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Indian markets are poised to beat their Asian peers in terms of annual foreign inflows for the second time in a row. At \$18.73 billion in 2013 so far, purchases by overseas investors into Indian equities are the highest compared with other Asian emerging markets.

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The cabinet on December 19 approved the stand taken by India at the ninth ministerial conference of the World Trade Organisation (WTO) held in Bali in Indonesia on December 3-7.

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India is better prepared now to deal with the consequences of a mild tapering by the US Federal Reserve than it was earlier this year, finance minister P. Chidambaram said.

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Strategy needed to boost energy efficiency: President



President Pranab Mukherjee on December 16 called for improved energy efficiency to tackle the demand for power which has increased significantly because of industrialisation and urbanisation, even as there are limitations on supply.

Speaking during the presentation of the National Energy Conservation Awards and the Painting Competition Awards at a function at Vigyan Bhavan on National Energy Conservation Day, the president said India is the fourth-largest consumer of energy in the world, after the US, China and Russia.

He said accelerated industrialisation, growing urbanisation and an emerging consumer society has led to significant increase in energy demand.

Meeting the energy needs of the population in a scenario of heightened supply limitations poses a formidable challenge for sustainable economic growth, he said.

He said that as an effective strategy to counter this growing difficulty, the growth in energy demand vis- -vis growth of GDP has to be contained, through improved energy efficiency, a Rashtrapati Bhavan statement said.

The president said resource-use efficiency and conservation are critical for the agenda of inclusive growth and development.

Energy conservation also implies substitution of costly imported energy by cheap energy. This will help in reducing our foreign exchange outgo, he said.

Conservation of energy is a critical development imperative that has multiple positive spin-offs, he stressed.

Among the dignitaries present on the occasion were Power Minister Jyotiraditya Scindia, Power Secretary P.K. Sinha, and Director General Ajay Mathur of the Bureau of Energy Efficiency.

Source: Indo-Asian News Service

Develop more courses on WTO, free trade pacts: PM to IIFT

Amid the country's increasing engagement with global economy, Prime Minister Manmohan Singh asked Indian Institute of Foreign Trade (IIFT) to develop more courses on WTO and free trade pacts.

"India is increasingly getting integrated with the world economy. Over the years, our industry and services sectors have modernized and diversified in an unprecedented manner," he said at the golden jubilee of the premier institute.

Singh said India is emerging as a global centre for information technology, R&D and innovation. and the financial sector and capital markets have also modernised.

In this scenario, the Prime Minister said the demand for professionals in international trade and business is also expected to grow and institutes like IIFT have a vital role to perform in meeting this demand.

"As a major economy, whose future is inextricable linked with the global economy we must ensure that our academic institutions analyse the contours of the new trading systems that are emerging in the world.

"The ever expanding role of WTO, Regional Trade Agreements and the new Free Trade Agreements that lie over the horizon should be areas of priority for IIFT," he said.

Set up for research and training on foreign trade, the IIFT has evolved over the years to broaden its scope, which now encompasses the full spectrum of international business.

Over 28 batches, IIFT has produced more than 4,000 professionals through its flagship MBA in International Business programme.

Singh expressed happiness that IIFT has performed the role expected of it with "great distinction".

The institute has been conducting research both as part of in-house research programmes and also at the instance of client institutions, which include central and state governments, various PSUs and international organisations like the World Bank, the FAO and the WTO.

It has also contributed to trade policy formulation in India, advising the government on negotiations in bilateral and multilateral preferential trade agreements.

The Department of Posts has issued a postal stamp to mark the Golden Jubilee of the IIFT.



Source: Press Trust of India

CCI to clear Rs 10 lakh cr of projects, growth to revive: Seth

Exuding confidence that India's growth will bounce back, the government today said it has approved 287 stalled projects worth Rs 5.5 lakh crore and 250 such projects worth Rs 10 lakh crore would be cleared shortly.

"So far there has been resolution at some level or the other of about almost 300 projects with the total investment of Rs 5.55 lakh crore...This process is an ongoing one and we have about another 250 projects with an investment of over Rs 10 lakh crore," Cabinet Secretary Ajit Kumar Seth said in New Delhi.

