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News Feature

Pranab babu has delivered one of the best Budgets in recent times

It is true that expectations were low, but they have been well exceeded. This has been one of the best Budgets in recent times. The finance minister has not only managed to move on the path of fiscal prudence, but has also done enough to sustain the growth momentum.

The fiscal deficit for the next year is budgeted at 5.5% of GDP, which is a fairly comfortable figure for a developing economy like India. About Rs 66,000 crore of non-revenue, non-recurring receipts by way of disinvestment and 3G auctions have helped the finance minister to refrain from aggressive tax increases. A modest 2% hike in excise duty was already expected and will be taken in stride by the industry.

The most important impetus, however, will come from lower income tax incidence at the individual level. Savings of Rs 51,500 for a taxable income of Rs 8 lakh per annum and a further possible saving of Rs 6,000 in tax from investment in tax-free bonds, will leave a higher disposable surplus with the households. That will help the consumption story to continue and drive demand growth for fast-moving consumer goods (FMCG), auto, housing, etc. That will have a cascading impact on other sectors as well.

Companies affected by MAT increase will understandably oppose it. But to my mind, it is a right step in moving towards lower exemptions and greater equity amongst tax payers. There are concerns about inflation. What affects the aam aadmi is food inflation which is not much impacted by the Budget provisions and is expected to cool off with better crop yields and other measures.

The Budget pegs expenditure growth at 8% over FY10, lagging nominal GDP. Tax collections are expected to grow by 18% overall. The key challenge for the government is to ensure that actual expenditure remains within budgeted limits.

<http://economictimes.indiatimes.com/news/economy/indicators/Pranab-babu-has-delivered-one-of-the-best-Budgets-in-recent-times/articleshow/5622120.cms>

Core sector grows 9.4% in Jan

India's core sector, comprising six key infrastructure industries, grew 9.4 per cent in January 2010, compared with 6 per cent in the previous month and 2.2 per cent in January 2009. The growth, signifying recovery in industrial manufacturing, was primarily led by an increase in the production of crude oil, electricity and finished steel last month.

The sector, which accounts for 26.7 per cent of the Index of Industrial Production (IIP), will help in clocking double digit industrial growth for second month in a row. "The data is on expected lines. We can definitely expect double-digit growth in IIP numbers for January. While the core data fluctuates a lot, it will surely push the industrial growth higher," said DK Joshi, principal economist at research and ratings agency Crisil India. IIP grew 16.8 per cent last December when the core sector had shown a 6 per cent growth.

Cumulatively, the core sector grew 5.4 per cent in the April 2009-January 2010 period, against 3 per cent in the corresponding period of 2008-09, according to the data released by the commerce and industry ministry.

Crude oil production grew 9.7 per cent in January compared to a drop of 8.1 per cent in the same month last fiscal. Electricity and finished steel grew 5.6 per cent and 16.2 per cent, respectively, in January 2010 compared with 1.8 per cent and 3.2 per cent, respectively, in January 2009.

Production of petroleum products registered a growth of 3.8 per cent in January as compared to a drop of 1.3 per cent in the same month last year. Output of coal and cement grew 6 per cent and 12.4 per cent, respectively, last month as compared to a growth of 6.7 per cent and 3.2 per cent in the corresponding month last year.

In the April-January period, the output of petroleum refinery products dropped 0.5 per cent while coal output grew 8.2 per cent. Crude oil production was recorded down 0.1 per cent. Production of electricity, cement and finished steel grew 6.1 per cent, 11.2 per cent and 4.9 per cent, respectively, in the 10 months ended January 2010.

<http://www.business-standard.com/india/news/core-sector-grows-94-in-jan/386890/>

India Feb manufacturing growth at 20-month high: PMI

India's manufacturing industry in February grew at its fastest pace in 20 months, expanding for the third month thanks to expanding output Budget 2010: What it means for the economy and new orders, a survey showed.

The HSBC Markit Purchasing Managers' Index, based on a survey of 500 companies, rose to 58.5 in February, its strongest reading since June 2008, from 57.7 in January.

A reading above 50 means activity is expanding. "At 58.5, the headline index is consistent with ongoing double-digit gains in industrial production which in turn is likely to mean that spare capacity is being eaten into rapidly," said Robert Prior-Wandesforde, Senior Asian Economist at HSBC.

