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Domestic Economy and Markets

‘Make in India’ Programme to promote manufacturing in the country

The “Make in India” initiative is based on four pillars, which have been identified to give boost to entrepreneurship in India, not only in manufacturing but also other sectors. The four pillars are:

(i) New Processes: ‘Make in India’ recognizes ‘ease of doing business’ as the single most important factor to promote entrepreneurship. A number of initiatives have already been undertaken to ease business environment.

(ii) New Infrastructure: Government intends to develop industrial corridors and smart cities, create world class infrastructure with state-of-the-art technology and high-speed communication. Innovation and research activities are supported through a fast paced registration system and improved infrastructure for IPR registration. The requirement of skills for industry are to be identified and accordingly development of workforce to be taken up.

(iii) New Sectors: FDI has been opened up in Defence Production, Insurance, Medical Devices, Construction and Railway infrastructure in a big way. Similarly FDI has been allowed in Insurance and Medical Devices.

(iv) New Mindset: In order to partner with industry in economic development of the country Government shall act as a facilitator and not a regulator.

Components of the initiative are equally available to all regions of the country.

The following sectors have been included in the ‘Make in India’ programme:

(i) Auto Components
(ii) Automobiles
(iii) Aviation
(iv) Biotechnology
(v) Chemicals
(vi) Construction
(vii) Defence Manufacturing
(viii) Electrical Machinery
(ix) Electronic System Design and Manufacturing
(x) Food Processing
(xi) IT and BPM
(xii) Leather
(xiii) Media and Entertainment
(xiv) Mining
(xv) Oil and Gas
(xvi) Pharmaceuticals
(xvii) Ports
(xviii) Railways
(xix) Roads and Highways
An investor facilitation cell has been created under ‘Make in India’ Programme. So far this cell has handled 7100 queries from the investor and about 250 meetings have been convened by the cell with potential investors.

Other measures taken by the Government to boost manufacturing sector in the country as follows;
1. 14 Government of India services has been integrated with online single window under e-Biz portal.
2. Creation of Investor Facilitation Cell in ‘Invest India’ to assist, guide and handhold investors during the various phases of business life cycle.
3. Information on 25 sectors has been put up on ‘Make in India`s web portal (http://www.makeinindia.com) along with details of FDI Policy, National Manufacturing Policy, Intellectual Property Rights and Delhi Mumbai Industrial Corridor and other National Industrial Corridors.
4. Ordinance has been issued to make land acquisition easier for important projects.
5. A number of items have been taken off the licensing requirement from Defence products’ list. Similarly, items of dual use have also been taken off the licensing requirement.
6. The Ministry of Labour and Employment has developed a unified Web Portal ‘Shram Suvidha’. This portal facilitates:
   a. Allotment of Unique Labour Identification Number (UN) to units;
   b. Filing of single self-certified online return for 16 labour laws;
   c. Random computerized inspections based on objective criteria;
   d. Reports to be uploaded by inspectors within 72 hours of inspection;

This information was given by the Minister of State (Independent Charge) in the Ministry of Commerce & Industry Smt. Nirmala Sitharaman in a written reply in Lok Sabha recently.
Growth in Manufacturing Sector

The Government is continuously taking measures including inter alia administrative and regulatory measures to accelerate the growth of manufacturing sector in the country.

For the creation of conducive business environment, the Government is constantly simplifying and rationalizing the processes and procedures for boosting investor sentiment, simplifying the Foreign Direct Investment (FDI) policy and correcting the inverted duty structure. Some of the recent initiatives towards this end include pruning the list of industries that can be considered as defence industries requiring industrial license, permissible extensions in the validity of industrial license up to seven years, treating partial commencement of production as commencement of production of all the items included in the license etc. The recent amendments in FDI policy include allowing FDI in Defence up to 49% and FDI in Railway infrastructure up to 100%, easing the norms for FDI in construction and exempting FDI in medical devices from sectoral restrictions of pharmaceuticals and raising permissible FDI in insurance from 26% to 49%.

Further, inter alia, the Government has launched the e-biz Mission Mode Project under the National e-Governance Plan, and 14 Central Services spanning a number of Ministries and Departments are now integrated in the e-Biz portal. Besides, the Government is implementing the Delhi Mumbai Industrial Industrial Corridor (DMIC) project. In addition, the Government has conceptualized Amritsar Kolkata Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Bengaluru Mumbai Economic Corridor and the Vizag-Chennai Industrial Corridor (as the first phase of an East Coast Economic Corridor), and setting up a National Industrial Corridor Development Authority for coordinating and overseeing progress of the various industrial corridors. The Government has launched a “Make in India” programme under which 25 thrust sectors have been identified. Information on these 25 thrust sectors has been put up on ‘Make in India’s web portal (http://www.makeinindia.com) along with details of FDI Policy, National Manufacturing Policy, Intellectual Property Rights and the envisaged National Industrial Corridors including the Delhi Mumbai Industrial Corridor (DMIC). An Investor Facilitation Cell in ‘Invest India’ has been created to assist, guide and handhold investors during the various phases of business life cycle under the Make in India initiative with provision of back end support up to the State level.

The Government has set up a separate Ministry of Skill Development and Entrepreneurship for providing the necessary thrust for skill development. There are over 20 Central Ministries/Departments involved in implementation of more than 70 schemes for various skill development/entrepreneurship programmes, and a number of these schemes are implemented through Public Private Partnership providing training and other infrastructural facilities. The recent amendments to the Apprenticeship Act 1961 also facilitate the private industry’s ability to take on apprentices.

Ministry of Textiles has taken steps to address the plight of the jute industry. Some of the important measures undertaken include compulsory packaging of certain essential commodities under the Jute Packaging Material (Compulsory use in packaging commodities) Act 1987, and the Technology Upgradation Fund Scheme for modernization/technology upgradation of textile industry which includes jute industry. Besides, the National Jute Board (NJB) runs various schemes for the promotion and development of various linkages of the Jute Value Chain.

This information was given by the Minister of State (Independent Charge) in the Ministry of Commerce & Industry Smt. Nirmala Sitharaman in a written reply in Lok Sabha on March 20.
India's Foreign Trade (Merchandise)

**EXPORTS (including re-exports)**
Exports during January, 2015 were valued at US $ 23883.60 million (Rs.148617.82 crore) which was 11.19 per cent lower in Dollar terms (10.97 per cent lower in Rupee terms) than the level of US $ 26891.58 million (Rs. 166932.15 crore) during January, 2014. Cumulative value of exports for the period April-January 2014-15 was US $ 265037.38 million (Rs 1613789.24 crore) as against US $ 258721.45 million (Rs 1562119.12 crore) registering a growth of 2.44 per cent in Dollar terms and growth of 3.31 per cent in Rupee terms over the same period last year.

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**IMPORTS**
Imports during January, 2015 were valued at US $ 32205.63 million (Rs.200402.44 crore) which was 11.39 per cent lower in Dollar terms and 11.18 per cent lower in Rupee terms over the level of imports valued at US $ 36346.32 million (Rs. 225623.44 crore) in January, 2014. Cumulative value of imports for the period April-January 2014-15 was US $ 383411.33 million (Rs 2334685.06 crore) as against US $ 375253.67 million (Rs 2253984.83 crore) registering a growth of 2.17 per cent in Dollar terms and growth of 3.58 per cent in Rupee terms over the same period last year.

**CRUDE OIL AND NON-OIL IMPORTS:**
Oil imports during January, 2015 were valued at US $ 8247.65 million which was 37.46 per cent lower than oil imports valued at US $ 13187.76 million in the corresponding period last year. Oil imports during April-January, 2014-15 were valued at US $ 124747.13 million which was 7.87 per cent lower than the oil imports of US $ 135396.32 million in the corresponding period last year.

Non-oil imports during January, 2015 were estimated at US $ 23957.98 million which was 3.45 per cent higher than non-oil imports of US $ 23158.56 million in January, 2014. Non-oil imports during April-January, 2014-15 were valued at US $ 258664.20 million which was 7.84 per cent higher than the level of such imports valued at US $ 239857.35 million in April-January, 2013-14.

**TRADE BALANCE**
The trade deficit for April-January, 2014-15 was estimated at US $ 118373.95 million which was higher than the deficit of US $ 116532.22 million during April-January, 2013-14.

**INDIA’S FOREIGN TRADE (SERVICES): DECEMBER, 2014**
(As per the RBI Press Release dated 13th February, 2015)

**A. EXPORTS (Receipts)**
Exports during December, 2014 were valued at US $ 14303 Million (Rs. 89755.62 Crore).

**B. IMPORTS (Payments)**
Imports during December, 2014 were valued at US $ 7240 Million (Rs. 45433.17 Crore).

**C. TRADE BALANCE**
The trade balance in Services (i.e. net exports of Services) for December, 2014 was estimated at US $ 7063 Million.
## EXPORTS & IMPORTS (MERCHANDISE): (US $ Million)

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## EXPORTS & IMPORTS (MERCHANDISE): (Rs. Crore)

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Source: RBI Press Release dated 13th March 2015
Agriculture

Minister underlines the important Role of Krishi Vigyan Kendra as Catalyst of Agriculture Growth

Union Agriculture Minister Shri Radha Mohan Singh, underlined the important role of Krishi Vigyan Kendra as catalyst of agriculture growth as he emphasized this during the inter-session meeting of the consultative committee of Ministry of Agriculture in Krishi Vigyan Kendra, in Shikohpur, Gurgaon today.

Chairing the meeting of the consultative committee of Parliamentarians of the Ministry of Agriculture, Shri Radha Mohan Singh, informed that this is the first time that a consultative committee meeting of Ministry of Agriculture is organized in KVK (Krishi Vigyan Kendra).

Sh. Singh said that organizing such an important programme in Shikohpur away from the headquarters of Ministry of Agriculture in KVK village will go a long way in bringing about awareness about “Lab to land”.

Sh. Singh emphasized about the role of front-line extension system and said that it has evolved with the growth of ICAR Institutes and Agricultural Universities in the country. The basic objective of Frontline extension system is to conduct extension research, develop methodology, demonstrate latest technologies, provide feedback to scientists and provide capacity building support to the main extension system i.e. field extension system of the State Development Departments, he said.