The government has been trying to ease the regulatory burden and simplify procedures to boost infrastructure projects, he said.

The government set up the Cabinet Committee on Investment (CCI) in January with a view to fast-track project clearances. The CCI has had 11 meeting since its inception.

Noting that growth had slowed since 2008-09, he said reviving the economy is a big challenge.

"Our fundamentals are sound...We are in difficulty but let's get out of it. How do we get out of it? We have to partner together...We will definitely overcome this challenge and increase the rate of growth and the steps that are being taken, I think, will yield results," he said.

India's economy expanded at a decade-low pace of 5 per cent in 2012-13 and 4.7 per cent during the first six months of this financial year.

"The India story is alive and kicking," he said.

The Cabinet Secretary said the government is taking steps to enhance growth in almost all sectors, including power and telecommunications.

"Guidelines on mergers and acquisitions (for the telecom sector) are also being worked out and we are confident that by the end of January, the next round of auctions (spectrum) will begin...The sector will definitely find itself on the path of further growth," he said.

Seth also said the government is considering a regulatory authority for the road sector.

"Lot has been done in the power sector. We have approved the guidelines for pricing and pass-through of higher cost of imported coal and the issue of signing fuel supply agreements (FSAs) has also been resolved and 157 FSAs have been signed this year," he added.

Apart from these measures, there is a need for governance reforms, he said.

"...It has been stressed time and again by industry and and felt by government itself...But there have been delays in getting the Bills passed in Parliament," he said, adding, "The government has been trying to ensure targeted delivery through routes like Aadhaar and direct cash transfer schemes but...Industry also has to play critical role."

Seth asked the industry to invest more in research and development as "this is an area where we need to catch up fast."

Source: Business-Standard

RBI keeps rates unchanged

The Reserve Bank of India (RBI) kept the country's policy interest rate on hold despite calling current inflation too high, citing the prospect of easing retail prices and its concerns about the weak domestic economy.

"The policy decision is a close one. Current inflation is too high," said the RBI in its policy statement.

However, the RBI also cited its reluctance to over-react given the "wide bands of uncertainty" surrounding the outlook for inflation amid signs of sharply falling vegetable prices and "the weak state of the economy."

Still, the Central Bank said it would remain vigilant on inflation and that it would be ready to act even in between policy reviews should headline or core inflation not ease as expected, albeit in a "calibrated" manner.

Arundhati Bhattacharya, Chairperson, State Bank of India said, "Expectation that food prices will come down in December is a realistic expectation. On CPI front, food inflation has been the main cause of mischief, especially segments like food and vegetable. It is a great policy response. What has been required has been done. All kudos to RBI and governor. Both market and banks will welcome it. We will be looking at the rates to see if something can be done. For retail depositors, we are not looking at rate change."

The RBI had raised interest rates by a quarter percentage point at its previous reviews in September and October. No review was held in November.



Source: Reuters

‘First FDI in multi-brand retail should come before the New Year’

India is set to receive its first foreign direct investment (FDI) in multi-brand retail by the end of this month, more than a year after the government allowed global retailers to set up deep-discount stores in the country in a politically sensitive decision.

“The first FDI in multi-brand retail should come before the New Year,” commerce and industry minister Anand Sharma told HT in a wide ranging interview in which he described BJP’s Prime Ministerial candidate Narendra Modi as a nominee of the Rashtriya Swayamsevak Sangh (RSS) without a “vision for the future.”

Sharma also blamed “the shrill negative narrative” by investment banks for hurting perceptions about the Indian economy.

“Of course,” the minister said when asked if believed these reports were politically motivated. “We know how these are done.”

Global investment banks and brokerage houses have said that a BJP victory during the Lok Sabha elections could lead to a strong market rally.

Japanese brokerage and research firm Nomura and US investment banking major Goldman Sachs have both come out with reports saying a stable Narendra Modi-led BJP government could boost investor sentiments.