"Although the output prices balance surprisingly dropped back in February, while remaining consistent with price gains, there is more and more evidence of emerging supply-side constraints in labour and product markets."

The new orders index rose to 64.0 from January's 62.9. "While new export orders grew less strongly in February than January this didn't prevent the overall new orders series from hitting a high in the current upturn," said Prior-Wandesforde. "The same was also true of output growth, which has rarely shown such strength since the series began in April 2005."

In the 2010/11 federal budget released, the government said it expected Asia's third-biggest economy to grow faster than the 7.2 percent it forecast for this fiscal year ending on March 31. It sees growth accelerating to 8.5 percent in the 2010/11 fiscal year.

<http://economictimes.indiatimes.com/news/economy/indicators/India-Feb-manufacturing-growth-at-20-month-high-PMI/articleshow/5630071.cms>

India Inc hails Mamata's rail budget

India Inc has reacted positively to the Railway Budget, as freight and passenger fares were left unchanged. Industry lobbies were also enthused over possible private sector investment in railways.

“The decision to invite private expertise and resources for deployment in new line development, manufacturing of rolling stock, port connectivity, mine connectivity and multi-layer parking facilities would go a long way in modernising the railway system. Implementation of these projects in a public-private partnership would help in improving the effectiveness of railway services,” said Harsh Pati Singhania, president, Federation of Indian Chambers of Commerce and Industry.

Industry also welcomed the reduction of freight rate on kerosene and foodgrain as an anti-inflationary measure.

Industry chambers said a roadmap to meet short, medium and long-term targets as set out in the Vision 2020 document will help in raising the activity of the railways in passenger handling capacity.

“The Railway Budget 2010-11 carries the agenda forward from the last budget and has made the most encouraging announcements in terms of involvement of the private sector in the development of railways, particularly in the Vision 2020 document,” said Chandrajit Banerjee, director general, Confederation of Indian Industry.

Moreover, industry chambers maintained that Banerjee had clearly demarcated between economically viable projects and socially desirable projects, saying the latter were equally important if the overarching objective of inclusive growth had to be attained.

Banerjee’s announcement to set up a Special Task Force to implement and expedite project clearance to encourage investment also found acceptance within the industry.

<http://www.business-standard.com/india/news/india-inc-hails-mamata/s-rail-budget/386776/>

India budget moves credit positive: Moody's

India's federal budget represents a strong intention to renew fiscal discipline, which coupled with a fuel price increase announced on the same day are positive for its sovereign rating, Moody's Investor's Service said. Finance Minister Pranab Mukherjee trimmed some of last year's heavy economic stimulus and said the government plans to cut the fiscal deficit to 5.5 percent of the GDP from 6.9 percent this year.

Moody's rates India's local currency sovereign rating as Ba2 and assigned a positive outlook in December 2009. "Alongside a rebounding economy, a well-calibrated exit

strategy from its stimulus measures if complemented by medium-term fiscal consolidation ... will facilitate a reasonably rapid rate of debt reduction to 70 percent of GDP in 2-3 years, down from the current 78 percent," said Aninda Mitra, vice-president- senior analyst at Moody's.

<http://economictimes.indiatimes.com/news/economy/indicators/India-budget-moves-credit-positive-Moodys/articleshow/5632509.cms>

PE, M&A activity revives with economic outlook

After struggling all through 2009, private equity (PE) deal flow has revived.

With economic outlook on Indian as well global markets being positive, PE funds are closing deals more speedily than last year. The merger and acquisition (M&A) activity has shown similar momentum, with domestic deals ruling the charts.

PE funds closed 29 deals in January 2010 compared to only 16 during the same period last year. The value of such deals saw a significant jump of 303 per cent, from \$309 million (Rs 1,425 crore) in January 2009 to \$1,246 million (Rs 5,750 crore) this year.

"The activity has picked up in the last few months. We have been getting a lot of enquiries, both on M&As and PE investments. The markets have stabilised and there is more certainty about growth now as compared to last year. Though valuations remain a concern, the intermittent correction has given PE funds an opportunity to announce deal closures," said Kuldeep Tikkha, partner, transaction advisory services, Ernst & Young.

<http://www.business-standard.com/india/news/pe-ma-activity-reviveseconomic-outlook/386733/>

Overseas Investment

FII's put in record money in equity mkt

Foreign institutional investors (FIIs) made a record investment in the Indian equity market in 2009, surpassing the 2007 inflows, says Economic Survey 2009-10. Even assets under management of the mutual funds industry touched a record high, indicating revival of investor interest in the financial markets.

