



POLICY UPDATE

- Prime Minister of Japan Shinzo Abe visited India from 21-23 August, 2007. In his address to the Indian Parliament he outlined his vision of broader Asia in which India and Japan were coming together and that included Australia and the US. Indian Commerce & Industry Minister said that both India and Japan were engaged to conclude the Comprehensive Economic Partnership Agreement at the earliest. India and Japan decided to enhance bilateral trade to \$20 billion by 2010 from \$8.5 billion in 2006. India and Japan also signed a basic bilateral agreement on currency swap whereby India and Japan will help each other if their currencies were to come under attack of speculators. Prime Minister Abe was accompanied by a large industry delegation from Japan. Japan is participating in the Delhi-Mumbai Industrial Corridor being promoted by India. The Delhi-Mumbai Industrial Corridor project would include 12 investment regions and 12 industrial areas along the proposed Delhi-Mumbai dedicated freight corridor involving investment of over \$90 billion. *More...*
- The Competition (Amendment) Bill 2007 was introduced in the Lok Sabha by the Government of India. The Bill proposes to amend the Competition Act to prevent practices having adverse affect on competition, to promote and sustain competition in market, to protect the interest of the consumers and to ensure freedom of trade carried on by other participants in markets. *More...*
- Reserve Bank of India released its Annual Report for 2006-07 on August 30. In the report, it said that there was growing evidence that the economy was on the threshold of a step-up in the growth trajectory. Regarding the sub-prime credit related problems in the global financial markets, RBI report said that further deterioration in subprime delinquencies could lead to reassessment of risk by investors across products and markets and retrenchment of capital from the emerging market economies, given the contagion and the herd mentality. *More...*

NEWS HIGHLIGHTS

- ILO in a recent report has said that Asia's share in the global GDP would rise to 30% by 2020. India's share of Asia's GDP is expected to rise from 7.2% to 8.7-10% by 2020. According to the report, favourable demographic and labour force strength and shift in employment from lower productivity agriculture to higher value added industry and service sector has helped the region drive growth. *More...*
- Government of India has announced a decision to buy equity stake of Reserve Bank of India in the National Housing Bank and the Nabard by June 2008 to ensure that RBI does not own the institutions it regulates. *More...*
- STC of India on 23rd August, 2007 issued a tender for import of wheat between October-December, 2007. *More...*
- According to a Securities and Exchange Board of India (SEBI) proposal, mutual fund investors will not have to pay entry load if they invest directly with fund houses instead of routing their investments through brokers or distributors. Currently all investors have to pay an entry load which is around 2.2% of the money invested whether they invest through a distributor or directly with the fund. *More...*

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- Indian economy grew by 9.3% in most recent quarter according to Central Statistical Organization of India. [More...](#)
- FDI inflows in India in Q1 of 2007-08 increased to \$4.9 billion against \$1.7 billion in Q1 of the previous year. In 2006-07 India had received FDI of \$19 billion. [More...](#)
- Direct tax collections in the current financial year 2007-08, including corporate and personal income tax, increased by 44.39% in India till mid August, 2007, based on robust growth in the economy, better tax compliance and improved tax administration. Corporate tax collections increased by 52.2% and personal income tax collection increased by 35.57%. [More...](#)
- India would need telecom equipment of the order of US \$84 billion to achieve projected target of 650 million subscribers by 2012, Mr. R. Raja, Minister for Communication and IT said. [More...](#)
- The total number of telephone subscribers in India reached 232.77 million, an increase of 7.56 million in July 2007. The overall teledensity improved further to 20.50% as compared to 14.10% as on July 31, 2006. [More...](#)
- Permanent Court of Arbitration, The Hague is going to open its Regional Center in India by the end of 2007. The Ministry of Law of India has accepted the offer made by the Permanent Court of Arbitration and a MoU is being worked out. [More...](#)
- India's internal trade is expected to cross \$1.1 trillion by 2010, according to an estimate by PHD Chamber of Commerce & Industry of India. [More...](#)
- Minister for Civil Aviation Mr. Praful Patel has said that the smaller airlines having 7 services or less to India may be exempt from Mandated Commercial Agreement, w.e.f. 1st January 2008. [More...](#)

Corporate News

- Jindal Steel Works announced the acquisition of Jindal United Steel Corporation, Saw Pipes USA and Jindal Enterprises LLC at Baytown, Texas for \$940 million. This acquisition would enable Jindal Steel Works to participate in growing oil and gas sector in North America. [More...](#)
- India's Firstsource Solutions has announced the acquisition of US based MedAssist for \$330 million. MedAssist is a Louisville, Kentucky based firm and is among the largest firms providing revenue cycle management services to the healthcare sector in the US. It had revenue of \$99 million in 2006. [More...](#)
- Air India and Indian Airlines, two State owned carriers in India merged and formed a new company called National Aviation Company of India Limited. The merged airline will fly under the brand of 'Air India' both domestically and internationally and will have a fleet size of over 112 aircrafts. [More...](#)
- Holcim Limited, world's second biggest cement maker plans to increase its equity stake in Ambuja Cement India Ltd. from 32.3 % to 56.2% for more than \$1 billion. Ambuja Cement is the 4th largest cement maker in India. [More...](#)
- Apollo Health Street Limited has acquired Atlanta based Zavata for about \$180 million. [More...](#)
- India has become the second largest market for Nokia in terms of sales ahead of the US. Nokia also produced 60 million hand sets in its factory in Chennai since it was set up 18 months back and 50% of these were exported, said Nokia's Worldwide CEO Olli Pekka Kallasvuo in Delhi. [More...](#)
- Siemens plans to double the size of its Indian operations in next three years based on strong demand for infrastructure, medical and communication services in India, said Peter Loescher, President and Chief Executive in Mumbai. [More...](#)
- More than a dozen pharmaceutical companies have chosen India for undertaking research and development since January 2005 when the Indian Patents Act was amended. These companies include Allergan, Eisai Pharma, Dupont, Astra Zeneca, Johnson & Johnson, Bristol-Myers Squibb, Pliva, Ratiopharm, Nektar Therapeutics, Sigma Aldrich and Teva. [More...](#)
- India's pharmaceutical market would triple to touch \$20 billion in a decade said McKinsey in a study. [More...](#)



Prime Ministers of India and Japan in New Delhi.