In September last year, India allowed upto 51% FDI in multi-brand retail but not a single superstore has so far set shop in India.

Sharma did not disclose the name of the global chain that is likely to announce its foray into India’s retail sector, but said the investment will happen “very soon.”



Source: Hindustan Times

Indian markets are FIIs' top choice

Indian markets are poised to beat their Asian peers in terms of annual foreign inflows for the second time in a row. At \$18.73 billion in 2013 so far, purchases by overseas investors into Indian equities are the highest compared with other Asian emerging markets. In 2012, FIIs' net inflows in Indian markets stood at \$24.54 billion.

Among other markets, Taiwan has seen highest net inflows after India at \$8 billion. South Korea has seen net inflows of \$4.5 billion. Meanwhile, Indonesia has seen net outflows to the tune of \$1.5 billion, with economy growing at its slowest pace in nearly four years. "With macro-economic indicators improving, FIIs expect Indian economy to revive faster compared with Asian peers," said Toral Munshi, head of India equity research, Credit Suisse Wealth Management.

India's current account deficit (CAD) for the quarter ended September at \$5.4 billion was lowest since 2010.

Market experts feel that despite volatility, FIIs have identified value in Indian economy. "In the early part of the year, FIIs were buying into consumers, auto and private banks. After the rupee started weakening, the inflows shifted towards exporters such as IT and Pharma. Since September, FIIs have been putting their money into cyclicals on expectations of capex cycle reviving," said Munshi.

While FIIs had bought stocks worth \$14.2 billion between January 1 and May 21, they started offloading Indian shares after the rupee's slump May 22 onwards. FIIs sold stocks worth \$2.6 billion between May 22 and August 31.

However, they resumed their buyings after September. FIIs have now bought about \$7.5 billion worth of equities since September taking markets to their all-time highs. Sensex gained over 10% in this period. Meanwhile, among sectoral indices, capital goods index has been the top gainer since September showing changing preference to cyclicals. On Friday, FIIs bought another \$40 million worth of Indian equities, as per provisional data on BSE.

All eyes are now on the Federal Open Markets Committee (FOMC), which meets on Wednesday to decide between tapering and sticking with the \$85 billion monthly bond-buying stimulus package. "We expect US Fed to begin tapering in January. But, the impact on India is likely to be muted as the currency has stabilised and the current account deficit (CAD) has improved," said Munshi.

Other foreign brokerages feel fiscal balance still remains a concern for investors. "The Indian macro environment has improved somewhat but investment recovery, inflation and fiscal balance remain key concerns," said BNP Paribas in a research note.

Source: The Indian Express

GSK Pharma to spend \$1 billion to raise stake in Indian unit

GlaxoSmithKline Pharmaceuticals has initiated a voluntary open offer to increase its stake in its Indian pharmaceutical unit - GlaxoSmithKline Pharmaceuticals Limited - from 50.7% to up to 75% at a price of Rs 3,100 per share.

The potential total value of the transaction at the offer price is approximately Rs 6,400 crore (£629 million).

With the latest deal, GSK is set to spend close to \$2 billion in roughly a year to increase its holdings in two listed Indian companies, underscoring the drug-maker's drive to deepen its footprint in emerging markets.

In February, GSK lifted its stake in its publicly-listed Indian consumer healthcare subsidiary, GlaxoSmithKline Consumer Healthcare Ltd, to 72.5% from 43.2% for \$901 million.

David Redfern, Chief Strategy Officer, GSK said: "For GSK this transaction will increase exposure to a strategically important market and for our Indian pharmaceuticals subsidiary's shareholders we believe it offers a good liquidity opportunity at an attractive premium."

The transaction will be funded through GSK's existing cash resources, will be earnings neutral for the first year and accretive thereafter and will not impact expectations for the Group's long-term share buyback programme, the company said in a statement.

Following the announcement, GSK Pharma shares went up by 18% and were trading at Rs 2,917 on BSE.