Net FII investment in the equity market was at Rs 83,424 crore in 2009, compared to net inflow of Rs 71,486 crore in 2007 and net outflow of Rs 52,987 crore in 2008, the Survey says. Even the number of FII's registration was the highest at 1,706, compared to 1,594 in 2008. However, net FII investment in the debt market declined to Rs 4,563 crore, from Rs 11,772 crore in 2008.

Record inflow in the equity market also has had an impact on the stock market with the NSE Nifty index rising by 76 per cent during the year, compared to fall of 52 per cent in 2008, the Survey says. Overall market capitalisation of stocks in 2009 at Rs 33,14,447 crore could not touch the peak of Rs 35,22,527 crore in 2007.

In the mutual funds industry, assets under management at Rs 6,65,146 crore surpassed the high of Rs 5,49,936 crore in 2007. Assets under management in 2008 were at Rs 4,13,365 crore. The share of income and debt oriented schemes was 54.2 per cent (47.7 per cent in 2008), for equity schemes it was 26.3 per cent (23.9 per cent).

<http://www.business-standard.com/india/news/fiis-put-in-record-money-in-equity-mkt/386885/>

Soma Highways' FDI proposal among 12 cleared

The Government cleared 12 FDI proposals worth over Rs 1,000 crore, including that of Soma Highways (Toll) Projects and Walt Disney.

“Based on the recommendations of Foreign Investment Promotion Board (FIPB), the Government has approved 12 proposals of FDI amounting to Rs 1,045.61 crore,” an official statement said.

Soma Highways (Toll) Projects' proposal for induction of foreign investment entails FDI of Rs 360 crore, while Max India's application envisages an inflow of Rs 529 crore.

The Government has also cleared Mothercare UK Ltd's plans in the area of single brand retail (Rs 25.8 crore). Walt Disney Company's plans for printing and publication of the Indian edition of Art Attack, a speciality magazine on art and craft for children, too has been cleared.

In addition, a proposal of Bharat Oman Refineries Ltd has been referred to the Cabinet Committee on Economic Affairs, the statement said.

<http://www.blonnet.com/2010/02/23/stories/2010022353011900.htm>

Trade News

India is top export market for Dubai for second year

India has topped the list of export markets for Dubai for the second consecutive year with a share of 40.6 per cent at 21.3 billion dirhams (Rs 268.348 billion).

Switzerland comes next as Dubai's second largest export market with a share of 16.6 per cent at 8.7 billion dirhams (Rs 109.6 billion). Saudi Arabia is third, followed by Pakistan and Iran.

Among the most significant goods and products Dubai exports to the aforementioned countries is gold, which again finds the largest market in India.

Dubai's exports of scraps and metals to India value 693.371 million dirhams (Rs 8.32 billion). The Emirate's non-oil direct exports grew at an average rate of 23 per cent in 2009 compared with 2008.

The value of exported goods through all Dubai Customs entries amounted to 52.4 billion dirhams (Rs 629 billion) in 2009 against 42.6 billion dirhams in 2008 (Rs 511.2 billion), while growth rate over the past five years reached 47 per cent.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/India-is-top-export-market-for-Dubai-for-second-year/articleshow/5611098.cms>

Africa-India economic mission

Brussels-based international organisation EMRC, in partnership with the International Crops Research Institute for the Semi-Arid Tropics (Icrisat) and the Confederation of Indian Industry, will have its first agricultural economic mission to Hyderabad from February 28 to March 5, 2010.

The mission, comprising 35 delegates from different regions of Africa, is interested in India's high-end agricultural technology and will visit Icrisat on March 2, an Icrisat release said.

<http://www.business-standard.com/india/news/africa-india-economic-mission/386814/>

Sectoral News

Mega Deals: \$1 billion outsourcing contracts may come to India

Large outsourcing contracts worth up to \$1 billion look set for a comeback this year, as companies from segments like retail, banking, telecom and utilities, apart from government bodies, seek to cope with renewed demand for their services and also lower their operational expenses.

Outsourcing experts and industry officials told that auto customers too are looking to award large contracts for managing their business and IT systems this year. British Petroleum's IT contract worth \$1.5 billion awarded to Indian vendors TCS, Infosys and Wipro early this year was one such mega deal.