Present on the occasion were Dr. Sanjeev Kumar Balyan and Parliamentarians who attended this meeting included Shri. B.N. Chandrappa, Shri.G.Hari, Shri M.B. Rajesh, Shri Manshankar Ninama, Shri Kunwar Pushpendra Singh Chandel, Shri Rajeshbhai Naranbhai Chudasama, Shri Rajveer (Raju Bhaiya) Singh, Shri Rodmal Nagar, Shri Sanjay Shamrao Dhotre, Km. Shobha Karandlaje, Shri Sumedhanand Saraswati, Dr. Tapas Mandal, Shri K.R. Arjunan, Shri Shankarbhai N. Vegad and Shri K. Rahman Khan. Also present were Secretary, DARE, Dr. S. Ayyapan. Dr. Ayyapan mentioned that KVKs have played an important role in empowering the farmers showcasing the frontier technologies, capacity development of farmers and extension workers, front runner in technology application making available critical technological information and inputs.

Sh. Singh urged agricultural scientists for voluntarily adopt one village and make regular visits for updating the knowledge of the farmers and exemplify Mera Gaon Mera Gaurav. He also mentioned KVKs system needs to be strengthened with basic amenities, laboratories and additional scientific manpower. It is the right platform to discuss the issues of KVKs and to reorient the strategies for effective functioning of KVKs for fulfilling its expanding mandate, he said.

Participating in the discussion, MP, Shri. Rodmal Nagar suggested strengthening institutional mechanism for coordination between Agriculture Technology Management Agency (ATMA) officers and Krishi Vigyan Kendra. MP Sh. Sumedhanand Saraswati suggested the Government may look into extending the role of KVKs for organic farming. MP, Sh. M.B. Rajesh suggested on strengthening KVKs and organizing knowledge seminars for interaction with farmers. He said, organizing such educational awareness programme will help in creating awareness about various aspects related to Agriculture.

He suggested KVKs may encourage Agricultural clubs which will see participation of students from various school and colleges for creating awarness. Shri Singh expressed that seminars be organized twice a year in KVKs in MPs presence. To improve productivity levels of various crops, the Government is giving priority to save our natural resources like soil and water and Pradhan Mantri Krishi Sinchayee Yojana to improve soil health and achieve more crop production per drop of water. MP Dr. Tapas Mandal spoke about uniform guidelines/system in running of KVKs. MP Shri Manashankar Ninama spoke about the role of KVK in the area of organic farming and Vermi-Compost.

Shri Radha Mohan Singh, thanked all the members for the valuable suggestions.
A Detailed Demand Supply Framework is of Paramount Importance for Meat Markets

South Asia Pro Poor Livestock Policy Programme (SAPPLPP) in collaboration with the Department of Animal Husbandry, Dairying and Fisheries (DAFD), Ministry of Agriculture, Government of India, organised a ‘National Workshop on Strengthening Small Ruminant Based Livelihoods’ from January 16-17, 2015 in New Delhi.

The inaugural session was graced by Shri Anup Kumar Thakur, Secretary, DADF, Mr T. Nandkumar, Chairman, National Dairy Development Board (NDDB), Mr Sanjay Bhosreddy, Joint Secretary (Administration and National Livestock Mission), DADF, Mr R S Rana, Joint Secretary, Livestock Health, DADF, Dr. Suresh S. Honnappagol, Animal Husbandry Commissioner and Dr. Kevin Gallagher, FAO Representative, Food and Agriculture Organisation of the UN.

During the function, Mr T. Nandkumar in his keynote address stressed the need to have a link between farmers and Government organizations. Shri Anup Kumar Thankur, Secretary, DADF expressed his delight to see women community health workers, participate and share their experience, during the function. He emphasized that full potential of this function must be harnessed to draw a detailed demand supply framework, especially for meat markets, so that farmers get good remuneration and goat rearing emerges as a sustainable livelihood source for poor and marginal farmers.

The workshop was followed by a group discussion by a smaller working group with the aim to distil the lessons and recommendations emerging from presentations and deliberations in the workshop. Some of the recommendations, on strengthening goat and sheep based livelihoods in the country, which have emerged from this two days function are:-

1. Under Mahila Kishan Sashaktikaran Pariyojana (MKSP) of the National Rural Livelihood Mission (NRLM) NGOs work closely with the Government and can submit proposals. Taking this as an analogy and precedence a window may be created under National Livestock Mission (NLM) enabling NGOs to take more interest and submit proposals to the State Government is consultation with district level officials.
2. NGOs are interested in building capacities in the Panchayat Raj Institutions (PRIs) so as to develop proposal for improvement of productivity of different kinds of common lands since this is a very desirable activity for augmenting nutritional inputs for small ruminants. Similarly developing water bodies in common lands along migratory route of shepherds is another necessity. It will be helpful that desirability of Involving local NGOs by the PRIs for this purpose is highlighted in the guidelines for NLM.
3. A standardized training curriculum for Community Animal Health Workers (CAHWS), clearly defining the kind of livestock to be dealt with by them may be developed under the Sub-Mission on Skill Development, Technology Transfer and Extension. This may be further followed up by preparation of occupational standards for CAHWS as well as specifications on quality and performance of services provided.
4. Separate guidelines for sheep and goat development are necessary since sheep rearing is generally a primary vocation of the rearers while goat rearing is a supplementary activity.
5. Design of breed improvement programme and breeding goats may be decided in consultation with livestock keepers. Community led breed improvement programmes must focus on formation of Breeder’s Association for conservation of indigenous breeds and their genetic improvement through selection.
6. There is need for creation of a mechanism for inter-ministerial coordination of land use planning and policy making with respect to common land, wasteland and grazing areas. Involved Departments may be Animal Husbandry, Forest, Rural Development, Agriculture & Cooperation, Water Resources etc.

7. Five Regional Workshops will follow this National Workshop.

8. Use of ICT based tool for migratory shepherds may be encouraged and facilitated to enable them seek assistance on livestock health and production and obtain advice and information on related matters.

9. Concerted efforts may be made to tap funds available under Corporate Social Responsibility (CSR) for use in animal husbandry projects.

10. Animal shelters to be designed in accordance with the local agro-climatic conditions.

11. For last mile delivery of health care the role of women community health workers is critical and requires sustained support in capacity building. Scope of their services needs to be clearly defined and demarcated. They are to be made accountable to the service recipient’s anchored within community institutions and also have linkage with local veterinary institutions.

12. Inclusion of community based livestock insurance within the framework of NLM was strongly recommended as a strategy for risk reduction is small livestock holdings.

13. Development of infrastructure of livestock markets as well as a conducive policy environment for livestock trading may be considered as priority areas for investment by the Government.

14. Significant investment on development of social and human capital over a sustained period of time would be necessary for the community based model to accrue sustainability.
Inflation

The annual rate of inflation, based on monthly WPI, stood at -2.06% (provisional) for the month of February, 2015 (over February, 2014) as compared to -0.39% (provisional) for the previous month and 5.03% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was -2.50% compared to a build up rate of 5.53% in the corresponding period of the previous year.

Inflation for important commodities / commodity groups is indicated in Annex-1 and Annex-II.

The movement of the index for the various commodity groups is summarized below:-

PRIMARY ARTICLES (Weight 20.12%)
The index for this major group declined by 1.9 percent to 241.9 (provisional) from 246.6 (provisional) for the previous month. The groups and items which showed variations during the month are as follows:-

The index for ‘Food Articles’ group declined by 0.8 percent to 250.5 (provisional) from 252.4 (provisional) for the previous month due to lower price of egg (8%), fruits & vegetables and tea (5% each), moong (3%), ragi (2%) and coffee, pork, beef & buffalo meat and barley (1% each). However, the price of mutton and fish-inland (5% each), arhar (4%), poultry chicken and fish-marine (2% each) and gram, condiments & spices, masur, jowar and maize (1% each) moved up.

The index for ‘Non-Food Articles’ group declined by 0.8 percent to 206.0 (provisional) from 207.6 (provisional) for the previous month due to lower price of guar seed (14%), castor seed (10%), raw cotton (5%), fodder (4%), gingelly seed (3%) and cotton seed, soyabean and copra (coconut) (2% each). However, the price of flowers (10%), niger seed, groundnut seed and raw silk (4% each), raw jute (3%), raw rubber and sunflower (2% each) and linseed (1%) moved up.

The index for ‘Minerals’ group declined by 13.1 percent to 261.7 (provisional) from 301.1 (provisional) for the previous month due to lower price of zinc concentrate (30%), crude petroleum (28%), barytes and copper ore (6% each) and chromite (1%). However, the price of magnesite and iron ore (6% each), steatite (2%) and sillimanite and phosphorite (1% each) moved up.

FUEL & POWER (Weight 14.91%)
The index for this major group declined by 4.4 percent to 181.3 (provisional) from 189.7 (provisional) for the previous month due to lower price of furnace oil (14%), aviation turbine fuel and bitumen (13% each), high speed diesel (6%), petrol (5%), kerosene (4%) and LPG (3%).

MANUFACTURED PRODUCTS (WEIGHT 64.97%)
The index for this major group declined by 0.3 percent to 154.1 (provisional) from 154.5 (provisional) for the previous month. The groups and items for which the index showed variations during the month are as follows:-

The index for ‘Food Products’ group declined by 0.5 percent to 170.7 (provisional) from 171.6 (provisional) for the previous month due to lower price of tea dust (blended) (5%), tea leaf (unblended), gingelly oil, bakery products and powder milk (3% each), sugar, rice bran oil and gur (2% each) and canned fish, tea leaf (blended), sooji (rawa), mustard & rapeseed oil, wheat flour (atta) and soyabean oil (1% each). However, the price of copra oil and tea dust (unblended) (4% each), ghee and coffee powder (3% each), oil cakes and groundnut oil (2% each) and gola (cattle feed) and cotton seed oil
This press release is embargoed against publication, telecast or circulation in any media till 12:00 noon today i.e.16th March, 2015 The index for ‘Beverages, Tobacco & Tobacco Products’ group declined by 0.1 percent to 201.9 (provisional) from 202.0 (provisional) for the previous month due to lower price of rectified spirit and cigarette (1% each). However, the price of bidi and beer (1% each) moved up.