GSK's Indian subsidiary manufactures and markets pharmaceuticals and vaccines across multiple therapeutic areas including respiratory, cardiovascular, oncology, anti-infectives and dermatology. The company employs more than 5,000 people across its operations and has generated more than Rs 2,600 crore turnover in the financial year ended 31 December 2012.

"Securities regulations in India require a minimum public shareholding of 25% for a company to maintain a public listing in the country. GSK intends to keep the Company publicly-listed," the statement said.



Source: Business Standard

Walmart gets CCI approval to buy Bharti's stake in Indian JV

Global retail giant Walmart has got fair trade regulator CCI's green signal for purchase of Bharti group's almost 50 per cent stake in their Indian joint venture for wholesale stores business.

The JV, Bharti Wal-Mart Private Ltd, was set up to operate wholesale stores under the Best Price Modern Wholesale brand and it presently owns 19 such wholesale cash and carry stores across India. It was not catering directly to retail consumers in the country.

In an order released today, the Competition Commission of India (CCI) said the proposed buyout of Bharti group's stake in the JV by Walmart "is not likely to have appreciable adverse effect on competition in India and therefore, the Commission hereby approves the proposed" deal.

After deciding to part ways in October, Bharti group and Walmart approached the CCI last month seeking approval for the deal wherein the US-based global retail giant would acquire the stake held by the Sunil Mittal-led business conglomerate in the venture.

Earlier this month, the CCI had asked Walmart and Bharti Ventures Limited (BVL) to "remove certain defects and provide" certain additional details for the approval.

The split between the two groups involves two inter-connected and inter-dependent transactions with respect to their businesses. The first is the acquisition of 50 per cent minus 515 equity shares of Bharti Wal-Mart Private from BVL and Cedar Support Services Ltd.

The remaining shares are already held by Walmart and the purchase of additional shares would take its total holding in Bharti Wal-Mart Private to 100 per cent.

The second transaction involves the acquisition of 45.58 crore compulsorily convertible debentures (CCDs) of Cedar by BVL from Wal-Mart Mauritius Holdings.

BVL presently holds 100 per cent of Cedar's equity and after the transaction, the Bharti group would own a 100 per cent stake in Cedar without any CCD holding by Walmart. After looking into various aspects of the deal, the CCI said, "Presently, the parties to the proposed combination are not competing with each other in the markets for wholesale, retail or real estate services."

"...It is observed that the proposed combination would not result in the elimination of any competition from the markets for the wholesale, retail or the real estate services.

"It is also observed, from the notice and other documents on record, that wholesale, retail or real estate sectors in India are characterised by the presence of a large number of players and the market share of the parties to the combination in these businesses is also negligible," CCI said. BVL is an investment holding company of the Bharti group, while Cedar is a wholly owned subsidiary of BVL and provides real estate consultancy services. Bharti Retail, a wholly owned subsidiary of Cedar, is in the retail business and operates stores under the 'Easyday' brand.



Source: The Financial Express

Cabinet approves India's stand at WTO

The cabinet on December 19 approved the stand taken by India at the ninth ministerial conference of the World Trade Organisation (WTO) held in Bali in Indonesia on December 3-7.

"Prior to the Bali ministerial conference, the cabinet had provided directions to the commerce and industry minister on the stand to be taken by India. Acting on these directions, India took the position from the beginning that food security was non-negotiable," the cabinet said in a statement.

"As a result of its unwavering stand and the support it was able to muster, India succeeded in getting the text on food security appropriately amended. The final agreed text addresses India's core concerns. It has a firm commitment from members to work on a permanent resolution".

The recent draft agreement is a significant victory for India whose programme of stocking subsidised foodgrains to ensure cheaper food for its people was considered to have blocked the progress of negotiations.

Commerce and Industry Minister Anand Sharma reaffirmed India's stance in Indonesia, calling food security "a fundamental issue" and added that "India will never compromise".

Trading partners say the food security programme contravenes WTO rules which limit farm subsidies, and there are concerns that India could use the policy to export food at cheaper prices, thus distorting the market.

The new agreement would allow developing countries farm subsidies for the food security of their people, improve terms of trade for the Least Developed Countries and cut customs rules around the world.

