



## Policy Developments

- Reserve Bank of India (RBI) has announced further measures for liquidity management and improving credit flow. The special facility under which all scheduled commercial banks are provided refinance from RBI equivalent to up to 1.0 per cent of each bank's NDTL is being continued with till June 30, 2009. The liquidity support through relaxation in the maintenance of Statutory Liquidity Ratio has been expanded to enable banks to accommodate the funding needs of housing finance companies. The foreign exchange liquidity to Indian public and private sector banks having foreign branches or subsidiaries, through forex swaps of tenors up to three months will also be made available up to June 30, 2009. [More](#)
- The Government has approved the signing of a revised Air Services Agreement (ASA) between India and United Arab Emirates (UAE). As per the revised ASA, both countries will be entitled to designate any number of airlines for operation of mutually agreed services. [More](#)
- The Union Cabinet has approved modification of the Trade Marks (Amendment) Bill, 2007 and its introduction in the Parliament. The amended said Bill will provide better protection to Indian trade marks in designated member countries and afford reciprocal protection to trade marks from member countries abroad. [More](#)

## Economic News

- The Central Statistical Organisation has released the estimates of Gross Domestic Product (GDP) for the second quarter (July-September) of 2008-09. Quarterly GDP at factor cost at constant (1999-2000) prices for Q2 of 2008-09 is estimated at Rs. 7,71,451 crore (\$154.29 billion), as against Rs. 7,16,982 crore (\$143.40 billion) in Q2 of 2007-08, showing a growth rate of 7.6 per cent over the corresponding quarter of previous year. The economic activities which registered significant growth in Q2 of 2008-09 over Q2 of 2007-08 are, 'manufacturing' at 5 per cent, 'construction' at 9.7 percent, 'trade, hotels, transport and communication' at 10.8 per cent, 'financing,

insurance, real estate and business services' at 9.2 per cent, and 'community, social and personal services' at 7.6 per cent. The growth rate in 'agriculture, forestry & fishing' is estimated at 2.7 per cent. [More](#)

- Annual rate of inflation declined to 8.84 per cent for the week ending November 15, 2008 compared to a rate of 8.90 per cent reported in the previous week. Inflation is now in single digit for the third week in a row with the decline moderating further to 6 basis points as compared to 8 basis point the previous week and 174 basis points witnessed in the week ending November 1, 2008. [More](#)
- The Cabinet Committee on Economic Affairs has accorded approval to Kakatiya Longwall Project of Singareni Collieries Company Limited for a total capital outlay of around \$ 124 million. The 2.747 million tonnes per year project is located in Warangal District of Andhra Pradesh. [More](#)
- Of the next 250 million Indian wireless users, approximately 100 million (40%) are likely to be from rural areas, and by 2012, rural users will account for over 60% of the total telecom subscriber base, according to a report jointly released by Confederation of Indian Industries (CII) and Ernst & Young. [More](#)
- Food Processing Sector is one of the top ten sectors in attracting Foreign Direct Investment (FDI) inflows, with an investment of around \$160 million during the last 4½ years. The Vision 2015 developed by the Government for the sector envisages increase in the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share in global food trade from 1.5% to 3%. The Indian food processing sector Industry is growing at the rate of 12% annually. [More](#)
- The Cabinet Committee on Economic Affairs has awarded 44 blocks under the seventh round of New Exploration Licensing Policy (NELP-VII). A total of 95 companies including 74 Indian Companies and 21 foreign companies had submitted bids for 45 blocks. Total investment commitment for phase-I of

exploration for these 44 blocks is estimated at \$1.5 billion. [More](#)

- Biofuels, wind and clean coal are among the top climate change investment themes for India, the global bank HSBC has said in a report. The report has estimated a total investment of \$150 billion in 11 themes, with clean coal technology top of the list at \$34 billion, followed by wind at \$26.8 billion and biofuels at \$29.4 billion. The report has estimated the total annual emissions saving of these investments at 480 million tonnes of carbon dioxide from financial year 2018 onwards. [More](#)

- According to a survey by the consulting firm Ernst and Young, India is projected as one of the emerging leaders in biotechnology, and is ranked third in the Asia-Pacific region, based on the number of biotech companies in the country. According to another survey conducted by Association of Biotech Led Enterprises, Indian biotech industry has reported a growth of 20 per cent during the year 2007-08. The industry earned revenue worth \$2.56 billion, as against \$2.1 billion in the last fiscal. Out of this, the research services notched up growth of \$500 million dollars while the bio informatics sector reported a growth of \$250 million. [More](#)

### **Corporate News**

- The US auto major General Motors is making India its power-trains development hub for the Asia-Pacific region. The company's Indian subsidiary General Motors India(GMI) has already announced a total of \$500 million investments in the country to set up new car and power-train manufacturing facilities. In August this year, GMI had announced setting up of a new power-train facility at Talegaon with an initial investment of over \$200 million. This is in addition to more than \$300 million already invested in the vehicles manufacturing facility, which has a capacity of 300,000 units. [More](#)

- The Indian arm of the US automobile giant Ford Motor Co. has stated that the financial difficulties faced by the parent company have not eroded Ford's brand equity in India and that its \$500 million expansion plans are on track. The company has sold around 26,000 units till October this year. The small

car that the company will launch in India in 2010 is being designed and developed in its research centre in Australia. The company is also planning to double the capacity of the Maraimalainagar plant, near Chennai, to 200,000 units and set up a low displacement engine and transmission plant with a capacity of 250,000 units. [More](#)

- Expressing confidence in India despite the Mumbai terror attacks, global private equity investor Actis will invest \$1 billion in the country in the next 3-4 years. Actis has been a consistent private equity investor in India for over 10 years. Actis has successfully closed its \$2.9 billion PE fund which exceeded the target of \$2.5 billion. [More](#)

- US-based Broadridge Financial Solutions, an outsourcing provider to the global finance industry, is planning to foray into the Indian market soon. The \$2.2-billion company expects to garner around \$7 million from India in 2009. The company estimates the market for its securities processing product to be about \$70-100 million in the country. [More](#)

- Sweden-based electronic products maker LAVA Electronics AB is in talks with several real estate firms for a possible India entry. The LCD television maker, which gets 60% of its revenues from the B2B segment, clocked a turnover of Euro 60 million last year. [More](#)

- Infrastructure developer GVK Power and Infrastructure (GVKPIL) is set to complete its \$414 million Alaknanda hydro power project in 48 months ahead of schedule. The 330 MW hydro power project is located 110 km from Rishikesh. [More](#)

- Swiss processing and packaging major Tetra Pak International SA will invest \$100 million in its Indian operations to set up its second plant in the country, in Maharashtra. The Euro 8.6 billion firm is targeting flagging off operations at its second plant in two years' time. [More](#)

- US-based American Tower Corporation (ATC) has earmarked an investment of about \$500 million to acquire a stake in an Indian telecom tower company. The company is looking at setting up 6,000 towers by 2010. [More](#)