There are several such projects lined up in the country's power sector as well, said Everest Group country head Gaurav Gupta. "Governments in the US and other western markets tend to account for a big chunk of mega deals, but Indian companies are not strong contenders," he said, adding that large deals for Indian companies are typically in the range of \$50-100 million, though some Indian IT services vendors currently have some mega outsourcing contracts in the pipeline.

Meanwhile, the US has seen its share of total contracts awarded steadily decline over the past five years. Europe is seen as the big gainer as the UK, France, Netherlands and Switzerland have brought the overall European tally to reasonable levels. Experts say the resurgence of mega deals may throw open more job opportunities in the sector. "Deal pipeline has picked up and 2010 is certainly a strong year compared with 2009," said Sid Pai, managing director, global sourcing advisory firm TPI.

The latest TPI Index shows that almost \$25 billion worth outsourcing contracts were awarded in the fourth quarter of 2009, up 47% over the third quarter. Each of these three large industry verticals, including financial services, manufacturing and telecom, saw sequential growth of 33%, 76% and 24%, respectively, in the second half of the previous year. In 2009, almost 70% of all broader market contracts were valued at under \$100 million in total contract value worldwide.

<http://economictimes.indiatimes.com/infotech/ites/Mega-Deals-1-billion-outsourcing-contracts-may-come-to-India/articleshow/5605000.cms>

Mobile internet usage on a roll in India

The number of users who surf the internet on personal computers (desktops and laptops) may not have grown as fast as the industry expected it to. Innovative data plans offered by telecom operators, and reduction in prices of internet-enabled handsets are expected to make up for the gap with an increasing number of users surfing the net on their handsets.

The number of people hooked on to mobile internet in India, according to Google, now has more than doubled, from about 8-10 million in the beginning of the year 2009. The company says March-April last year was the inflation point in terms of traffic to Google Mobile, when it saw a four-fold increase in Google searches on mobiles.

“The year 2009 was big for us. We used to think that India is basically low-end mobile market with users having no appetite for data consumption over mobile. But towards the February and March timeframe in 2009, we started seeing a sudden spike in traffic in mobile Internet space. We analysed the data only to find that this is the real growth and the industry is growing,” says Alok Goel, product manager, Mobile, Google India.

This, despite the fact that the Internet & Mobile Association of India (IAMAI) had recently estimated the number of mobile internet users to be around 2 million. Industry experts reason that there are a little over 500 million mobile phone subscribers in India and with the prices of internet-enabled handsets falling, the number of people who surf the internet on their mobiles presently hovers around the 10 million mark.

<http://www.business-standard.com/india/news/mobile-internet-usage-onroll-in-india/386465/>

Spices exports increase 18% in Jan

Increase in export of chilli, cardamom and ginger has helped the spices sector record an impressive 18% rise in exports in value terms for January 2010, as compared to the same month of last year.

According to Spices Board data, exports registered an increase of 25 % in dollar terms in January.

In January 2010, around 34,436 tonne of spices valued at Rs 430.00 crore (\$93.57 million) was exported as against 30,870 tonne valued at Rs 365.43 crore (\$74.83 million) in January 2009.

Exports of cardamom, chilli, garlic, nutmeg and mace, curry powder and spice oils and oleoresins rose substantially in January 2010. However, exports of major volume players like pepper, cumin and mint products continued to remain down due to economic slowdown in the developed markets.

The board had scaled down the export target for the current fiscal to 4,35,000 tonne valued at Rs 4,500.00 crore (\$ 1000.00 million) due to less demand from US and Europe.

Shortfall in the Chinese chilli crop is likely to help India improve its export performance. Indian chilli exports had fallen in the first half of the current fiscal due to the high domestic prices.

China had displaced India in the Pakistan market and in the first half of 2009-10, chilli exports to Pakistan was nil as against 22,000 tonne during the first half of 2008-09. Chilli contributed 40% volume of India's 470,520 tonne spices exports in 2008-09.

Chilli exports in January 2010 was estimated to be around 17,500 tonne valued Rs 120 crore as against 11,500 tonne valued Rs 69 crore during January 2009, which shows a 52% increase in volume.

Likewise a global shortage of cardamom has helped in increasing its export substantially.

