



POLICY UPDATE

- India has registered a GDP growth of 8% in the second quarter (July-September) 2005-06. In April-June 2005-06, India's GDP growth was 8.1%. The sectors which registered significant growth in Q2 of 2005-06 are 'trade, hotels, transport and communication' at 12.0 per cent, 'financing, insurance, real estate and business services' at 9.9 per cent, 'manufacturing' at 9.2 per cent, 'construction' at 7.4 per cent, and 'community, social and personal services' at 6.7 per cent. **More...**
- In the India Economic Summit 2005 jointly organized by the Confederation of Indian Industry (CII) and the World Economic Forum at New Delhi on November 27-29, 2005, the Prime Minister of India, Dr. Manmohan Singh has said that India should target for 10% growth rate in 2-3 years time. In the same Summit, the Finance Minister of India, Mr. P. Chidambaram emphasized the need for further opening up of FDI in more sectors to achieve an annual growth rate of eight per cent.
- Government of India has decided to permit foreign direct investment up to 20% equity for FM Radio's Broadcasting Services. Till now, foreign investment was permitted in Terrestrial Broadcasting up to 20% under the Portfolio Investment Schemes only. **More...**

NEWS HIGHLIGHTS

General News

- The Bombay Stock Exchange (BSE) sensx crossed yet another high of 9000-mark on November 28 after touching an intra-day historic high of 9005.63.
- The World Bank's Global Economic Prospects (GEP) for 2006 reports that Non Resident Indians' (NRIs) remittances have made India highest receiver of remittances with record inflows of US \$21.7 billion in 2004.
- India's exports at US \$51.5 billion during April-October 2005-06 recorded a growth rate of 22.08%. India's imports at US \$75 billion during the same period registered a growth rate of 33.08%. **More...**
- Expecting the Indian economy to sustain 7 to 9 per cent growth, leading French bank Societe Generale has launched a private banking facility in India on November 30. **More...**
- US-based consultancy Keystone-a subsidiary of LaSalle Consulting Associates-has forecast that India will become the world's third largest automobile market by 2030, behind China and the US. **More...**

Corporate News

- Mahindra & Mahindra Ltd (M&M) and International Truck & Engine Corporation of US have signed an agreement for a joint venture with proposed investment of \$80 million to manufacture trucks and buses in India. Production of the new trucks, slated for rollout in 2007, would be based on existing models but engineered for Indian conditions and would serve every segment of the truck market, from 6-tonne to 35-tonne gross vehicle weight (GVW), with variants for passenger transport, cargo and specialised load applications. **More...**
- Infosys Technologies and Microsoft Corporation have jointly opened the Catalytic IT concept center in the Indian city of Bangalore. Catalytic IT is an Information Technology transformation initiative. **More...**
- SemIndia, a consortium of non-resident Indians, has announced to invest \$3 billion to set up a semiconductor manufacturing facility in India, in collaboration with US-based Advanced Micro Devices Inc (AMD), a chip manufacturer. **More...**
- HSBC Holdings is planning to increase its investment in India. This was announced by the chairman of HSBC Sir John Bond during his recent visit to India.
- Mr. Gerard Kleisterlee CEO of the electronics major Royal Philips Electronics sees India as an engine of growth for the company. Philips India's turnover is growing at 17-18% per annum.

(Continued on next page)

A publication of the Embassy of India, Washington, DC

- India-based Sona Koyo Steering Systems Ltd has bagged an order from the Indian arm of US-based General Motors, to supply 50,000 electronic power steering systems to a new GM model in India, starting 2007. [More...](#)
- Cargill Corporation, will acquire a 51% stake in India-based Matrix Bioscience, an animal feed and aqua culture feed manufacturing company, for an undisclosed price. [More...](#)
- India has signed contracts with ARMARIS of France, for construction of six scorpene class submarines at Mazagon Dock Limited (MDL), Mumbai. [More...](#)
- China National Petroleum Corporation and Oil & Natural Gas Corporation of India are jointly bidding for Petro-Canada's \$1billion oil and gas fields in Syria. [More...](#)
- Ranbaxy Laboratories Ltd is launching 30 new products in the US market over the next two years. [More...](#)
- Disney Consumer Products, a division of The Walt Disney Company, is all set to launch its new range of apparel and fashion accessories in India. [More...](#)
- H2O Plus, a provider of skin care products made using nutrients obtained from the sea, is planning to open 15 H2O Plus counters in the Indian high-profile retail outlets in the next few months. [More...](#)
- Kingfisher Airlines of India has placed an order with ATR of France, for 20 firm ATR 72-500 aircrafts and an option for 15 additional aircrafts, which will be delivered between March 2006 and August 2008. [More...](#)
- Robert Bosch GmbH, an automotive and industrial technology provider of Germany, has signed a memorandum of understanding (MoU) with the Indian government for its proposed \$120.5 million common rail injector project at the Nashik plant of its Indian subsidiary. [More...](#)
- American Airlines has announced the commencement of its direct flight from Delhi to Chicago [More...](#)
- Dow Corning Corporation has announced to set up a manufacturing facility for producing polymers, lubricants, sealants, and emulsions, in Pune. [More...](#)
- Microsoft Corporation and Hewlett Packard have announced a partnership to offer Indian organizations with integrated IT solutions tailor made to suit their needs. [More...](#)
- Ranbaxy and Wockhardt are planning to acquire Betapharm Arzneimittel GmbH, a generic firm of Germany [More...](#)
- Qualcomm Inc, a CDMA technology major is expanding its two research and delivery centers in India. [More...](#)
- General Electric would reinvest entire \$145 million, the amount they received in settlements with Dabhol Power Company in India. [More...](#)
- US-based Keane, an IT services firm, has announced to invest around \$100 million in India; to increase its services delivery capability five fold over the next three to five years. [More...](#)
- Capgemini, an IT and BPO major of France, is planning to triple its India head count to 10,000 in two years and open more centers to strengthen its base in India. [More...](#)
- General Motors Corp. will build a factory in India involving an investment of \$437 million that would employ 4,000 people.

Visits and events

- The fourth India-US High-Technology Cooperation Group Meeting has been held in New Delhi on November 30 – December 1, 2005. The meeting focused on cooperation in bio-technology, defence trade and nano-technology. David McCormick, Under Secretary, Bureau of Industry and Security (BIS) led the US delegation to the meeting. [More...](#)
- The seventh meeting of the India-US Defence Policy Group (DPG) was held in Washington, DC on November 21-23, 2005. The meeting was co-chaired by Under Secretary of Defense for Policy Mr. Eric. S. Edelman and Defence Secretary Government of India, Mr. Shekhar Dutt. The DPG included an intensive exchange of views on the international strategic and security situation and on the further development of bilateral defence cooperation. [More...](#)
- The first meeting of the India-US Information & Communications Technologies (ICT) Working Group will be held on December 8-9, 2005 at Washington, DC
- The India international Leather Fair 2006 is scheduled to be held on January 31- February 3, 2006 at Chennai. For more details visit www.iilfleatherfair.com
- The Prime Minister, Dr. Manmohan Singh will inaugurate the Pravasi Bhartiya Diwas-2006 at Hyderabad on January 7, 2006. The Pravasi Bhartiya Diwas 2006 is designed to focus on business, investments and implementation of ideas that overseas Indians will bring to the table besides strengthening traditional bonds. [More...](#)



A US Congressional delegation led by Mr. Don Burton meeting with the Prime Minister, Dr. Manmohan Singh in New Delhi on November 28, 2005.