would not be keen to open its infra at market rates to a player it believes will be disruptive to its bread-and-butter retail wireless business, in our view."

RIL and Bharti hold opposing views on the pricing of spectrum usage charges. The common ground discovered by them could ease off plenty of legacy issues for the sector.

On December 10, Bharti Airtel and Reliance Jio announced to share former's infrastructure for launching services. The analysis adds, "RIL's operating expenses on the infrastructure elements covered by the agreement can't be lower than Bharti's, even parity would demand massive Bharti-like scale. This has implications for RIL's ability to be price-disruptive."

Analysts also forecast cheaper tariff regime for consumers with the coming together of two biggies.

"If the agreement between Bharti and R-Jio is taken to the full logical conclusion as implied by the press release, it could mean a more benign competitive environment across tariffs, vendor negotiations, and even spectrum auctions," Credit Suisse said in its report.

Projections are also of a 20 per cent increase in revenues for Bharti Infratel with the deal.

Source: The Indian Express

Air India set to join Star Alliance

National carrier Air India is finally set to join the global inter-line pact of Star Alliance, a senior official said on December 13.

"The decision to recommence the Star Alliance integration process will be beneficial for both sides. We are grateful for the warmth, support and encouragement with which all Alliance members have welcomed the decision," Air India's chairman and managing director (CMD) Rohit Nandan, who attended the Star Alliance meet held in Vienna said.

Mark Schwab, chief executive of Star Alliance, said India is a vital market for the alliance and it should find representation in the global inter-line pact.

"Star Alliance has long held the opinion that India is such an important aviation market that it should be fully represented in the Alliance. However, the level of change in the domestic market in recent years did not make it easy for an airline to become an alliance member," Schwab said.

"The market in India is now showing signs of stabilisation. Today we see an Air India which has successfully completed its merger with Indian Airlines and is building up a new fleet that forms the basis for a much improved level of service. This is why we believe the time is now right to recommence the integration process," he added.

The Indian national carrier was originally accepted as a future member of Star Alliance in December 2007, but the integration process was halted in July 2011, over various reasons like financial and labour problems and bad press over safety issues.

"Air India's suspension has been revoked and the joining process has been started. This decision was taken by the board of Star Alliance," a senior Air India official told IANS.

The official, who wished to remain unidentified said that the integration process will help Air India in streamlining its ticketing and frequent flyer programmes with that of the other things inter-line members.

The official added that though at a very early stage, Air India is looking at joining the Alliance within early next year.

"We had earlier completed all the mandatory requirements of joining the alliance like a single-operations code. So the process should not take much longer now," the official said.

The airline had earlier completed all the pre-procedural steps like certain minimum joining requirements, which involved development and testing of information technology (IT) systems, and procedures to harmonise the products with other member airlines. Apart from operating under a single-operations code of AI.

Air India has wanted to join Star Alliance ever since it was invited in 2007 as it entails benefits such as improved product offering, better service standards, access to new markets and premium customers and partnership with leading global carriers.

The pact also entails sharing of airport lounges and synchronisation of flight schedules, which will permit seamless travel for a passenger on a single air ticket, even if it requires flying several carriers on a single journey.

It also provides a wider access of travel options, lounge access and integrated frequent flyer programmes for the travellers on the inter-line network.

Formed in 1997, Star Alliance is a consortium of 28 airlines, including Lufthansa, Air Canada, Singapore Airlines, Thai Airways and Swiss, among other major airlines of the world.



Its members handle more than 21,900 daily flights to 1,328 airports in 195 countries.

Currently, Air India operates flights to 59 domestic destinations and has a network of 31 international routes with a fleet of 111, which includes Airbus A-319, A-320, A-321, A-330, Boeing 737, B-777, B-747 and B-787 Dreamliners apart from ATR-42 and CRJ aircraft

Source: Indo-Asian News Service

Asian recognition for Wipro's IP capability

Indian IT bellwether Wipro Ltd has been selected as part of Asia's Intellectual Property (IP) Elite, a research project of the Intellectual Asset Management, the company said.

"We have been recognised as one of 48 companies in Asia and one of two Indian organisations that have put IP at the heart of our corporate strategy," Wipro chief technology officer Anurag Srivastava said in a statement.

The IP Business Congress Asia of the asset management, which addresses IP value creation, comprises decision-makers from major IP-owning firms, investors, aggregators, advisory and financial representatives.

"We will continue to drive momentum around IP in line with our customers' changing business environment to ensure they take advantage of any shift in their markets," Srivastava said.

The business congress focuses on how companies use IP to secure greater operational flexibility, drive revenues, enhance returns, increase shareholder value and leverage financial markets.

The research project also assessed how IP assets are being utilised and integrated into the global software major's business strategy.