India exported 310 tonne of cardamom (small) valued Rs 75 crore during January 2010 as against 55 tonne valued around Rs 5 crore during January 2009. Export of spice oils and oleoresins during the month has increased to 525 tonne from 450 tonne in January 2009.

Export of nutmeg during the period has increased to 3025 tonne valued Rs 83.42 crore from 1550 tonne valued Rs 43.72 crore of same period last year.

<http://www.financialexpress.com/news/spices-exports-increase-18-in-jan/584512/>

Gartner sees \$276-bn semiconductor revenue in 2010

The worldwide semiconductor revenue is projected at \$276 billion in 2010, a 19.9% increase from 2009 revenue of \$231 billion, an outlook by IT research and advisory firm Gartner Inc said.

"We have seen clear evidence that the semiconductor industry is poised for strong growth in 2010," Bryan Lewis, research vice-president at Gartner said.

<http://www.financialexpress.com/news/gartner-sees-276bn-semiconductor-revenue-in-2010/584464/>

Media, entertainment industries have much to cheer

The Union Budget 2010-11 spells good news for the media and entertainment sector. Accredited new agencies in the country have been exempted from service tax. For

investment in the digital platform for cable television and headend-in-the-sky (HITS) platform, the government has proposed a concession of 5% on customs duty, with full exemption for importing equipment by cable TV operators.

MK Anand, CEO, UTV Broadcasting said, "Channels like UTV World Movies and UTV Action, will benefit from the clarification issued in respect of custom duty on imported cinematographic films. In the past, the customs authorities had made customs duty applicable on carrier value and license fee. Now with it being clarified we can expect saving us 15-20%. However levy of service tax on intellectual property, would have some cost implications and this remains to be seen."

An analysis from tax and regulatory services firm Ernst & Young states, "Under the current income tax provisions, an ambiguity prevailed on taxability of certain types of income, including royalty and fees for technical services, where intellectual property rights/services were provided from outside India and were utilised in India. It is now sought to be clarified that value of such rights/ services shall be taxable in India so long as the services have been utilised in India, irrespective of whether the non-resident has a residence or place of business or business connection in India or has rendered services in India."

Conversion of companies into LLP (limited liability partnership) has been exempted from capital gains tax. But this may not have any significant impact as the exemption has been extended only to the small companies having turnover of less than Rs 60 lakh.

For services tax levy, the category of intellectual property rights services specifically excluded copyrights from its ambit. Now copyrights on cinematograph films and sound recordings have been brought under the service tax net.

<http://www.financialexpress.com/news/media-entertainment-industries-have-much-to-cheer/584895/>

Indian franchise industry set to touch \$14 billion

The Indian franchise industry, currently pegged at \$8 billion, is bound to reach \$14 billion by 2013 on the back of emergence of low-cost franchises, according to Ritu Marya, director of Franchise India Holding Limited.

"In the recent times, there has been an increasing acceptance of the franchise model as a key concept for growth in most of the industries and this trend will continue," she told mediapersons here on Thursday, adding there are currently about 150,000 registered franchisees (excluding dealers, distributors and agencies) in India.

<http://www.business-standard.com/india/news/indian-franchise-industry-set-to-touch-14-billion/386817/>

India to receive up to 5.5 mn tourists in 2010

India hopes to receive up to 5.5 million tourists in 2010, the highest number in any single year. However, tour operators and hoteliers are ruing the missed chance of marketing the

first Commonwealth Games in India. They complained that this number could have been higher, with the Games coming up in October.

“How often does a country get to host an event of this scale? Commonwealth Games have not been publicised well abroad. Beijing had started the publicity of the 2008 Olympics Games in 2001. We have started marketing the event only now,” said Vijay Thakur, president of the Indian Association of Tour Operators.

Foreign tourist arrivals rose to 491,000 in January, compared to 422,000 in the year-ago period, and part of this growth is because of a recovery in global economy. Last year, tourist arrivals in India were pretty badly hurt because of the global slowdown.

Industry officials expect no significant spurt due to the Games. Year-on-year growth in arrivals has been much higher in earlier years. In 2004, for example, foreign tourist arrivals were up by over 700,000 to touch 3.46 million.

This year, the arrivals are likely to increase by just about 200,000, based on conservative estimates, and 400,000 based on optimistic projections.

“This year should be much better than the last two years. The positive thing is that conversions (inquires to actual bookings) have improved and people are booking six months in advance, which is a new trend,” added Thakur.

