



## **Prime Minister visits U.S.**



Prime Minister, Dr. Manmohan Singh arrived in the United States on September 23, 2008. During the visit, he met with President Bush in Washington, DC on September 25. The two leaders discussed the status of the India-U.S. Civil Nuclear Initiative and a range of issues covering the India-U.S. strategic partnership. The Prime Minister appreciated President Bush's efforts to rebuild India - U.S. relations. President Bush congratulated Dr. Singh and the Indian Government for enhancing the entrepreneurial spirit. Dr. Singh also met with the U.S. Republican Vice-Presidential candidate, Sarah Palin, World Bank President, Robert Zoellick and top American CEOs, during his visit to New York. He also met leaders of several major nations at the United Nations.

## **Policy Developments**

- The Government of India in consultation with the Reserve Bank of India (RBI) has liberalized the External Commercial Borrowing (ECB) policy. It has enhanced the existing limit of \$100 million to \$500 million per year for the borrowers in the infrastructure sector under the approval route. The borrowings in excess of \$100 million should have a minimum average maturity of 7 years. [More](#)
- The Group, constituted by the Prime Minister, to look into the measures required for ensuring the growth of the Indian manufacturing sector, has submitted its final report. The report has recommended putting in place a Manufacturing Policy by the Government of India. The policy would ensure focused attention by the Government to various aspects that would enable it to

achieve the goals of manufacturing and employment generation. [More](#)

- The Government of India has approved amendments to the Agriculture Processed Food Products Export Development Authority (APEDA) Act for registration of intellectual and patent rights by APEDA. This would help APEDA in protecting farm products from patent violations. [More](#)
- RBI has decided to operationalise the Foreign Currency Exchangeable Bonds (FCEB) Scheme in order to facilitate the issue of FCEB by Indian companies. FCEB means a bond expressed in foreign currency, the principal and interest in respect of which is payable in foreign currency, issued by an Issuing Company and subscribed to by a person who is a resident outside India, in foreign currency and exchangeable into equity shares of another company (Offered Company). The FCEB may be denominated in any freely convertible foreign currency. [More](#)

## **Economic News**

- India added 9.16 million wireless subscribers in August 2008. The total number of wireless subscribers stands at 305.24 million with a tele-density of 29.83% at the end of August, 2008. The total broadband subscriber base reached 4.73 million by the end of August, 2008. [More](#)
- India's external debt was placed at \$221.3 billion at the end-June 2008 as against 220.7 billion at end-March 2008, an increase of \$0.6 billion or 0.3%. The rise in the stock of external debt was mainly due to increase in short term debt such as trade credit. [More](#)
- India's net inward Foreign Direct Investment (FDI) stood at \$12.1 billion during the first quarter of 2008-09 as compared to \$7.0 billion during the same period last year, reflecting the continuing pace of domestic expansion, positive investment climate and continuing liberalization measures to attract FDI. Net Outward FDI moderated to \$2.0 billion in first quarter of 2008-09 as compared to \$4.3 billion during the same period last year reflecting slowdown in global business activities, according to latest data released by RBI. [More](#)

- India will meet its export target of \$200 billion in 2008-09, according to a senior official of Ministry of Commerce. India's exports during April-July 2008 touched \$59.19 billion, registering a growth of 24.6% compared to the same period last year. [More](#)

- India's retail industry is set to touch revenues of \$390.68 billion by 2010 due to strong economic growth and rising level of income according to India Retail Report, 2009, compiled by research group, Images F&R Research. [More](#)

- India has retained its position as the second-most preferred global location for foreign investment in 2008 and will continue to do so till 2010, second only to China according to *World Investment Report 2008* of United Nations Conference on Trade and Development (UNCTAD). The report also mentions a survey by Japan Bank for International Cooperation (JBIC), in which Japanese transnational manufacturing companies have rated India higher than China for establishing business operations. [More](#)

- India is planning to set up an additional 60,000 MW of electricity from various hydro power projects by the end of 2025, according to Minister of State for power, Mr. Jairam Ramesh. [More](#)

### **Corporate News**

- The Export-Import Bank of the United States has provided \$548.6 million financing to Air India, formally known as National Aviation Company of India Limited for purchase of Boeing aircraft. The Export-Import Bank of the United States has identified India as a key market for its export financing. [More](#)

- PepsiCo has announced an investment of \$500 million in India over the next three years. The investment would be spread over manufacturing, market infrastructure, environment sustainability initiatives, research, new products and agriculture. [More](#)

- Essar Steel Holdings, a part of Essar Group, plans to invest \$1.6 billion over the next five years to build an integrated steel plant, with a capacity of 2.5 million tones, in Minnesota region of USA. [More](#)

- India's Reliance Industries Limited (RIL) has announced the commencement of production from its

Krishna- Godavari field. RIL plans to produce 5000 barrels of crude oil a day in the initial phase, which will later increase to a peak level of 550,000 barrels of oil equivalent per day. [More](#)

- India's Dr. Reddy's Laboratories Ltd has launched Promius Pharma, its wholly owned subsidiary in USA. The subsidiary would initially focus on the branded dermatology market. [More](#)

- Oil and Natural Gas Corporation (ONGC) plans to invest \$4.7 billion in oil and gas exploration in 2008-09. The company's overseas arm, ONGC Videsh is targeting 39.47 million tonnes of oil and oil equivalent gas from its overseas properties. [More](#)

- JPMorgan Chase and Co plans to double private equity investments in India to \$1 billion. The bank is also likely to invest \$500 million for strengthening its corporate finance and advisory operations in India. [More](#)

- Suzlon Green Power plans to invest over \$5 billion to generate 3,500 MW of renewable energy over the next five years, primarily in India and China. [More](#)

- GE Healthcare, the healthcare business of General Electric Company, is planning to invest \$200 million in India to tap the rural market for diagnostics and disease monitoring equipments. [More](#)