The index for ‘Textiles’ group declined by 0.2 percent to 140.2 (provisional) from 140.5 (provisional) for the previous month due to lower price of tyre cord fabric (5%) and cotton fabric, man made fabric, man made fibre and woollen textiles (1% each). However, the price of jute sacking bag (3%), jute sacking cloth and gunny and hessian cloth (2% each) and jute yarn and cotton yarn (1% each) moved up. The index for ‘Wood & Wood Products’ group declined by 0.1 percent to 189.1 (provisional) from 189.3 (provisional) for the previous month due to lower price of veneered particle board (3%) and veneer wood (1%). However, the price of wooden chair (1%) moved up.

The index for ‘Paper & Paper Products’ group rose by 0.1 percent to 151.5 (provisional) from 151.4 (provisional) for the previous month due to higher price of paper cartons/boxes (2%) and books/periodicals/journals, paper for printing/poster and paper rolls (1% each). However, the price of laminated paper (8%) and newsprint (1%) declined.

The index for ‘Leather & Leather Products’ group declined by 0.4 percent to 143.2 (provisional) from 143.8 (provisional) for the previous month due to lower price of leather footwear (1%). However, the price of leathers (1% each) moved up. The index for ‘Rubber & Plastic Products’ group declined by 0.7 percent to 148.4 (provisional) from 148.4 (provisional) for the previous month due to lower price of tubes (3%) and plastic products and rubber products (1% each). The index for ‘Chemicals & Chemical Products’ group declined by 1.0 percent to 150.4 (provisional) from 151.9 (provisional) for the previous month due to lower price of non-cyclic compound and organic manure (8% each), hair/body oils, basic organic chemicals and dye & dye intermediates (2% each) and synthetic resin, turpentine oil, pesticides, washing powder and adhesive & gum (1% each). However, the price of rubber chemicals, safety matches/match box and ammonium sulphate (1% each) moved up.

The index for ‘Non-Metallic Mineral Products’ group rose by 2.2 percent to 176.7 (provisional) from 172.9 (provisional) for the previous month due to higher price of bricks & tiles (5%), grey cement (3%), marbles (2%) and slag cement (1%). The index for ‘Basic Metals, Alloys & Metal Products’ group declined by 0.7 percent to 163.6 (provisional) from 164.7 (provisional) for the previous month due to lower price of iron castings (4%), gp/gc sheets, sponge iron, angles, HRC, wire rods and plates (2% each) and sheets, rounds, pencil ingots, pig iron, billets, iron & steel wire, melting scrap, ferro chrome, rebars, aluminium, ferro manganese, steel and joist & beams (1% each). However, the price of silver and gold & gold ornaments (2% each) and pipes/tubes/rods/stripes, nuts/bolts/screw/ washers, ferro silicon and brass (1% each) moved up.

The index for ‘Machinery & Machine Tools’ group rose by 0.1 percent to 135.3 (provisional) from 135.2 (provisional) for the previous month due to higher price of chemical plant equipments (2%) and electrical pumps, ball/roller bearing, electric switch gears, engines, communication equipments, t.v.sets, pump & assembly and fluorescent tubes (1% each). The index for ‘Transport, Equipment & Parts’ group rose by 0.2 percent to 137.0 (provisional) from 136.7 (provisional) for the previous month due to higher price of auto rickshaw/tempo/matador, railway axle & wheel and parts of ships/boats etc. (1% each). However, the price of railway brake gear (2%) declined.

**FINAL INDEX FOR THE MONTH OF DECEMBER, 2014 (BASE YEAR: 2004-05=100)**

For the month of December, 2014, the final Wholesale Price Index for All Commodities (Base: 2004-05=100) stood at 178.7 as compared to 179.8 (provisional) and annual rate of inflation based on final index stood at -0.50 percent as compared to 0.11 percent respectively as reported on 14.01.2015.
### Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)

#### Month of February, 2015

<table>
<thead>
<tr>
<th>Commodities/Major Groups/Groups/Sub-Groups</th>
<th>Weight</th>
<th>WPI Feb, 2015</th>
<th>Latest month over month</th>
<th>Build up from March</th>
<th>Year on year</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL COMMODITIES</td>
<td>100.000</td>
<td>175.8</td>
<td>0.28</td>
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<td>PRIMARY ARTICLES</td>
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<td>Rice</td>
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<td>0.46</td>
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<tr>
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<td>Pulses</td>
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<td>Potato</td>
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<td>-18.54</td>
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<td>-0.06</td>
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<tr>
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<td>0.09</td>
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<tr>
<td>Liquefied petroleum gas</td>
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<td>Petrol</td>
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</tr>
<tr>
<td>High speed diesel</td>
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<tr>
<td>MANUFACTURED PRODUCTS</td>
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<td>0.46</td>
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<td>Food Products</td>
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<td>1.75</td>
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<tr>
<td>Sugar</td>
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<td>-5.21</td>
</tr>
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<td>Edible Oils</td>
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<td>0.07</td>
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<td>Beverages, Tobacco &amp; Tobacco Product</td>
<td>1.76247</td>
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<td>-0.05</td>
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<td>Cotton Textiles</td>
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<td>Man Made Textiles</td>
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<td>0.22</td>
<td>2.72</td>
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</table>
## Recent Trends in Indian Economy

### Trend of Rate of Inflation for some important items during last six months

<table>
<thead>
<tr>
<th>Commodities/Major Groups/Groups/Sub-Groups</th>
<th>Weight (%)</th>
<th>Rate of Inflation for the last six months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March-15</td>
<td>Jan-15</td>
</tr>
<tr>
<td>ALL COMMODITIES</td>
<td>100.00</td>
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</tr>
<tr>
<td>PRIMARY ARTICLES</td>
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</tr>
<tr>
<td>Food Articles</td>
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</tr>
<tr>
<td>Cereals</td>
<td>3.37</td>
<td>1.39</td>
</tr>
<tr>
<td>Rice</td>
<td>1.79</td>
<td>3.80</td>
</tr>
<tr>
<td>Wheat</td>
<td>1.12</td>
<td>-2.40</td>
</tr>
<tr>
<td>Pulses</td>
<td>0.72</td>
<td>14.59</td>
</tr>
<tr>
<td>Potato</td>
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<td>-3.56</td>
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<tr>
<td>Onion</td>
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<td>26.58</td>
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<tr>
<td>Fruits</td>
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<td>16.84</td>
</tr>
<tr>
<td>Egg, Meat &amp; Fish</td>
<td>2.41</td>
<td>1.27</td>
</tr>
<tr>
<td>Non-Food Articles</td>
<td>4.26</td>
<td>-5.55</td>
</tr>
<tr>
<td>Oil Seeds</td>
<td>1.78</td>
<td>0.05</td>
</tr>
<tr>
<td>Minerals</td>
<td>1.52</td>
<td>-25.57</td>
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<tr>
<td>FUEL &amp; POWER</td>
<td>14.91</td>
<td>-14.72</td>
</tr>
<tr>
<td>Liquefied petroleum gas</td>
<td>0.91</td>
<td>-8.86</td>
</tr>
<tr>
<td>Petrol</td>
<td>1.09</td>
<td>-21.35</td>
</tr>
<tr>
<td>High speed diesel</td>
<td>4.67</td>
<td>-16.62</td>
</tr>
<tr>
<td>MANUFACTURED PRODUCTS</td>
<td>64.97</td>
<td>0.33</td>
</tr>
<tr>
<td>Food Products</td>
<td>9.97</td>
<td>1.31</td>
</tr>
<tr>
<td>Sugar</td>
<td>1.74</td>
<td>-1.98</td>
</tr>
<tr>
<td>Edible Oils</td>
<td>3.04</td>
<td>-0.75</td>
</tr>
<tr>
<td>Beverages, Tobacco &amp; Tobacco Product</td>
<td>1.76</td>
<td>3.64</td>
</tr>
<tr>
<td>Cotton Textiles</td>
<td>2.61</td>
<td>-2.59</td>
</tr>
<tr>
<td>Man Made Textiles</td>
<td>2.21</td>
<td>-1.93</td>
</tr>
<tr>
<td>Wood &amp; Wood Products</td>
<td>0.59</td>
<td>2.77</td>
</tr>
<tr>
<td>Paper &amp; Paper Products</td>
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<tr>
<td>Leather &amp; Leather Products</td>
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<tr>
<td>Rubber &amp; Plastic Products</td>
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</tr>
<tr>
<td>Chemicals &amp; Chemical Products</td>
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<td>Non-Metallic Mineral Products</td>
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<td>5.56</td>
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<tr>
<td>Cement &amp; Lime</td>
<td>1.39</td>
<td>5.44</td>
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<td>Basic Metals Alloys &amp; Metal Product</td>
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<tr>
<td>Iron &amp; Semis</td>
<td>1.56</td>
<td>-4.77</td>
</tr>
<tr>
<td>Machinery &amp; Machine Tools</td>
<td>8.93</td>
<td>1.88</td>
</tr>
<tr>
<td>Transport Equipment &amp; Parts</td>
<td>5.21</td>
<td>0.88</td>
</tr>
</tbody>
</table>
Industrial Production

India's factory output up in January

Bringing some cheer to an otherwise disturbed industry, India’s factory output in January gained momentum and rose 2.6 percent against 1.1 percent increase during the corresponding month of 2014, even as retail inflation slowed at 5.37 percent in February against 7.88 percent in the like month of last year.

Official data on Index for Industrial Production (IIP) showed that the rise in the total factory output was mainly led by a 3.3-percent expansion in manufacturing, as also 2.7 percent in electricity, even as mining activity declined 2.7 percent.

The data on Consumer Price Index (CPI), which measures retail inflation, showed a rise of 4.95 percent in the urban areas and a bit more at 5.79 percent in the rural segment, to take the combined figure to 5.37 percent in February.

The CPI was, however, marginally higher when compared to the figure of 5.19 percent for January 2015. The February food inflation stood at 6.79 percent.

As per final CPI inflation rate figures for January 2015 furnished by the Central Statistics Office (CSO), the CPI urban for January stood at 4.96 percent and rural at 5.34 percent. January food inflation stood at 6.14 percent.

Meanwhile, there was a massive increase in January 2015 IIP which was up 2.6 percent from a growth of 1.7 percent during December 2014. In November 2014, the IIP had increased by 3.8 percent, while in October it decelerated by 4.2 percent.

The cumulative growth of IIP for April-January 2014-15 stood at 2.5 percent while the figure for the corresponding period of the previous fiscal stood at 0.1 percent.

