



## POLICY UPDATE

- The Fifth India-ASEAN Summit has been held at Cebu, Philippines on January 14, 2007. Indian Prime Minister Dr. Manmohan Singh led a high level delegation to the event. **More...** Preceding the summit, Indian Commerce and Industry Minister, Mr. Kamal Nath participated in the India-ASEAN Economic Ministers Meeting held in the Philippines on January 11, 2007. Trade Ministers of Malaysia, Philippines, Cambodia, Brunei, Lao, Indonesia, Myanmar, Singapore, Thailand and Vietnam took part in that meeting. ASEAN have agreed to India's proposal for maintaining a Negative List of 490 items with trade coverage not exceeding 5% by both sides. It has been further agreed that negotiators would meet and resolve the remaining outstanding issues preferably by July 2007. India's bilateral trade with ASEAN countries has more than doubled in 3 years, having increased from \$9.7 billion in 2002-03 to over \$21 billion in 2005-06. **More...**
- Government of India has approved setting up of Central Drugs Authority of India (CDA) as an autonomous organization to revamp the drug regulatory system, bringing about uniformity of drug licensing, and to improve quality and safety of drugs. CDA is envisaged to have separate divisions for regulatory oversight of clinical trials, new drugs, medical devices, cosmetics, vaccines and biologicals, good manufacturing practice-compliance etc. Empowering the CDA would require a few amendments to the Drugs & Cosmetics Act, 1940. The Drugs & Cosmetics Amendment Bill, 2006 will be introduced in Winter Session of the Parliament to bring about the required changes. **More...**
- Indian Railways have signed a model concession agreement with 14 private container train operators. Licenses for operating container trains were granted to the private parties in the last year. The companies have already paid approx. \$110 million to Indian Railways as licence fee. The operators would invest about \$90 million for manufacture of more than 2000 wagons, would build inland container depots and find customers, while railways would run the goods trains. The deadline for execution of the business is three years. **More...**
- The Technical Expert Group on Patent Law Issues Chaired by Dr. R.A. Mashelkar, former Director General of Council of Scientific and Industrial Research has submitted its report. The Group has recommended that it would not be TRIPS compliant to limit granting of patents for pharmaceutical substance to New Chemical Entities only. Detailed Guidelines should be formulated and rigorously used by the Indian Patent Office for examining the patent applications in the pharmaceutical sector so that the remotest possibility of granting frivolous patents is eliminated. On Micro-organism, the Group has recommended that strict guidelines need to be formulated for examination of the patent applications involving micro-organisms from the point of view of substantial human intervention and utility. Excluding micro-organisms *per se* from patent protection would be violative of TRIPS Agreement. **More...**

## NEWS HIGHLIGHTS

- Indian Real Estate is likely to see entry of 20 real estate funds in the first half of 2007 adding another \$10 billion to the foreign investments in the sector. More than 35 foreign funds including Carlyle, Blackstone, Morgan Stanley, Trikona and Warbus Pincus are already operational in India. Merrill Lynch forecasts that the Indian realty sector will grow from \$12 billion in 2005 to \$90 billion by 2015. **More...**

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- India's east coast is emerging as one of the hydrocarbon hotspots in the world with 100 trillion cubic feet of gas and two billion barrels of oil in place. The two main basins in the area — Krishna-Godavari and Mahanadi — have shown a potential of nearly 18 billion barrels of oil equivalent gas in place. As per the statistics released by the Ministry of Petroleum and Natural Gas, India's crude oil reserves increased from 703 million metric tonnes in 2000 to 756 million metric tonnes in 2006, and Natural Gas reserves increased from 760 billion cubic meters in 2000 to 1075 billion cubic meters in 2006. [More...](#)
- FDI equity inflows into India during 2006-07 is expected to cross \$11 billion, more than double the equity inflows of \$5.5 billion last year, said Mr. Kamal Nath, Indian Minister for Commerce and Industry. [More...](#)
- Indian corporates and banks raised a total of approx. \$52 billion via equity and debt issues in domestic and overseas markets in 2006 – 66% more than it mopped up in 2005. [More...](#)
- UNCTAD has reported that India has surpassed South Korea to become fourth largest recipient of FDI in Asia after China, Hong Kong and Singapore. [More...](#)
- Indian Mutual Funds have an all time high assets under management value (AUM) of approx. \$65 billion. [More...](#)
- India Retail Report 2007 has been launched by India Retail Forum. Value of the organised retail sector in India has been projected to reach \$45 billion by 2010. [More...](#)
- The National Knowledge Commission's Report to the Nation 2006 has been released. [More...](#) India Water Portal <http://www.indiawaterportal.org/> and India Energy Portal <http://www.indiaenergyportal.org/> conceived by the National Knowledge Commission have also been launched:
- 4.4 million foreign tourists visited India in 2006 compared to 3.9 million visited in 2005. [More...](#)

## Corporate News

- The New York Stock Exchange and three other financial investors, namely, General Atlantic, Goldman Sachs and Softbank Asian Infrastructure Fund, have picked up a 5 per cent stake each in the National Stock Exchange (NSE) of India for \$490 million. This is the first instance of foreign direct investment (FDI) in Indian stock exchange. [More...](#)
- Holcim has picked up 1.65 per cent stake in Gujarat Ambuja Cements for approximately \$66 million through open market operations, taking its holding in the company to nearly 21 per cent. [More...](#)
- General Motors is planning to launch its mini-car – Chevrolet Spark in India in April 2007. Since 2004 GM has introduced its Tavera, Optra, and Aveo U-VA small car models in India. The company is scaling up its production capacity to 85,000 units a year from the present 65,000. General Motors has a production plant in Halol, Gujarat. Another new plant is coming up at Talegaon near Pune in Maharashtra. The company aims at increasing its market share in the small car market in India to 10% by 2010. [More...](#)

## Visits and events

- A Business delegation comprising of US Asia Business Forum (USABF) officials and US investors is on a visit to India on January 8-19, 2007 to explore investment opportunities and meet Indian businessmen.
- A Bidders' Conference for inviting the private sector participation in power transmission projects was held in Delhi on January 11, 2007. [More...](#)
- The Fifth Pravasi Bhartiya Divas held in New Delhi on January 7-9, 2007. More than 1200 delegates from about 50 different countries attended the event. Indian President, Prime Minister, and many other cabinet Ministers addressed the NRIs. A Handbook for Overseas Indians has been released. Minister for Overseas Indian Affairs, Mr. Vayalar Ravi announced three new benefits to be extended to NRIs. These are (i) Parity with NRIs in Inter-country adoption, (ii) Parity with Resident Indians in Domestic Airfares and, (iii) Parity with Indian Nationals in entry fees for National Parks and Wild Life Sanctuaries. [More...](#)



*The Prime Minister Dr. Manmohan Singh lighting the lamp to inaugurate the 5th Pravasi Bharatiya Divas-2007, in New Delhi on January 7, 2007. The Union Minister of Overseas Indian Affairs Mr. Vayalar Ravi and the Chief Minister of Delhi Ms. Sheila Dixit are also seen. Photo Credit: PIB*