<http://www.business-standard.com/india/news/india-to-receiveto-55-mn-tourists-in-2010/386554/>

News Round-Up

India to grow fastest at 8.5% in 2013-14-Economic Survey 2009-10

A positive outlook has overtaken the pessimism of last year, with the government now expecting a double-digit growth in Gross Domestic Product (GDP) within the next four years. The Economic Survey 2009-10 sees India growing the fastest by 2013-14, provided it is able to overcome infrastructure and bureaucratic constraints.

It has predicted 8.5 per cent growth for 2010-11 and 9 per cent for 2011-12. With this confidence, the Survey also sees a “scope for a gradual rollback” of stimulus measures. “The broad-based nature of the recovery creates scope for a gradual rollback, in due course, of some of the measures undertaken over the last 15-18 months, as part of the policy response to the global slowdown, so as to put the economy back on to the growth path of 9 per cent per annum,” it says.

The optimism for next year comes from a revival in exports, manufacturing, infrastructure and investment and private consumption demand along with a favourable capital market.

The Survey notes with concern that for the emerging economies, which are already on the path to recovery, there are challenges emanating from increased capital flows with ramifications for monetary growth, inflation and exchange rate uncertainty, along with policy implications for the capital account.

It says the real turnaround in the domestic economy came in the second quarter of 2009-10, when the economy grew by 7.9 per cent. The recovery came despite a 0.2 per cent decline in agricultural output since manufacturing growth more than doubled to 8.9 per cent in 2009-10 from 3.2 per cent in 2008-09. Besides, there has been a recovery in the growth rate of gross fixed capital formation, which had declined significantly in 2008-09.

<http://www.business-standard.com/india/news/india-to-grow-fastest-at-85-in-2013-14/386904/>

'India better placed to win in global market place'

India is well-placed to take advantage of global economic condition as competition has weakened in the global market place, according to French economist Jean-Paul Betbeze, chief economist of Credit Agricole Group and member of French PM's economic advisory council.

Mr Betbeze said: "You merely have slowing down here. As a consequence, you have every possibility of benefiting from the situation because of (contraction in) the US and Europe. The lesson for India is that please take advantage of the situation. You benefit the most when competition is weak. But do that without forgetting about the risks. If you take advantage of this situation, you can grow more efficiently than before."

Commenting on the recent debate on capital controls, Mr Betbeze said: "It is better to have capital flows than outflows." But if inflows are too much and for speculation then it is another issue. Inflows to buy companies that are long-term in nature are good, but not good for short-term and here there could be some ceilings, he added. "But you cannot be selective between short-term and long-term. Be happy with 7% growth. Take advantage of this bonanza," he concluded.

Explaining the genesis of the global financial crisis, Mr Betbeze said the crisis was largely an outcome of overconfidence among investors. Against the backdrop of this confidence, "regulators often do not warn the investor and then one tends to overestimate the risks till the risks materialise," he said.

<http://economictimes.indiatimes.com/Indicators/India-better-placed-to-win-in-global-market-place/articleshow/5613688.cms>

India Inc on cusp of new investment cycle

India's economy may be entering a new investment cycle going by expansion plans across industry sectors, a move that could create more jobs, boost demand for machinery and supporting infrastructure, and portend a strong pick-up in the growth momentum in the years ahead.

A raft of companies across industries such as cement, paper, tyre, paints, automobiles and consumer durables have in the past three months announced capacity expansion plans totalling around Rs 50,000 crore over the next 2-5 years, and many more are in the process of firming up plans. The sharp rebound in business activity after the 2008/09

economic slowdown has allowed manufacturing firms to revive some of their pending investments, with rising demand giving companies confidence to expand capacity afresh.

Industrial production grew 16.8% year-on-year in December, the fastest in almost two decades.

“It is just the beginning of the next round of investment. We have got indications from companies in sectors such as infrastructure, power, telecom and steel regarding their intentions to increase their capex,” says Jimmy Tata, group head and head of corporate banking at HDFC Bank.

Adds Ajay Arora, partner with Ernst & Young: “Capex build-up has definitely picked up, but companies are being a bit cautious, which may therefore result in a phased build-up of capacity across several sectors.”

<http://economictimes.indiatimes.com/News/Economy/Indicators/India-Inc-on-cusp-of-new-investment-cycle/articleshow/5613883.cms?curpg=1>