Manufacturing of basic and capital goods showed growth during the month under review. However, production of intermediate goods fell. Production of basic goods grew by 4.5 percent, while capital goods production was up 12.8 percent, though intermediate goods declined by 0.8 percent.

The production of consumer durables and consumer non-durables plunged. The production of consumer durables was down 5.3 percent, while consumer non-durables segment marginally went down by 0.1 percent in the month under review.

The overall consumer goods segment was down 1.9 percent.

Overall, 14 out of the 22 industry groups in the manufacturing sector have shown positive growth during the month under review.

Segment-wise, high positive growth was reported in boilers (20.8 percent), room air conditioners (23.4 percent), rice (25.6 percent), carbon steel (29.4 percent), cable, rubber insulated (39.5 percent), PVC pipes and tubes (41.0 percent), plastic machinery including moulding machinery (41.1 percent), gems and jewellery (44.4 percent) and stainless/alloy steel (68.5 percent).

Segment-wise, high negative growth was reported in colour TV sets (-20.6 percent), wooden furniture (-22.7 percent), generator/alternator (-23.4 percent), steel structures (-34.2 percent), computers (-39.7 percent), tractors (-40.6 percent), ship building and repairs (-42 percent) and telephone instruments, including mobile phones and accessories (-57.9 percent).
### Statement I: Index of Industrial Production - Sectoral  
(Base: 2004-05=100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Mining (141.57)</th>
<th>Manufacturing (755.27)</th>
<th>Electricity (103.16)</th>
<th>General (1000.00)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
<td>120.5</td>
<td>122.6</td>
<td>176.1</td>
<td>181.4</td>
</tr>
<tr>
<td>May</td>
<td>122.3</td>
<td>125.3</td>
<td>173.3</td>
<td>183.5</td>
</tr>
<tr>
<td>Jun</td>
<td>116.5</td>
<td>122.1</td>
<td>175.0</td>
<td>180.1</td>
</tr>
<tr>
<td>Jul</td>
<td>116.1</td>
<td>116.2</td>
<td>182.7</td>
<td>182.2</td>
</tr>
<tr>
<td>Aug</td>
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<td>115.0</td>
<td>175.4</td>
<td>173.4</td>
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<td>Sep</td>
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<td>115.3</td>
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<td>Nov</td>
<td>123.7</td>
<td>128.5</td>
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<tr>
<td>Dec</td>
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<td>133.0</td>
<td>189.0</td>
<td>196.2</td>
</tr>
<tr>
<td>Jan*</td>
<td>139.2</td>
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<td>194.1</td>
<td>200.5</td>
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<tr>
<td>Feb</td>
<td>127.5</td>
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<td>183.3</td>
<td></td>
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<tr>
<td>Mar</td>
<td>147.2</td>
<td></td>
<td>204.7</td>
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<table>
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<th>Mining (141.57)</th>
<th>Manufacturing (755.27)</th>
<th>Electricity (103.16)</th>
<th>General (1000.00)</th>
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<tr>
<td>Apr-Jan</td>
<td>122.2</td>
<td>123.8</td>
<td>179.5</td>
<td>182.6</td>
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</table>

**Growth over the corresponding period of previous year**

<table>
<thead>
<tr>
<th></th>
<th>Mining (141.57)</th>
<th>Manufacturing (755.27)</th>
<th>Electricity (103.16)</th>
<th>General (1000.00)</th>
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</thead>
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<tr>
<td>Jan</td>
<td>2.7</td>
<td>-2.8</td>
<td>0.3</td>
<td>3.3</td>
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<tr>
<td>Apr-Jan</td>
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<td>1.3</td>
<td>-0.3</td>
<td>1.7</td>
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*Indices for Jan 2015 are Quick Estimates.*

**NOTE:** Indices for the months of Oct’14 and Dec’14 incorporate updated production data.
### Statement II: Index of Industrial Production - (2-Digit Level)

(Base: 2004-05=100)

<table>
<thead>
<tr>
<th>Industry code</th>
<th>Description</th>
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<th>Index Jan'14</th>
<th>Jan'15</th>
<th>Cumulative Index Apr-Jan 2013-14</th>
<th>Cumulative Index Apr-Jan 2014-15</th>
<th>Percentage growth Jan'15</th>
<th>Percentage growth Apr-Jan 2014-15</th>
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</thead>
<tbody>
<tr>
<td>15</td>
<td>Food products and beverages</td>
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<td>236.8</td>
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<td>Wearing apparel; dressing and dyeing of fur</td>
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<tr>
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<td>Luggage, handbags, saddlery, harness &amp; footwear; tanning &amp; dressing of leather products</td>
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<td>0.6</td>
<td>-4.6</td>
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<tr>
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<td>Coke, refined petroleum products &amp; nuclear fuel</td>
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<td>153.9</td>
<td>142.5</td>
<td>144.1</td>
<td>3.2</td>
<td>1.1</td>
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<td>Chemicals and chemical products</td>
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<td>142.9</td>
<td>140.1</td>
<td>137.5</td>
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<td>-1.8</td>
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<td>187.4</td>
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<td>26</td>
<td>Other non-metallic mineral products</td>
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<td>175.1</td>
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<td>167.6</td>
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<td>Office, accounting &amp; computing machinery</td>
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<td>Electrical machinery &amp; apparatus n.e.c.</td>
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<td>505.1</td>
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<td>Radio, TV and communication equipment &amp; apparatus</td>
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<td>Medical, precision &amp; optical instruments, watches and clocks</td>
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<td>180.0</td>
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General Index: 2000 = 100, 2004-05 = 100

*Industry codes are as per National Industrial Classification 2004*
### STATEMENT III: INDEX OF INDUSTRIAL PRODUCTION - USE-BASED

(Base: 2004-05=100)

<table>
<thead>
<tr>
<th>Month</th>
<th>Basic goods (456.82)</th>
<th>Capital goods (88.25)</th>
<th>Intermediate goods (156.86)</th>
<th>Consumer goods (298.08)</th>
<th>Consumer durables (84.60)</th>
<th>Consumer non-durables (213.47)</th>
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<td>Apr</td>
<td>150.1</td>
<td>163.0</td>
<td>207.3</td>
<td>235.0</td>
<td>145.3</td>
<td>190.6</td>
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<td>May</td>
<td>155.5</td>
<td>167.1</td>
<td>218.8</td>
<td>228.0</td>
<td>150.2</td>
<td>155.5</td>
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<tr>
<td>Jun</td>
<td>148.4</td>
<td>163.5</td>
<td>219.6</td>
<td>270.7</td>
<td>147.3</td>
<td>151.2</td>
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<td>Jul</td>
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<td>162.8</td>
<td>271.3</td>
<td>263.2</td>
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<td>245.0</td>
<td>220.6</td>
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<td>151.9</td>
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<td>153.6</td>
<td>161.3</td>
<td>232.4</td>
<td>260.9</td>
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<td>Oct</td>
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<td>247.2</td>
<td>239.2</td>
<td>150.6</td>
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<td>Nov</td>
<td>153.6</td>
<td>164.5</td>
<td>235.6</td>
<td>251.2</td>
<td>144.6</td>
<td>151.1</td>
</tr>
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<td>Dec</td>
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<td>174.3</td>
<td>254.3</td>
<td>267.9</td>
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<td>158.7</td>
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<td>Jan*</td>
<td>167.3</td>
<td>174.8</td>
<td>240.7</td>
<td>271.6</td>
<td>158.2</td>
<td>156.9</td>
</tr>
<tr>
<td>Feb</td>
<td>156.9</td>
<td>303.8</td>
<td>235.3</td>
<td>150.0</td>
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<td>203.9</td>
</tr>
<tr>
<td>Mar</td>
<td>176.3</td>
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<td>235.3</td>
<td>303.8</td>
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<tr>
<td>Average</td>
<td></td>
<td></td>
<td>237.2</td>
<td>250.8</td>
<td>150.5</td>
<td>152.7</td>
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</table>

Growth over the corresponding period of previous year

<p>| | | | | | | |</p>
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<th></th>
<th></th>
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<tbody>
<tr>
<td>Jan</td>
<td>2.8</td>
<td>4.5</td>
<td>-3.9</td>
<td>12.8</td>
<td>4.3</td>
<td>-0.8</td>
</tr>
<tr>
<td>Apr-Jan</td>
<td>1.6</td>
<td>7.4</td>
<td>-0.8</td>
<td>5.7</td>
<td>3.2</td>
<td>1.5</td>
</tr>
</tbody>
</table>

* Indices for Jan 2015 are Quick Estimates.

**NOTE:** Indices for the months of Oct ’14 and Dec ’14 incorporate updated production data.
Index of Eight Core Industries (Base: 2004-05=100), January, 2015

The Eight Core Industries comprise nearly 38 % of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 174.8 in January, 2015, which was 1.8 % higher compared to the index of January, 2014. Its cumulative growth during April to January, 2014-15 was 4.1 %.

Coal
Coal production (weight: 4.38 %) increased by 1.7 % in January, 2015 over January, 2014. Its cumulative index during April to January, 2014-15 increased by 8.1 % over corresponding period of previous year.

Crude Oil
Crude Oil production (weight: 5.22 %) declined by 2.3 % in January, 2015 over January, 2014. The cumulative index of Crude Oil during April to January, 2014-15 declined by 1.0 % over the corresponding period of previous year.

Natural Gas
The Natural Gas production (weight: 1.71 %) declined by 6.6 % in January, 2015. Its cumulative index during April to January, 2014-15 declined by 5.2 % over the corresponding period of previous year.

Refinery Products (0.93% of Crude Throughput)
Petroleum Refinery production (weight: 5.94 %) increased by 4.7 % in January, 2015. Its cumulative index during April to January, 2014-15 increased by 0.7 % over the corresponding period of previous year.

Fertilizers
Fertilizer production (weight: 1.25%) increased by 7.1 % in January, 2015. Its cumulative index during April to January, 2014-15 declined by 0.5 % over the corresponding period of previous year.

Steel (Alloy + Non-Alloy)
Steel production (weight: 6.68%) increased by 1.6 % in January, 2015. Its cumulative index during April to January, 2014-15 increased by 1.6 % over the corresponding period of previous year.

Cement
Cement production (weight: 2.41%) increased by 0.5 % in January, 2015. Its cumulative growth during April to January, 2014-15 was 7.1 % over the corresponding period of previous year.