"Although Indian firms are beginning to accept the importance of IP, Wipro is one of the two Indian companies that has been recognised as a leader in this space and can compete on an international scale," the asset management team said but did not name the second Indian firm which was also so recognised.

Source: Indo-Asian News Service



RBI pegs 2013-14 growth at 5 percent

The Reserve Bank of India on December 11 said India's economy would grow about 5% in this financial year while the current account deficit would be below 3% of GDP.

The central bank also asserted that the country is ready for the tapering of the US Federal Reserve's bond purchases.

"We are seeing some glimmerings of stronger growth. But it's too early to say we have certainly hit bottom. But I am hopeful that we should be around 5%," RBI governor Raghuram Rajan said on the sidelines of the Delhi Economic Conclave in New Delhi. In October, the RBI lowered the economic growth forecast for the current financial year to 5% from 5.7% projected earlier. The economy expanded 4.8% in the second quarter of 2013-14, pulling up GDP growth in the first half to 4.6%.

The economy has to expand 5.4% in the second half to clock 5% growth in the full financial year.

Rajan said India is ready for the withdrawal of monetary stimulus by the US Federal Reserve. The reversal of the easy money policy by the US is expected to impact global markets as well as the economy.

"We are much better prepared to deal with any possible tapering. We would not say we are complacent. There would be unexpected effects of tapering, but we are much better prepared. We have a stronger (forex) reserve position. We have shown we can raise money if needed. And our CAD is significantly lower this year," he said.

Source: The Times of India



India poised to become global solar power: World Bank

The Jawaharlal Nehru National Solar Mission Phase-1 (JNNSM) is well-poised to make India a global leader in the development of solar power as its green growth agenda increased the installed capacity of solar power from around 30 MW to more than 2,000 MW, a new World Bank report said on December 12.

What is significant is that JNNSM has been instrumental in bringing down the cost of solar power to a level that is competitive across the world, says the report. It has reduced the costs of solar energy to \$0.15 per kWh, making India amongst the lowest cost destinations for grid-connected solar Photovoltaic (PV) in the world.

The report, 'Paving the Way for a Transformational Future: Lessons from JNNSM Phase1' says solar power can reduce India's dependence on imports of diesel and coal for power generation, reduce greenhouse gas emissions, and contribute to energy security. Growth in this sector will help India increase its share of clean energy and help meet its target of reducing emissions per unit of its GDP by 20-25 per cent by 2020 over 2005 levels.

"In a short span of three years, India has made impressive strides in developing its abundant solar power potential. With more than 300 million people without access to energy and industry citing energy shortage as key growth barrier in India, solar power has the potential to help the country address the shortage of power for economic growth," Onno Ruhl, World Bank Country Director in India said at the release of the report.

However, while India is clearly emerging as a global leader in the area of solar power, to achieve its target of adding

20,000 MW of solar capacity by 2022, "it needs to address the key barriers and constraints that could come in the way of scaling up the solar program", he added.

"Building on the success of Phase 1, the programme now needs to focus on promoting financing of solar projects by commercial banks, developing shared infrastructure facilities such as solar parks and identifying comparative advantage of Indian manufacturing across the supply chain," Ashish Khanna, lead energy specialist and one of the authors of the report said.

The report has recommended publicly developed infrastructure such as solar parks to help increase efficiency and lower costs. A solar park in Charanka (Patan district) in Gujarat is now the largest solar park in Asia. Such shared infrastructure facilities helps in developing critical infrastructure, including facilities for power transmission, roads and water, thereby ensuring the rapid development of solar projects as well as local employment generation, the report added. In addition, India's plans to develop ultra-mega solar projects will help showcase the potential for large scale grid connected solar projects to the entire world, it says.

Source: The Hindu

India's forex reserves up by \$4.40 billion

Mumbai, Dec 15: India's foreign exchange (forex) reserves jumped by \$4.40 billion to \$295.70 billion for the week ended on December 6, helped by a sharp increase in foreign currency assets, Reserve Bank of India (RBI) data showed.

This is the fifth consecutive week of gain in the country's foreign exchange reserves.

Forex reserves had soared by \$5.03 billion to \$291.30 billion during the week ended November 29, 2013.

Foreign currency assets, the biggest component of the forex reserves, soared by \$5.01 billion to \$268.75 billion, according to the RBI's weekly statistical supplement. Foreign currency assets had increased by \$5.07 billion to \$263.73 billion in the previous week.

The value of special drawing rights (SDRs) rose by \$8.9 million to \$4.44 billion during the week under review.

India's reserve position in the International Monetary Fund (IMF) rose by \$3.8 million to \$1.90 billion for the week ended on December 6, 2013.

Source: The Times of India

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