The latest draft texts are the product of weeks of intensive negotiations held in Geneva before the ministerial meeting. They were further refined after round-the-clock consultations at the conference.

WTO officials have said that WTO Director General Roberto Azevedo, Indonesian Trade Minister Gita Wirjawan, US Trade Representative Michael Froman and Indian Commerce Minister Sharma held detailed parleys before the agreement was drafted.



Source: Indo-Asian News Service

India-New Zealand trade to double by the year 2020

Bilateral trade between India and New Zealand doubled in five years, growing from NZ \$620 million in 2007 to NZ \$1.1 billion in 2012. Speaking at the second India-New Zealand Business Forum at a city club, Jan Henderson, New Zealand high commissioner to India said, "In 2013, the trade is expected to be NZ \$1.2 billion, a slight increase due to economic slowdown in the market. We expect the trade to double by 2020".

The two-thirds of the contribution are made by New Zealand in the bilateral trade which exports majorly commodities, coal, oil and wood to India. In reverse, India exports gems, jewellery, spices, tea and horticulture products. "We are in negotiations with the central government for free trade agreement between the two countries", added Henderson. In 2012, numbers of skilled migrants from India to New Zealand were second highest, behind China.

New Zealand based universities are in talks with National Dairy Development Board to provide technical assistance for increasing dairy production and develop agri-business in India.

In recent years, New Zealand has emerged as one of the most favorable destinations for education for Indian students. "Last year 11,349 Indian students took admissions in New Zealand's educational institutions contributing NZ \$250 million to the economy. The numbers are expected to increase by 5-7 percent this year", said Ziena Jalil, regional director for south Asia, Education New Zealand.

More than 1,00,000 Indians reside in New Zealand and according to the latest census Hindi is the fourth most widely spoken language in New Zealand. Last year 30,000 Indian tourists visited New Zealand consisting mostly of the honeymoon couples.

Source: The Times of India

Iran to continue importing more goods from India

Iran will continue to increase imports from India despite a recent deal with Western powers that has eased economic sanctions against it in exchange for curbing its nuclear ambitions.

"A team of senior officials from Iran, who visited India recently, assured us that the West Asian nation is serious about continuing to engage more with India as we had stood by them in its time of trouble," a Commerce Ministry official told Business Line.

The assurance has put to rest speculation that Iran may look at other trading partners more earnestly now that the sanctions regime was ending.

The key reason for the apprehension of a cutback in imports from India, according to industry observers, was India's stance at the time of sanctions. India, seemingly under the US pressure, had drastically reduced crude oil imports from Iran, while nations such as China had sustained imports within the permissible limits.

The P5 plus One grouping of the major Western powers last month agreed to relax economic sanctions worth \$7 billion in return for Iran's promise to curb some of its nuclear activities. Iran will be watched (for any escalation in nuclear activity) for six months after which a permanent solution will be worked out, according to the deal.

India's exports to Iran have more than doubled over the last two years and is likely to cross \$5 billion this fiscal, aided chiefly by intensive business-to-business interactions by the two Governments. In fact, to sustain business even during sanctions, India and Iran had put in place a rupee payment mechanism for continuing oil trade. This was because foreign banks had refused to deal with Iran fearing action by the US.

Both nations had then started a joint effort to increase India's exports to Iran so that the rupee payment for oil deposited in Iran's account could be gainfully utilised. India imports petroleum products worth over \$10 billion from Iran.

There has been buzz recently that Iran wants to do away with the rupee mechanism, while India sought for full payment of oil imports in the rupee. At present, India makes 45 per cent of its oil payments in rupees, which Tehran uses to purchase items such as rice, soyameal, tea, pharmaceuticals, and automobile parts. India pays the remaining trade balance in euros, but this too had been hit due to sanctions.

On whether India would seek full rupee payment for oil imports, Minister of State in the Ministry for Petroleum & Natural Gas Panabaaka Lakshmi had informed the Lok Sabha earlier this month that there was no such proposal.