Electricity
Electricity generation (weight: 10.32%) increased by 2.7 % in January, 2015 and it registered a cumulative growth of 8.9 % during April to January, 2014-15 over the corresponding period of previous year.
Performance of Eight Core Industries

**Yearly Index & Growth Rate**
Base Year: 2004-05=100

### INDEX

<table>
<thead>
<tr>
<th>Sector</th>
<th>Weight</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Apr-Jan 13-14</th>
<th>Apr-Jan 14-15</th>
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<tbody>
<tr>
<td>Coal</td>
<td>4.379</td>
<td>140.0</td>
<td>139.7</td>
<td>141.5</td>
<td>148.1</td>
<td>149.9</td>
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<td>154.2</td>
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<tr>
<td>Crude Oil</td>
<td>5.216</td>
<td>99.1</td>
<td>111.0</td>
<td>112.1</td>
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<td>111.2</td>
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<tr>
<td>Natural Gas</td>
<td>1.708</td>
<td>149.5</td>
<td>164.4</td>
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<td>133.7</td>
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<td>100.2</td>
<td>101.8</td>
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<tr>
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<td>157.7</td>
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<td>199.8</td>
<td>199.0</td>
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<tr>
<td>Cement</td>
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<td>164.2</td>
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<td>204.1</td>
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<tr>
<td><strong>Overall Index</strong></td>
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<td><strong>129.9</strong></td>
<td><strong>138.4</strong></td>
<td><strong>145.3</strong></td>
<td><strong>154.7</strong></td>
<td><strong>160.8</strong></td>
<td><strong>159.7</strong></td>
<td><strong>166.3</strong></td>
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</table>

### GROWTH RATES (in %)

<table>
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<th>Weight</th>
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<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>Apr-Jan 13-14</th>
<th>Apr-Jan 14-15</th>
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<tbody>
<tr>
<td>Coal</td>
<td>4.379</td>
<td>-0.2</td>
<td>1.3</td>
<td>-0.6</td>
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<tr>
<td>Crude Oil</td>
<td>5.216</td>
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<td>11.9</td>
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<td>Natural Gas</td>
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<tr>
<td>Fertilizers</td>
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<td>Steel</td>
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<td><strong>6.6</strong></td>
<td><strong>5.0</strong></td>
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<td><strong>3.9</strong></td>
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*Refinery Products’ yearly growth rates of 2012-13 are not comparable with other years on account of inclusion of RIL (SEZ) production data since April, 2012.*
Performance of Eight Core Industries

**Monthly Index & Growth Rate**

Base Year: 2004-05=100

### INDEX

<table>
<thead>
<tr>
<th>Sector</th>
<th>Coal</th>
<th>Crude Oil</th>
<th>Natural Gas</th>
<th>Refinery Products</th>
<th>Fertilizers</th>
<th>Steel</th>
<th>Cement</th>
<th>Electricity</th>
<th>Overall Index</th>
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<td>109.4</td>
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<td>209.7</td>
<td>181.5</td>
<td>163.9</td>
</tr>
<tr>
<td>Jul-14</td>
<td>134.9</td>
<td>111.1</td>
<td>103.5</td>
<td>170.8</td>
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<td>200.4</td>
<td>206.9</td>
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<td>163.9</td>
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<tr>
<td>Aug-14</td>
<td>138.6</td>
<td>106.8</td>
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<tr>
<td>Sep-14</td>
<td>140.1</td>
<td>107.5</td>
<td>102.6</td>
<td>169.7</td>
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<tr>
<td>Oct-14</td>
<td>158.2</td>
<td>113.6</td>
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<td>185.9</td>
<td>184.1</td>
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<td>174.0</td>
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</tr>
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<td>207.9</td>
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<td>175.7</td>
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</tr>
<tr>
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<td>112.6</td>
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<td>111.6</td>
<td>218.9</td>
<td>217.2</td>
<td>175.7</td>
<td>174.8</td>
</tr>
</tbody>
</table>

### GROWTH RATES (in %)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Coal</th>
<th>Crude Oil</th>
<th>Natural Gas</th>
<th>Refinery Products</th>
<th>Fertilizers</th>
<th>Steel</th>
<th>Cement</th>
<th>Electricity</th>
<th>Overall Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-14</td>
<td>1.2</td>
<td>3.0</td>
<td>-5.2</td>
<td>-4.2</td>
<td>-1.2</td>
<td>10.8</td>
<td>2.0</td>
<td>6.5</td>
<td>3.7</td>
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<tr>
<td>Feb-14</td>
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<td>-4.4</td>
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<td>2.3</td>
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<td>4.5</td>
</tr>
<tr>
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<td>-9.3</td>
<td>2.8</td>
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</tr>
<tr>
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<td>-0.3</td>
<td>-2.2</td>
<td>-2.3</td>
<td>17.6</td>
<td>-2.0</td>
<td>8.7</td>
<td>6.3</td>
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<td>Jun-14</td>
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<td>-1.0</td>
<td>4.2</td>
<td>13.6</td>
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<td>16.5</td>
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<td>2.7</td>
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<tr>
<td>Aug-14</td>
<td>13.4</td>
<td>-4.9</td>
<td>-8.3</td>
<td>-4.3</td>
<td>-4.3</td>
<td>9.1</td>
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<td>4.0</td>
<td>3.2</td>
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<td>1.9</td>
</tr>
<tr>
<td>Oct-14</td>
<td>16.2</td>
<td>1.0</td>
<td>-4.2</td>
<td>4.2</td>
<td>-7.0</td>
<td>2.3</td>
<td>-1.0</td>
<td>13.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Nov-14</td>
<td>14.5</td>
<td>-0.1</td>
<td>-2.9</td>
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<td>-2.8</td>
<td>1.3</td>
<td>11.3</td>
<td>10.2</td>
<td>6.7</td>
</tr>
<tr>
<td>Dec-14</td>
<td>7.5</td>
<td>-1.4</td>
<td>-3.5</td>
<td>6.1</td>
<td>-1.6</td>
<td>-2.4</td>
<td>3.8</td>
<td>3.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Jan-15</td>
<td>1.7</td>
<td>-2.3</td>
<td>-6.6</td>
<td>4.7</td>
<td>7.1</td>
<td>1.6</td>
<td>0.5</td>
<td>2.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>
Foreign Direct Investment

FDI doubles to $4.48 bn in January, highest in 29 months

Foreign direct investment (FDI) in India more than doubled to $4.48 billion in January, the highest inflow in last 29 months. In January, the country had received $2.18 billion in FDI. It was in September 2012 that India had attracted FDI that was worth $4.67 billion.

During the April-January period of the current fiscal, the foreign inflows have grown by 36 per cent, year-on-year, to $25.52 billion, according to data from Department of Industrial Policy and Promotion (DIPP). The inflows were at $18.74 billion during the same period a year ago.

Among the top 10 sectors, telecom received the maximum FDI of $2.83 billion in the 10-month period, followed by services ($2.64 billion), automobiles ($2.04 billion), computer software and hardware ($1.30 billion) and pharmaceuticals ($1.25 billion).

During the period (April-January), India received the maximum FDI from Mauritius at $7.66 billion, followed by Singapore ($5.26 billion), the Netherlands ($3.13 billion), Japan ($1.61 billion) and the US ($1.58 billion).

In 2013-14, FDI stood at $24.29 billion as against $22.42 billion a year earlier.

Healthy inflow of foreign investments into the country helped India’s balance of payments (BoP) situation and stabilised the value of rupee. India is estimated to require around $1 trillion over five years to overhaul its infrastructure sector, including ports, airports and highways to boost growth.

Government is taking steps to boost FDI in the country.

It has relaxed FDI norms in sectors including insurance, railways and medical devices.
### FACT SHEET ON FOREIGN DIRECT INVESTMENT (FDI)
From APRIL, 2000 to JANUARY, 2015
(up dated up to January, 2015)

#### I. CUMULATIVE FDI FLOWS INTO INDIA (2000-2015):

##### A. TOTAL FDI INFLOWS (from April, 2000 to January, 2015):

<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CUMULATIVE AMOUNT OF FDI INFLOWS (Equity inflows + ‘Re-invested earnings’ + ‘Other capital’)</td>
<td>361,320 Million</td>
<td>243,107 Million</td>
</tr>
<tr>
<td>2. CUMULATIVE AMOUNT OF FDI EQUITY INFLOWS (excluding, amount remitted through RBI’s→NRI Schemes)</td>
<td>1,199,386 crore</td>
<td>25,526 million</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Description</th>
<th>Rs.</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TOTAL FDI INFLOWS INTO INDIA (Equity inflows + ‘Re-invested earnings’ + ‘Other capital’) (as per RBI’s Monthly bulletin dated: 10.03.2015.)</td>
<td>37,758 million</td>
<td>25,526 million</td>
</tr>
<tr>
<td>2. FDI EQUITY INFLOWS</td>
<td>155,489 crore</td>
<td>25,526 million</td>
</tr>
</tbody>
</table>

#### C. FDI EQUITY INFLOWS (MONTH-WISE) DURING THE FINANCIAL YEAR 2014-15:

<table>
<thead>
<tr>
<th>Financial Year 2014-15 (April-March)</th>
<th>Amount of FDI Equity inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Rs. Crore)</td>
<td>(In US$ mn)</td>
</tr>
<tr>
<td>1. April, 2014</td>
<td>10,290</td>
</tr>
<tr>
<td>2. May, 2014</td>
<td>21,373</td>
</tr>
<tr>
<td>3. June, 2014</td>
<td>11,508</td>
</tr>
<tr>
<td>4. July, 2014</td>
<td>21,022</td>
</tr>
<tr>
<td>5. August, 2014</td>
<td>7,783</td>
</tr>
<tr>
<td>6. September, 2014</td>
<td>16,297</td>
</tr>
<tr>
<td>7. October, 2014</td>
<td>16,288</td>
</tr>
<tr>
<td>8. November, 2014</td>
<td>9,486</td>
</tr>
<tr>
<td>9. December, 2014</td>
<td>13,562</td>
</tr>
<tr>
<td>10. January, 2015</td>
<td>27,880</td>
</tr>
<tr>
<td>2013-14 (from April, 2013 to January, 2014) #</td>
<td>113,401</td>
</tr>
<tr>
<td>%age growth over last year</td>
<td>(+) 37 %</td>
</tr>
</tbody>
</table>

