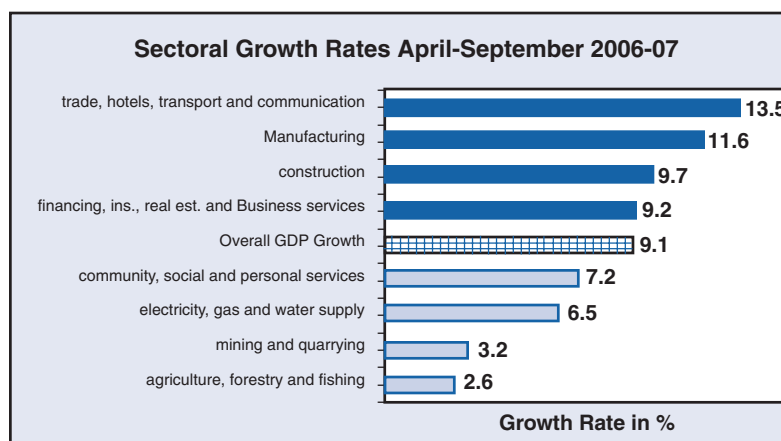




India records 9.2% growth in Q2 2006-07

- Indian economy has grown by 9.2% in Q2 (July-September) of FY2006-07. With this the overall growth during the first half (April-September) of FY 2006-07 has been 9.1%. The growth rate was 8.9% in April-June, 2006 and 9.3% in January-March 2006. Manufacturing sector has recorded a growth rate of 11.6% in April-September, 2006-07. The other fast growing sectors were (i) trade, hotels, transport, and communication, (ii) construction, and (iii) financing, insurance, real estate and business services.

More...



India's Key external macro-economic indicators are showing healthy signs. Foreign exchange reserves has crossed \$172 bln. Exports have been growing consistently at more than 25% during the last 3 years. Exports have grown by 34.96% and crossed \$69 billion during April-October 2006 compared to \$103 billion for the whole year 2005-06. **More...**

Investment flows into and out of India are on the rise. FDI inflows have registered a consistent growth in the last three years. Cumulative FDI inflow reached a level of \$50.1 billion from August 1991 to June 2006. FDI inflows have increased by 37.1% to \$7.75 billion in 2005-06. During April-September 2006 equity component of FDI inflows was \$4.4 billion as compared to \$2.2 billion in April-September 2005, an increase by 100%. **More...** Foreign institutional investors' net investment in India has surpassed \$50 billion. **More...** Indian investments abroad has also crossed \$10 billion most of which is mergers and acquisition deals.

POLICY UPDATE

- Foreign Exchange Management (Current Account Transactions) Rules, 2000 has been amended to permit drawal of foreign exchange by person for purchase of trademark or franchise in India without approval of the Reserve Bank. Till now prior approval of the Reserve Bank was required for drawing foreign exchange for remittance for purchase of trademark or franchise in India. **More...**
- Government of India has invited suggestions and comments from telecom industries by December 8, 2006 on a draft tender document for providing subsidy support under Universal Service Obligation Fund for setting up and managing of infrastructure sites and provision of mobile services in rural areas. **More...**
- Cabinet Committee of Economic Affairs of India has approved raising of capital of approx. \$450 million by M/s. Urban Infrastructure Venture Capital Ltd. from the NRIs, foreign Investors, and domestic investors by way of investment into Urban Infrastructure Opportunities Fund (UIOF-II). The Urban Infrastructure Opportunities Fund (UIOF) is a new fund floated for investment in real estate and retail projects in India. **More...**

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NEWS HIGHLIGHTS

- NRIs/PIOs and other overseas investors in association with ICICI Venture Funds Management Company Ltd. would set up an India Advantage Fund at an investment of approximately \$240 million to invest in private opportunities. **More...**
- ONGC Videsh (OVL) along with ENI SpA(of Italy), Repsol YPF(of Spain), and Norsk Hydro ASA(of Norway) have won oil exploration blocks in Brazil. **More...**

Corporate News

- Bharti Enterprises and Wal-Mart have signed an MoU on November 27 to jointly explore business opportunities in India. The MoU will allow the two companies to study and evaluate the retail market in India and identify business opportunities within the existing guidelines. **More...**
- Volkswagen of Germany has signed a deal with Maharashtra Government to set up a car manufacturing plant in Pune at an investment of \$530 million. The new factory will produce up to 110,000 cars by 2009. **More...**
- Pratt and Whitney, an aircraft engine manufacturer of US, has signed \$500 million deal with Kingfisher Airlines of India to power and service Kingfisher's new fleet of Airbus planes. **More...**
- Fiat would invest approximately \$445 million to manufacture fuel efficient passenger cars in Pune. **More...**
- Mahindra & Mahindra (M&M) has signed a deal with Global Vehicles USA to distribute its Scorpio model sports utility vehicle (SUV) and pick-up trucks in the US. **More...**
- AEA Holdings of Hongkong is planning to invest about \$2 billion in India's retail sector said Bill Owens, chief executive and chairman of AEA Holdings Asia.
- DLF is tying up with US hospitality giant Hilton to develop and own 75 hotels and service apartments in India over the next seven years. **More...**

Visits and Events

- Indian Ministry of Coal and United States Environmental Protection Agency has signed a Memorandum of Understanding on establishment of the Coalbed and Coalmine Methane Clearing House of India. This Clearing House would be established under the auspices of the Methane to Market Partnership, an international initiative that aims to reduce methane emissions from four key sectors, viz., oil & gas, landfills, agriculture, and coal mining.
- The Finance Minister of India Mr. P. Chidambaram addressed the G-20 Finance Ministers and Central Bank Governors Meeting, held at Melbourne, Australia on 18-19 November, 2006. **More...**
- US Secretary of Agriculture Mr. Mike Johanns visited India on November 18-21, 2006. He had meetings with the Indian Agriculture Minister Mr. Sharad Pawar, Commerce Minister Mr. Kamal Nath, and Deputy Chairman of Planning Commission Mr. Montek Singh Ahluwalia.
- The Fourth Meeting of the Board of India-US knowledge Initiative in Agriculture held at New Delhi on November 17, 2006. For the year 2007, about 12 additional Indo-US Borlaug Fellowships are planned. The two sides will collaborate on projects for cool chain development for food and vegetable, and for fish and marine produce, during 2007. **More...**



US Secretary for Agriculture Mr. Mike Johanns calls on Indian Prime Minister Dr. Manmohan Singh in New Delhi, November 20, 2006.