According to Ajay Sahai, Director-General, Federation of Indian Export Organisations, every month letters of credit worth Rs 2,500 crore are being opened (by banks on both sides that are part of the rupee payment mechanism) which demonstrates that things are on the right track. "We are optimistic that exports to Iran would be to the tune of \$5.5 billion this year," Sahai said.

A delegation of Indian exporters led by FICCI is at the moment in Iran as part of the ongoing efforts to step up exports.

Source: Business Line

GST implementation to benefit food processing industry: Sharad Pawar

Agriculture Minister Sharad Pawar said the processed food industry is facing problems due to the existing tax regime and hoped the implementation of the proposed GST would benefit the sector.

On growth potential of non-alcoholic beverages sector, he said major players are planning to invest around \$10 billion by 2020 in this segment and advocated reforms at state level to make the sector globally competitive.

"The processed food industry has some issues with existing tax structure. ...I am hopeful that the implementation of the proposed single goods and services tax (GST) will be beneficial for this sector," Pawar said at an event in New Delhi.

Pawar also released an ICRIER report that suggested major reforms including GST for improving global competitiveness of Indian non-alcoholic beverages sector.

On the GST issue, think-tank ICRIER countered some of the popular beliefs and said, "For instance, all survey participants pointed out that allowing foreign direct investment (FDI) in multi-brand retail alone cannot bring down inflation or help to streamline the supply chain, as has been envisaged by the government."

"It will depend on whether a GST is implemented and how the food processing sector in general and the non-alcoholic beverage sector in particular is treated under the GST. The treatment of the sector has to be such that it faces uniform low tax and other fiscal and regulatory barriers to the inter-state movement of goods are addressed," it said.

The report also suggested that India should learn from the experiences of countries such as the UK, Canada and Australia that have used low taxes to streamline the agro-supply chain.

ICRIER strongly recommended that bottled water should be taxed at par with juices to increase affordability as access to safe and hygienic potable water is limited in India.

"There should be uniform low taxes for all non-alcoholic beverages across different states for consumer health and safety reasons," the report said.

Last week, Food Processing Secretary Siraj Hussain had said there was still not much clarity on how food products would be treated under the proposed indirect tax regime GST.

"The industry may wish to have all food products exempted from GST, but that is unlikely. In my sense, it is better (that) food products are covered under GST and let the prices of mass consuming goods be kept lower or else the purpose of GST will be defeated," he had said.

Goods and Services Tax (GST), touted as India's most far-reaching indirect tax reform, aims to remove barriers to movement of goods and services across states.

The Empowered Committee of State Finance Ministers is deliberating on the revised draft of the Constitutional Amendment Bill for introduction of the Bill.



Higher gas prices will help home production: Moily



A day after the cabinet permitted Reliance Industries (RIL) to sell natural gas at a revised price, Petroleum Minister M. Veerappa Moily said higher prices will help raise domestic gas production and help cut imports.

"If you don't raise gas price, no domestic production will come and dependence on imports will increase," Moily said at the All India Management Association's (AIMA) 3rd PSU Summit in New Delhi.

The government had, in June, approved a new formula for pricing of all domestically produced natural gas effective April 2014, when the new price will be about \$8.4 per million British thermal units as against the current \$4.2 mbtu. The Cabinet on December 19 allowed the same price to RIL's currently producing fields in KG-D6 block subject to its giving a bank guarantee.

The bank guarantee, which will be around \$9 billion, will be en-cashed if it is proved that the company hoarded gas or deliberately suppressed production at the main Dhirubhai-1 and 3 (D1 and D3) fields in the eastern offshore KG-D6 block.

India's hydrocarbon potential, the petroleum minister said, requires a lot of money to exploit.

"You need to spend a lot of money on technology (to access the hydrocarbon) and research," Moily said.

India, which imports around 50 percent of its gas needs, "may end up importing hundred percent if we don't encourage exploration", Moily added.

Source: Indo-Asian News Service

SpiceJet, Tigerair sign 3-year interline agreement

SpiceJet Limited, majority-owned by Kalanithi Maran, signed a three-year interline agreement with Singapore's largest budget airline - Tigerair - to strengthen connectivity between flights operated by both the carriers.