#### D. FDI EQUITY INFLOWS (MONTH-WISE) DURING THE CALENDAR YEAR 2015:

<table>
<thead>
<tr>
<th>Calendar Year 2015 (Jan.-Dec.)</th>
<th>Amount of FDI Equity inflows</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In Rs. Crore)</td>
<td>(In US$ mn)</td>
</tr>
<tr>
<td>1. January, 2015</td>
<td>27,880</td>
</tr>
<tr>
<td>Year 2015 (January, 2015) #</td>
<td>27,880</td>
</tr>
<tr>
<td>Year 2014 (January, 2014) #</td>
<td>13,589</td>
</tr>
<tr>
<td>%age growth over last year</td>
<td>(+) 105 %</td>
</tr>
</tbody>
</table>

**Note:**
(i) Country & Sector specific analysis is available from the year 2000 onwards, as Company-wise details are provided by RBI from April, 2000 onwards only.
# Figures are provisional, subject to reconciliation with RBI, Mumbai.
### E. SHARE OF TOP INVESTING COUNTRIES FDI EQUITY INFLOWS (Financial years):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Mauritius</td>
<td>51,654 (9,497)</td>
<td>29,360 (4,859)</td>
<td>46,663 (7,662)</td>
<td>417,148 (88,187)</td>
<td>30 %</td>
</tr>
<tr>
<td>2.</td>
<td>Singapore</td>
<td>12,594 (2,308)</td>
<td>35,625 (5,985)</td>
<td>32,152 (5,262)</td>
<td>157,569 (30,707)</td>
<td>13 %</td>
</tr>
<tr>
<td>3.</td>
<td>U.K.</td>
<td>5,797 (1,960)</td>
<td>20,426 (3,216)</td>
<td>6,906 (1,148)</td>
<td>107,791 (21,911)</td>
<td>9 %</td>
</tr>
<tr>
<td>4.</td>
<td>Japan</td>
<td>12,243 (2,337)</td>
<td>10,580 (1,748)</td>
<td>9,802 (1,611)</td>
<td>80,446 (17,879)</td>
<td>7 %</td>
</tr>
<tr>
<td>5.</td>
<td>Netherlands</td>
<td>10,094 (1,856)</td>
<td>13,920 (2,270)</td>
<td>18,984 (3,136)</td>
<td>75,393 (14,371)</td>
<td>6 %</td>
</tr>
<tr>
<td>6.</td>
<td>U.S.A.</td>
<td>3,033 (557)</td>
<td>4,807 (806)</td>
<td>9,546 (1,582)</td>
<td>85,376 (13,510)</td>
<td>6 %</td>
</tr>
<tr>
<td>7.</td>
<td>Cyprus</td>
<td>2,658 (490)</td>
<td>3,401 (557)</td>
<td>3,104 (513)</td>
<td>38,634 (7,969)</td>
<td>3 %</td>
</tr>
<tr>
<td>8.</td>
<td>Germany</td>
<td>4,684 (860)</td>
<td>6,063 (1,638)</td>
<td>5,018 (821)</td>
<td>36,263 (7,340)</td>
<td>3 %</td>
</tr>
<tr>
<td>9.</td>
<td>France</td>
<td>3,487 (646)</td>
<td>1,842 (305)</td>
<td>3,617 (592)</td>
<td>22,323 (4,471)</td>
<td>2 %</td>
</tr>
<tr>
<td>10.</td>
<td>Switzerland</td>
<td>987 (180)</td>
<td>2,064 (341)</td>
<td>1,792 (293)</td>
<td>14,895 (3,008)</td>
<td>1 %</td>
</tr>
</tbody>
</table>

**TOTAL FDI INFLOWS FROM ALL COUNTRIES**: 121,067 (22,422) 147,518 (24,299) 155,469 (25,525) 1,199,919 (243,228) **-

*Includes inflows under RBI Schemes of FDI.

**Note**: (i) Cumulative country-wise FDI equity inflows (from April, 2000 to January, 2015) are at - Annex-A.

(ii) %age worked out in US$ terms & FDI inflows received through FIPB/SIA+ RBI’s Automatic Route + acquisition of existing shares only.

### F. SECTORS ATTRACTING HIGHEST FDI EQUITY INFLOWS:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Services Sector **</td>
<td>26,306 (4,833)</td>
<td>13,294 (2,225)</td>
<td>16,159 (2,642)</td>
<td>201,728 (42,101)</td>
<td>17 %</td>
</tr>
<tr>
<td>2.</td>
<td>Construction Development: Townships, Housing, Built-up Infrastructure</td>
<td>7,248 (1,332)</td>
<td>7,908 (1,226)</td>
<td>4,369 (722)</td>
<td>112,916 (24,028)</td>
<td>10 %</td>
</tr>
<tr>
<td>3.</td>
<td>Telecommunications (radio paging, cellular mobile, basic telephone services)</td>
<td>1,654 (304)</td>
<td>7,967 (1,307)</td>
<td>16,978 (2,832)</td>
<td>83,697 (16,995)</td>
<td>7 %</td>
</tr>
<tr>
<td>4.</td>
<td>Computer Software &amp; Hardware</td>
<td>2,696 (486)</td>
<td>6,896 (1,126)</td>
<td>8,023 (1,368)</td>
<td>67,604 (14,128)</td>
<td>6 %</td>
</tr>
<tr>
<td>5.</td>
<td>Drugs &amp; Pharmaceuticals</td>
<td>6,011 (1,123)</td>
<td>7,191 (1,279)</td>
<td>7,559 (1,259)</td>
<td>63,630 (12,856)</td>
<td>5 %</td>
</tr>
<tr>
<td>6.</td>
<td>Automobile Industry</td>
<td>8,384 (1,537)</td>
<td>9,027 (1,517)</td>
<td>12,059 (2,045)</td>
<td>60,725 (11,857)</td>
<td>5 %</td>
</tr>
<tr>
<td>7.</td>
<td>Chemicals (Other Than Fertilizers)</td>
<td>1,596 (202)</td>
<td>4,738 (878)</td>
<td>3,408 (562)</td>
<td>48,642 (10,230)</td>
<td>4 %</td>
</tr>
<tr>
<td>8.</td>
<td>Power</td>
<td>2,923 (536)</td>
<td>6,519 (1,066)</td>
<td>3,704 (612)</td>
<td>48,359 (9,512)</td>
<td>4 %</td>
</tr>
<tr>
<td>9.</td>
<td>Metallurgical Industries</td>
<td>7,878 (1,466)</td>
<td>3,436 (568)</td>
<td>4,288 (406)</td>
<td>40,738 (8,481)</td>
<td>4 %</td>
</tr>
<tr>
<td>10.</td>
<td>Hotel &amp; Tourism</td>
<td>17,777 (3,250)</td>
<td>2,946 (486)</td>
<td>3,990 (655)</td>
<td>40,198 (7,774)</td>
<td>3 %</td>
</tr>
</tbody>
</table>

**Note**: (i) **Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech.

(ii) Cumulative Sector-wise FDI equity inflows (from April, 2000 to January, 2015) are at - Annex-B.

(iii) FDI Sectoral data has been revaluated / reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.
Arun Jaitley presents a growth-oriented Budget for 2015-2016

Falling just short of big bang reforms called for by his own economic survey, Finance Minister Arun Jaitley Saturday presented a Rs.17.78 lakh crore (nearly $300 billion) national budget for the next fiscal that seeks to put more money in the hands of the average citizen, tackle the menace of black money more effectively and end an era of “scam, scandal and corruption”.

In his 93-minute budget speech in the Lok Sabha, the finance minister said a new law on black money stashed abroad will call for an imprisonment of up to 10 years on its perpetrators with a penalty of 300 percent, while another proposed legislation will clamp down on benami property in India with both confiscation and prosecution.

This apart, the 62-year old lawyer-politician also proposed a new public procurement law for the consideration of the house that can encourage transparency in the way government buys goods and services while removing the reluctance in decision-making among the bureaucracy due to the fear of being questioned later by probe agencies.

The finance minister said while individual tax payers would stand to gain as much as Rs.440,200 by way of enhanced exemptions he has proposed in his two budgets since July last year, the corporate sector can benefit from a cut in tax rates from 30 percent to 25 percent over four years, albeit with a sharp reduction in the exemptions.

The other highlights of Jaitley’s budget include universal social security with health insurance coverage for the poor, a new bankruptcy law, a fresh gold monetisation scheme, the deferment of much-criticised General Anti-Avoidance Rule by two years with prospective effect, a pan-India goods and services tax regime from April 1, 2017, tax-free bonds to fund rail, roads and irrigation projects and five new ultra mega power projects.

Prime Minister Narendra Modi hailed the budget as progressive and practical which delivers on job creation, equity and growth. “Union budget 2015 is a budget with a clear vision. It is a budget that is progressive, positive, practical, pragmatic and prudent,” Modi tweeted.

The prime minister said it had a distinct focus on farmers, youth, poor and neo-middle class, while it laid down the goals over the next seven years on a host of areas such as housing for all, jobs, health, education and total electrification. It also signalled a stable, predictable and fair tax system, the prime minister added.

Industry, too, welcomed the proposals and said it will encourage investment with a better environment for doing business. The emphasis on infrastructure, agriculture, manufacturing and rural economy was particularly welcomed.

Regarding radical liberalisation suggested by the economic survey, Jaitley sought to give an explanation. “People who urge us to undertake big bang reforms also say that the Indian economy is a giant super tanker, or an elephant. An elephant, Madam Speaker, moves slowly but surely. Even our worst critics would admit that we have moved rapidly,” he said.

Among the various welfare programmes, the finance minister outlined a new student loan scheme for higher educa-
tion, Rs.8.5-lakh credit for farmers, significant hikes in the allocations for women safety, rural job guarantee scheme, and mid-day meal programme, a new pension fund and several skilling schemes for the youth.

He also made several references to two of Prime Minister Modi’s pet projects, and said while policies outlined by him and various tax proposals were aimed to giving an impetus to “Make in India” campaign, particularly aimed at the youth and manufacturing, he also announced 100-percent tax rebate on money spent by the corporate sector towards the Swachh Bharat Abhiyan.

In the realm of taxation, Jaitley said wealth tax will be abolished, with a cess, instead, on the super rich, the service tax rate hiked, exemption limits for individual tax-payers significantly enhanced, notably in areas like insurance, excise and customs duty rationalised and corporate tax rate cut over four years from 30 percent to 25 percent, with the removal of a host of exemptions.

