



POLICY UPDATE

- India's Balance of Payments statistics for the year 2006-07 has been released by the Reserve Bank of India. The current account deficit amounted to \$9.6 billion compared to \$9.2 billion in 2005-06. The trade deficit has widened to \$64.9 billion in 2006-07 from \$51.8 billion in 2005-06. Net invisibles increased to \$55.3 billion in 2006-07 from \$42.6 billion in 2005-06. Net invisibles are the receipts from remittances for professional and business services including software and IT and IT enabled services, remittances from overseas Indians and foreign tourists, minus payment of interest and dividends. On the Capital account, the net capital flows nearly doubled to \$44.9 billion in 2006-07 from \$23.4 billion in 2005-06, mainly due to significant inflows of External Commercial Borrowing, strong bi-directional movement in direct investment and large inflows through Non-Resident Indian deposits and issuances of ADR/GDR by the Indian corporate. Net Foreign Exchange reserves increased by \$36.6 billion in 2006-07 compared to \$15 billion in 2005-06. *More...*
- India has signed an inter-governmental agreement on Trans-Asian Railway Network that proposes to connect China, Thailand, Myanmar, Bangladesh, Pakistan, India, Iran and Turkey to improve transport linkages and facilitating movement of goods and containers among SAARC and ASEAN countries. *More...*
- India would build a Delhi-Mumbai Industrial Corridor (DMIC) at an estimated investment of \$90 billion over 7 years. The project is at an advance stage of finalization. *More...*
- Defence Acquisition Council of India has approved the process for inviting international bids for acquisition of 126 fighter jets for use of Indian Air Force for an approximate amount of \$10 billion. *More...*
- India plans to ease rules on private airlines flying overseas said Indian Minister for Civil Aviation Mr. Praful Patel. The government will outline its new rules in a few months. *More...*
- Indian Cabinet has given "in principle" approval to an Integrated Strategy for Promotion of Agri-business – Vision, Strategy and Action Plan for Food Processing Sector. The strategy, inter-alia, would include strengthening of backward and forward linkages of the food processing sector and developing supply chains with cold chain mechanism, and establishment of Mega Food Parks. *More...*

NEWS HIGHLIGHTS

- Sixth Annual Global Retail Development Index 2007 of AT Kearney, has rated India as the most attractive retail investment destination among 30 emerging markets. *More...*
- BSE Sensex has touched another all time high of 14,745 on July 2, 2007. Previous peak of 14,723 was reached on February 9, 2007.

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A publication of the Embassy of India, Washington, DC

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- Mobile handset production in India is growing fast fueled by rapid growth in the number of mobile subscribers in the country. India produced nearly 31 million mobile phones worth about \$5 billion in the last year, according to a report by Gartner Inc. [More...](#)
- Theatre operators in India are building 10 to 15 multiplexes a month, each of which has four to five screens. By 2010, the country will have more than 2,000 multiplex screens reported SSKI India, a brokerage firm. [More...](#)

Corporate News

- JP Morgan is looking at doubling its proprietary investments in India over the next 6-12 months. JP Morgan currently has investments of around \$500-750 million spread across a host of sectors in India. [More...](#)
- Cairn India would lay a “pre-heated” 580-km pipeline to transport the crude oil from its Barmer oil fields in Rajasthan to Virangam in Gujarat, at an estimated cost of \$600 million. The cost of laying the pipeline would be shared between Cairn and Oil and Natural Gas Corporation (ONGC) of India in a 70:30 ratio. [More...](#)
- Kingfisher Airlines of India has ordered 50 Airbus planes at the Paris Air show at a stacker price of \$7.3 billion. This order and other outstanding orders will bring Kingfisher Airlines’ overall fleet to 176 aircraft by 2018, from 30 now. In the last Paris Air show, King Fisher had ordered 15 Airbus Aircrafts including 5 Super Jumbo A380s. [More...](#)

Visits and Events

- Indian Commerce & Industry Minister Mr. Kamal Nath visited Washington DC on June 27-28, 2007. He addressed the Plenary session of the Annual Meeting of US India Business Council, where he met with US Secretary of State Dr. Condoleezza Rice on the margins of the USIBC meeting. Mr. Kamal Nath had separate meetings with the US Trade Representative-Ms. Susan Schwab, US Secretary of Agriculture-Mr. Mike Johanns, US Treasury Secretary-Mr. Henry Paulson, and US Commerce Secretary-Mr. Carlos M. Gutierrez. He also had a luncheon meeting with former USTR and World Bank President-designate, Mr. Robert Zoellick. [More...](#)
- Indian Civil Aviation Minister Mr. Praful Patel visited US on June 21-22, 2007. He signed an MoU to establish the India-US Aviation Cooperation Program (ACP) which is a public-private partnership among the Indian Ministry of Civil Aviation, the US Trade Development Agency, the Federal Aviation Administration of US, and US aviation companies to strengthen bilateral cooperation for developing and modernizing India’s civil aviation infrastructure in the managerial, operational and technical areas. Mr. Patel also had meetings with the representatives of US aviation industry. [More...](#)
- Chief Minister of the Indian State of Assam Mr. Tarun Gogoi visited US on June 27-July 2, 2007. He had meetings with the investors at New York and attended events on “Assam Convention 2007” at Boston, and “Assam 2007” at Maryland.



Commerce and Industry Minister Mr. Kamal Nath meeting with US Treasury Secretary Mr. Henry M. Paulson in Washington, DC, on June 28, 2007.