Under the new agreement, customers traveling on SpiceJet's domestic network can enjoy seamless connection through Hyderabad's Rajiv Gandhi International Airport onto Tigerair's Singapore-bound flight from January 6, 2014.

The 14 cities in SpiceJet's network include Ahmedabad, Bhopal, Chennai, Kolkata, Coimbatore, Delhi, Goa, Indore, Mangalore, Madurai, Pune, Bengaluru, Tirupati and Visakhapatnam.

Also, starting January 12, 2014, Tigerair customers from Singapore will enjoy easy access to SpiceJet's domestic network.

"India is one of our key markets and we are excited to expand our footprint there through this interline partnership with SpiceJet. We look forward to building a win-win partnership and delivering even more travel options to our customers," said Alexander Knigge, group chief commercial officer of Tigerair.

Hyderabad's Rajiv Gandhi International Airport, run by GMR Hyderabad International Airport Limited, will be the first Indian airport to facilitate the connecting flights between SpiceJet and Tigerair.

The airport will provide a free porter service to facilitate the collection and transfer of checked-in baggage for passengers traveling on connecting flights between the two airlines, SpiceJet said.

SpiceJet's scrip is currently trading at Rs 17.05 on the BSE, up 8.60%, over the previous close of Rs 15.70 a share.

Source: Business-Standard

GSM subscribers at 688 million in November: COAI

The all-India total of GSM cellular subscribers stood at 688.02 million in November, data released by Cellular Operators' Association of India (COAI) said on December 16.

The GSM subscribers increased by 4.87 million in November 2013 -- a 0.71 percent increase over the previous month.

Telecommunications service provider Bharti Airtel has the highest number of subscribers with 196.60 million. It was followed by Vodafone, Idea Cellular and BSNL, respectively.

Source: Indo-Asian News Service

'Pharmacists have potential to drive Indian economy'



The pharmaceutical industry has a huge potential to drive the country's economy, Drug Controller General of India, G.N. Singh, said in New Delhi.

"After the IT sector, the pharmaceutical sector has a huge potential to drive the economy of this country and we can achieve this by empowering our pharmacists. There are immense challenges in this sector and we must work hard to become the global leader," Singh said.

He was speaking at the inaugural session of the 65th Indian Pharmaceutical Congress (IPC). The theme of the conference is Vision 2020: Empowering Pharmacist.

The main objective of the three-day conference is to discuss the role of pharmacists, development of the industry, drug research, issues related to the manufacturing sector, pharmaceutical education, regulatory measures and other allied areas.

President of the 65th IPC Atul Kumar Nasa said for the empowerment of pharmacists it is essential to have a single regulatory body.

"The empowerment of pharmacists is a new perspective. It is hence imperative at this stage that pharmacy education has a single regulatory control and all powers should be vested with the Pharmacy Council of India," Nasa said.

"The body should have complete authority and accountability to improvise the educational standards at all levels," he added.

He said there is a need for augmented efforts to complete this process at the highest level, and for parliament to make necessary amendments with immediate effect.

Vishwa Mohan Katoch, secretary, department of health research, Ministry of Health and Family Welfare, said there is a need to reach out to the people to create awareness about the sector.

"I urge the associations and institutions working in this sector to coordinate with the government at the regulatory and administrative level to work towards improving the system to make a difference," said Katoch.

Source: Indo-Asian News Service

India prepared to deal with Fed taper: Chidambaram



India is better prepared now to deal with the consequences of a mild tapering by the US Federal Reserve than it was earlier this year, finance minister P. Chidambaram said.

Markets have already factored in the decisions of the US Federal Reserve, the finance minister said in a statement.

To highlight that the government and the Reserve Bank of India (RBI) are working together, the finance minister said he has spoken to RBI governor Raghuram Rajan on this issue.