“My direct tax proposals would result in revenue loss of Rs.8,315 crore, whereas the proposals in indirect taxes are expected to yield Rs.23,383 crore. Thus, the net impact of all tax proposals would be revenue gain of Rs.15,068 crore,” the finance minister said, while also earmarking a target of Rs.41,000 crore from divestment of stake in state-run enterprises.

At the same time, the finance minister said that he was not losing sight of financial discipline, sticking to the fiscal deficit target of 4.1 percent of GDP for the current fiscal and 3.9 percent for the next, and pruning it further to 3.5 percent and 3 percent over another two fiscals.

This, despite a near 6 percent increase in the total expenditure at Rs.1,777,477 crore for the next year over the revised estimates for the current fiscal. But the size of plan expenditure, which forms the more productive use of finances, has been cut marginally by 0.5 percent to Rs.465,277 crore.

The finance minister began his speech on a positive note on the India economy and said it was logging the fastest-growth among larger countries, with inflation easing significantly over the past year. He was also quick to take this credit for his government.

Through the day, key stock market indices fluctuated wildly, after opening in the green. The sensitive index (Sensex) of the Bombay Stock Exchange (BSE) opened nearly 200 points, or 0.7 percent higher, but went into the red with a loss of nearly 340 points over the previous close.

Intra-day, the fluctuation was as wide as nearly 530 points. But by the end of the day, the 30-share key index managed to float back into positive territory with a gain of around 140 points, or nearly 0.5 percent over the previous close. The case was the same with the broad CNX Nifty of the National Stock Exchange (NSE), which finally ended with a gain of 0.65 percent.

Source: Indo-Asian News Service
Progressive budget which delivers on growth: PM Modi

Prime Minister Narendra Modi on February 28 hailed the Union budget as progressive and practical which delivers on job creation, equity and growth.

"Union budget 2015 is a budget with a clear vision. It is a budget that is progressive, positive, practical, pragmatic and prudent," Modi tweeted.

"Budget 2015 has a distinct focus on farmers, youth, poor, neo-middle class and the aam nagrik (common man). It delivers on growth, equity and job creation," he said.

"From housing for all, jobs, health, education and total electrification, FM (finance minister) laid down goals to be achieved by 2022, India’s Amrut Mahotsav."

"Budget is investment friendly and removes all doubts on tax issues. It assures investors that we have a stable, predictable and fair tax system," Modi said.

"I congratulate FM for doing an excellent job in respecting aspirations of the states and at the same time delivering on national priorities," Modi added.

Highlights of the budget for 2015-16 presented by Finance Minister Arun Jaitley in the Lok Sabha on February 28:

* Personal income tax rates unchanged
* Increase in limit of deduction in health insurance from Rs.15,000 to Rs.25,000
* For senior citizens, this limit to be increased from Rs.30,000 from present Rs.10,000
* Deduction limit of Rs.60,000 on account of serious diseases to be enhanced to Rs.80,000 for senior citizens
* Exemption on contributions to Pension Fund hiked from Rs.1 lakh to Rs.1.5 lakh per year
* All investment payments in ‘Sukanya Scheme’ will be fully exempted from tax
* Transport allowance exemption raised from Rs.800 to Rs.1,600 per month
* Universal social security system for all Indians, especially poor and disadvantaged sections
* Atal Pension Yojna for economically disadvantaged
* PPF and EPF corpus to be utilised for senior citizens’ welfare fund
* Physical aids and assisting devices for physically challenged senior citizens
* Wealth Tax to be abolished and additional two percent tax on super rich to yield Rs.9,000 crore annually
* GDP growth at 7.4 percent in 2014-15 and at 8-8.5 percent in 2015-16; double-digit growth feasible
* Non-Plan expenditure in 2015-16 estimated at Rs.1,312,200 crore; Plan expenditure estimated at Rs.465,277 crore
* Tax collection in 2015-16 estimated at Rs.1,449,490 crore
* Adequate provision for defence with Rs.246,727 crore earmarked for 2015-16
* Investment on infrastructure to go up by Rs.70,000 crore in 2015-16 over 2014-15
* Education sector allocated Rs.68,968 crore; rural development gets Rs.79,526 crore
* Nirbhaya Fund gets another Rs.1,000 crore in 2015-16

Source: Indo-Asian News Service
* Facilities at eight World Heritage Sites to be restored
* Government to soon launch National Skills Mission
* During 2015-16 AIIMS-like institutes to be set up in Jammu and Kashmir, Punjab, Tamil Nadu and Himachal Pradesh; Bihar to get second AIIMS-like institution
* Karnataka to get an IIT; Indian School of Mines in Dhanbad to be upgraded to IIT
* Fully IT-based student-help facility for needy students
* Corporate tax to be reduced to 25 percent from 30 percent in four years
* Tax exemption for contributions to ‘Swachh Bharat Abhiyan’ and ‘Clean Ganga Fund’ by corporates as part of CSR
* In last nine months several steps taken to effectively deal with problem of black money
* Comprehensive new law to be brought against black money
* Rigorous imprisonment of up to 10 years for concealing income
* Prevention of Money Laundering Act to be amended to provide for forfeiture of property in India if the one abroad cannot be attached
* Law against Benami property in fight against black money
* Quoting PAN essential in property transactions
* Forwards Markets Commission to be Merged with Sebi
*Splitting of transaction not to be permitted
* Changes in excise on tobacco items, including cigarettes, paan masala and gutkha
* Excise duty on footwear with leather uppers to be reduced to six percent
* Service tax and education levy to be consolidated from 12.36 percent to 14 percent
* Swachh Bharat cess of two percent, if necessary
* Tax regime to be rationalised
* Applicability of General Avoidance Rules (GAR) to be deferred by two years in view of problems faced in its implementation
* New structure to be put in place in banking sector for seamless integration of data
* Eastern states to be given opportunity to develop faster. Special boost to Bihar and West Bengal as in the case of Andhra Pradesh and Telangana
* Good progress in DMIC corridor and other infra-projects. Rs.1,200 crore earmarked and additional funds if pace of work picks up on ongoing projects
* Procurement law to be drawn up to ensure transparency and remove corruption
* Centenary of Deen Dayal Upadhyay to be celebrated; committee for this to be set up soon
* Good progress being made on Digital India
* To discourage transactions in cash, Rupee debit card to incentivise credit transactions
* In line with ‘Act East Policy’, steps to catalyse investment in this sector through a project development company to oversee investments in Cambodia, Laos and Vietnam
* Tourism has increased after Visa on Arrival introduced for 43 countries. This facility to be increased to 150 countries in different stages
* Public Debt Management Agency to be created to strengthen the bond market
* Gold Monetisation Scheme to be introduced; sovereign gold bonds to be introduced; working on developing Indian gold coin with Ashok Chakra on face
* Vision of making India cashless society
* Foreign Investment in alternative investment funds to be permitted
* Ports in public sector to be encouraged to utilise land under their control
* Make India investment-destination by streamlining permission procedures
* Five ultra-mega power projects each of 4,000 MW to be set up; Second unit of Kudankulam Nuclear Power Station will
be commissioned in 2015-16
* Self Employment and Talent Utilisation (SETU) to be Established
* Integrated education and livelihood scheme to be launched
* National investment and infrastructure fund to be launched with corpus of Rs.20,000 crore to generate more funds
* Innovation initiative to be launched in NITI Aayog in the name of former prime minister Atal Bihari Vajpayee
* Government committed to increasing access of people to the banking system
* Postal network across the country to be used for increasing access to formal financial system
* Main challenges: increasing agricultural production; increasing investment in infrastructure; with manufacturing declining, Make in India will create jobs; cooperative federalism
* Agriculture credit targetted at Rs.8.5 lakh crore
* Rural jobs scheme to get Rs.34,699 crore; Allocation to be enhanced by Rs.5,000 crore if additional funds available; Every poor to get a job
* To work with NITI Aayog for creating a National Agricultural Market
* Need well-targeted system for subsidies.
* Direct transfer of subsidy to LPG consumers
* Appeal to well-off consumers to surrender subsidised LPG connections
* Organic farm schemes of agriculture ministry to be supported
* ‘Per drop More crop’ scheme for better irrigation
* Three achievements - Jan Dhan Yojna, coal auctions, Swachh Bharat
* Two more gamechanging reforms: Goods and Services Tax, JAM trinity (Jan Dhan Yojna, Aadhar, Mobile number) to ensure transparency
* Our achievement to conquer inflation, CPI inflation at five percent by year-end
* We are in an economic environment far more positive than in the recent past
* Undertaken several significant steps to energise the Indian economy in last nine months
* India’s chance to fly
* Budget proposals lay down roadmap for economic growth.
* “The Everlasting Flame” exhibition on Parsis to be launched

Source: Indo-Asian News Service
Sparing a passenger fare hike but raising freight rates again, Minister Suresh Prabhu presented his maiden budget for Indian Railways on February 26, with a slew of measures to improve service quality, safety and reach and a 52-percent jump in plan outlay for 2015-16 at Rs.100,011 crore ($16.7 billion).

Raising some passenger train speeds by 50 percent on nine key routes, faster freight trains, user-friendly ladders to mount upper berths, wi-fi in 400 stations, more money for escalators, easier norms for unreserved tickets, 17,000 bio-toilets in trains, better connectivity in north-east and cameras for safety of women travellers are among the other highlights of the budget.

“There will be no hike in passenger fares. We will focus on improving passenger amenities, including cleanliness,” Railway Minister Prabhu said in a 66-minute speech in the Lok Sabha, watched keenly by Prime Minister Narendra Modi who had handpicked him for the job.

Even though Prabhu made no mention of any revision in freight tariff in his speech, as has been the norm in the past, the minister, nevertheless, revised it upward between 2.1 percent and 10 percent, not sparing even commodities like grain, pulses, urea and coal.

In the previous budget tabled by the Modi government in July last year, passenger fares had been hiked by nearly 15 percent while the freight tariff was increased by 6.5 percent.

The minister also promised a vastly improved operating ratio, which spells out how much money is spent on day-to-day operations to earn revenues -- an indication of the funds left for safety and expansion.

He targeted to bring it down to 88.5 percent, or the lowest in nine years, from an unsustainable level of 93.6 percent in 2013-14 and 91.8 percent for this fiscal. This is better than what the prime minister had asked the railways to do a few days ago.