The central bank and the government had announced steps earlier this year such as making non-resident Indian deposits more attractive by offering banks a swap window at concessional rates to provide a foreign currency cushion in case of a huge tapering

and a withdrawal of foreign funds from India.

These measures also supported the rupee that had depreciated against the dollar, nearing the 70-per-dollar mark against the greenback.

Arvind Mayaram, India's economic affairs secretary, reckons Asia's third-largest economy is in a much better shape this time, thanks to the measures taken to bolster the forex reserves and control the current account deficit, to handle the fallout of any decision to reduce the stimulus, reports Reuters.

"So, all these measures taken together I believe would keep the market stable and there is not going to be a very great impact from the taper on the rupee going forward," he told reporters on the sidelines of a G20 (Group of Twenty) conference in Seoul.

"I would not say no impact, but I would say there would be little impact and whatever impact is there would be short-term impact on the rupee."

A Bank of America Merrill Lynch report said the Indian rupee could see some volatility in the short run as the dollar benefits from the tapering.

"We expect the Indian rupee to see some volatility in the short run if the markets panic about shrinking G-3 (US, European Union and Japan) liquidity at some stage. After all, import cover, at 7.5 months one-year forward, remains below the 8-10 months needed for the rupee stability," the report said.

The US Federal Reserve announced a slight reduction in its bond-buying programme. It will now purchase securities of \$75 billion per month from January as against the earlier level of \$85 billion per month.

The Fed also indicated that it will continue with the low interest rate regime in the near future.

Source: Reuters

World Bank keen to finance solar projects in India

The World Bank has launched consultations with the ministries of finance and new and renewable energy for financing solar projects under phase II of the National Solar Mission.

"The World Bank is really impressed with the performance of phase I of the National Solar Mission wherein, the installed capacity has risen to 2,000 Mw from 30 Mw. The World Bank was engaged with the ministry of new and renewable energy during phase I in working out the policy and putting in place necessary guidelines but had not provided funds. However, during phase II, the World bank is quite keen to finance solar projects," Ashish Khanna, lead energy specialist told Business Standard.

He however, declined to divulge further details in this regard. The total requirement of funds is of the order of Rs 80,000 crore (\$13 billion) of which, as high as Rs 54,000 crore (\$9 billion) will be debt based on a 70:30 debt equity ratio. The World Bank has expressed that it was keen to partially finance debt requirement.

Khanna said of the total debt requirement of Rs 54,000 crore, much needed to come from the scheduled commercial banks.

"During the first phase, commercial banks had lent \$700 million and they need to scale up to the levels envisaged. In order to make investment in solar power more attractive for scheduled commercial banks, the government will need to strategically use scarce public resources to leverage commercial financing, address structural barriers that prevent commercial banks from participating and facilitate appropriate technology deployment," Khanna added.

Khanna said the role of facilitating public funding in leveraging commercial lending on a sustained basis through risk reducing instruments as well as innovations in financing is significant and imperative for moving solar development to a largely non-recourse financing mode in India. The World Bank in its report titled, "Paving the way for a Transformational Future: Lessons from Jawaharlal Nehru National Solar Mission Phase I", suggests that the government could offer multiple financial solutions involving viability gap fund, generation-based incentives, credit guarantees, credit lines to banks at a concession to cut interest rates and subordinate public finance to extend the tenor of loans.

Source: Business Standard

SEBI to announce new corporate governance norms

Markets regulator SEBI on December 20 said it would soon come out with new corporate governance norms.

"We have already placed documents for consultation. Our consultation is almost over and we are now going to promulgate our rules very soon," SEBI Chairman U K Sinha told reporters at a corporate governance summit organised by CII in Mumbai.

"For listed companies, we will like to tell you, if we are going to do something over and above what is specially mentioned in the Companies Act, in the interest of corporate governance of the large corporates, it would be after consideration with all of you (stakeholders)," he added.

As several companies have operations outside India and many more would be venturing in foreign territories, there is a need to align rules with the best in the world, Sinha said.

Sinha also asked companies to show real commitment towards corporate social responsibility.

Source: The Times of India

WEEKLY ECONOMIC BULLETIN



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