Globally, a 75-80 percent or lower ratio is seen as a healthy benchmark.

Prabhu also seemed to have ruled out the sale or leasing of surplus land and other assets to get revenues. “We will monetize our resources rather than sell,” he said, adding: “Business as usual of asking for budgetary support from finance ministry is neither sustainable nor necessary.”

He pegged a 52 percent jump in the plan outlay for 2015-16 at Rs.100,011 crore, projecting a 16.7 percent growth in passenger earnings and 13.5 percent in freight. The minister has also proposed a 46.5 percent increase in market borrowings to bridge the fiscal gap.

Soon after the budget presentation, Prime Minister Modi gave a thumbs up to Prabhu. “Rail budget 2015 is forward looking, futuristic and passenger-centric, combining a clear vision and definite plan to achieve it,” Modi said in a tweet, even calling it a watershed moment for railways.

The same, however, was not true with the markets, with the sensitive index (Sensex) of the Bombay Stock Exchange falling some 260 points, or nearly 1 percent, with most stocks of companies associated with railways ending in the red.
Indian industry, by and large, welcomed the proposals notably the substantial hike in the plan outlay and the emphasis on private-public partnerships for big-ticket projects. But some captains of industry felt the freight hike could have been avoided.

The minister began his speech with what ails Indian Railways.

"Railway facilities have not improved very substantially over the past few decades. A fundamental reason for this is the chronic under-investment in Railways, which has led to congestion and over-utilization," he said.

"As a consequence, capacity augmentation suffers, safety is challenged and the quality of service delivery declines, leading to poor morale, reduced efficiency, sub-optimal freight and passenger traffic and fewer financial resources. This again feeds the vicious cycle of under-investment," he said.

"This must be put to an end," said the chartered accountant-turned-politician, while presenting the budget for one of the largest railway networks in the world. "We have to make our Indian Railways a benchmark organisation in safety, security and infrastructure," he said in a speech peppered with several Hindi couplets.

Playing with words, he also invoked God (Prabhu) and said: "One of the first things I asked, 'hey prabhu' how will all this be possible." Then, amid laughter, he went on to add that while 'prabhu' as in god did not reply, he took it upon himself, the mortal 'prabhu', for overseeing the rebirth of Indian Railways.

Earlier the minister presented a white paper on Indian Railways, which he said will form a trilogy of what plans he had in mind for one of the largest such networks in the world along with his budget for 2015-16 and a Vision 2030 document to be presented later in the year.

He also set four goals to transform Indian Railways: Improved customer experience, safer travel, modern infrastructure and financial self-sustainability. "We will also create a separate department for taking care of cleanliness."

For the record, India boasts one of the oldest and the largest railroad networks in the world, ferrying some 23 million people, or a population the size of Australia, as also 2.65 million tonnes of goods on its coaches, each day.

It serves from 7,172 stations via 12,617 passenger and 7,421 freight trains on a track network spanning Baramulla in the Himalayan foothills of Kashmir to the southern tip of Kanyakumari in Tamil Nadu, and from Naharlagun in Arunachal Pradesh to the port town of Okha in Gujarat.

Source: Indo-Asian News Service
India to ease way for Chinese businesses, Modi visit in May

India will make it easier for Chinese companies to do business in the country as it seeks to take bilateral economic ties with China to "a qualitatively new level", External Affairs Minister Sushma Swaraj said on February 1, adding that Prime Minister Narendra Modi will visit the country in May.

Sushma Swaraj told the media here that the prime minister will visit China in May before the BJP-led government completes one year in office.

The external affairs minister Sunday held talks with her Chinese counterpart Wang Yi on a range of issues including Modi’s upcoming visit.

Ministry spokesperson Syed Akbaruddin said the two leaders discussed how to make the prime minister’s visit “an outcome oriented visit”.

Sushma Swaraj said her maiden visit to China was focused on opening the additional route for the Kailash Manasarovar Yatra.

In her address at the launch of the second India-China Media Forum, Sushma Swaraj appreciated China’s decision to open the additional route through Nathula.

She suggested a six-point template including “action-oriented approach” to boost mutual ties.

The Modi government was committed to exploring an early settlement to the India-China boundary row, she added.

Noting that China was India’s largest partner in trade and goods and the two economies are moving to invest in each other, she said: “Serious discussions on enhancing connectivity have been initiated. On that foundation, we are now seeking to take our economic cooperation to a qualitatively new level.”

“Another major thrust is in establishing industrial parks in two Indian states that would contribute to the ‘Make in India’ initiative,” she said.

“We will make it easier for Chinese companies to do business in India and expect that similar encouragement would be given to our companies to expand their business in China.”

Sushma Swaraj said that as both countries play a larger international role, “our contacts and dialogues must commensurately grow.

As the two major civilizational powers of Asia, we should have confidence in each other, to build on our shared interests”.

The minister said the media forum was envisaged as a platform to encourage appreciation and build understanding of each other’s societies in their respective media.

“As our strategic and cooperative relationship deepens in the bilateral domain and expands in regional and international cooperation, it is vital that or people have a good understanding of each other’s interests and viewpoints.”

She outlined a six-point template for boosting ties including action-oriented approach, broad-based bilateral engagement, convergence on common regional and global interests, developing new areas of cooperation, expanding strategic communication and fulfilling common aspirations to usher an “Asian Century”.
"Our relationship today has reached a level where we have interactions in fields that could not have been imagined some years ago.

"We have made considerable progress in establishing and expanding defence contacts and exchanges, including across our border. They contribute to the maintenance of peace and tranquility there, a pre-requisite for the further development of our relationship."

The minister underlined that the Modi government had commenced "a number of key initiatives addressing a wide range of ambitious goals" which "provide new opportunities for cooperation insofar as our key international partners are concerned."

"Where China is concerned, this is very evident in the frequency of our high-level exchanges and the widening of our already substantive bilateral agenda."

"We expect that the momentum that has been set in the last few months would not only be kept up but accelerated event further at various levels."

Sushma Swaraj, who will Monday launch the "2015: Visit India Year" in China, said Chinese monks Fa Hsien and Xuan Zang had visited India in search of knowledge and Indian monks Kashyap Matanga, Dharmaratna and many others travelled to China to spread knowledge.

"It is important for us to revive the Xuan Zang spirit among Chinese scholars and journalists and Kumajiva spirit among Indian scholars and journalists," she said.

During the three-day visit, Sushma Swaraj will also participate in the 13th foreign ministers’ meeting of Russia-India-China trilateral.

She will also call on the Chinese president.

Source: Indo-Asian News Service
India and close neighbour Sri Lanka on February 16 sought to begin a new chapter in their relations as the island nation’s newly-elected President Maithripala Sirisena held talks with Prime Minister Narendra Modi here and the two sides inked four agreements, including one on civil nuclear cooperation.

Sirisena, who arrived here Sunday evening on a four-day state visit - his first abroad after he defeated long-time president Mahinda Rajapaksa - said Modi is expected to visit Sri Lanka in March and that they are “eagerly awaiting the glorious event”, which he said would be “an honour and a blessing” to their country. Modi, addressing the media after the delegation level talks held at Hyderabad House, said the agreement on civil nuclear cooperation was “yet another demonstration of our mutual trust”.

He said it is the first such agreement that Sri Lanka has signed and it “opens new avenues for cooperation, including in areas like agriculture and healthcare”. Both sides held talks on the issue of peace and reconciliation process in the island nation over a working lunch.

Ties between the neighbours had come under strain under the Rajapaksa government, especially on the issue of arrest and incarceration of Indian fisherfolk and over Sri Lanka’s increased dalliance with China.

The berthing of a Chinese submarine in Colombo port had caused consternation in India.

Congratulating Sirisena on his Jan 8 election, Modi said: “India is Sri Lanka’s closest neighbour and friend. The goodwill and support of the people of India will always be with you.”

Modi also assured Sirisena of “India’s commitment to its development partnership” which would continue to cover areas, including infrastructure. Both sides have also agreed to expand their defence and security cooperation, including in maritime security cooperation. The four agreements inked, are on cooperation in the peaceful uses of nuclear energy, on cultural cooperation, a MoU on establishment of Nalanda University, and a MoU on cooperation in agriculture.

On the ticklish fishermen’s issue, Modi said both leaders “attach the highest importance to the issue” and have agreed for a “constructive and humanitarian approach” to it.

On boosting economic cooperation, he said in view of India enjoying a huge trade surplus with Sri Lanka, he had voiced his support “for a more balanced growth in trade in both directions” and for promoting “greater flow of Indian investments and tourists into Sri Lanka”. The commerce secretaries of both sides are to meet soon to review the bilateral commercial ties. “We are at a moment of an unprecedented opportunity to take our bilateral relations to a new level. This visit today has set us firmly in that direction,” said Modi.

Sirisena, stressing on the close civilizational links between the two countries, said that Hindu and Buddhist philosophy has influence in his country and that Hindu and Buddhist devotees are living very peacefully and represent the close ties.

He said during talks with Modi, both sides came to “several good conclusions to strengthen ties and strengthen the friendship and we were able to able strengthen that friendship”. He said the friendship between the two countries will not only help build stronger relationship between them bilaterally “but in international forums India will support us and have more understanding between the two countries; building more relations and strengthening the ties, and we agreed to work on a mutual understanding, and it is very clear.” Both sides have agreed to work closely on issues including trade, energy, defence, security, education and culture, he said.

He said his first official visit to India has “borne very fruitful results” and helped bring the relationship to “greater height” and added he believed that both sides would strengthen ties in future in the fields of defence, economic and culture.

He termed his visit a “remarkable milestone” in their ties.

Source: Indo-Asian News Service
My priorities are growth, jobs: Modi to investors

Prime Minister Narendra Modi on February 3 said his priority was for India to establish global benchmarks in areas such as governance, transparency and taxation.

Interacting over dinner with participants of the BlackRock India Investor Summit, Modi said the priority of his government was "growth and jobs".

The prime minister said there was rising interest in India, and "we have to accept that responsibility".

Modi said infrastructure development was one of the best routes to create jobs for the youth.

He said India requires both expansion and upgradation of its infrastructure, and that the railways could become a growth engine for the economy.

Modi also said the goal of affordable housing for all by 2022, would in itself, provide a huge boost for the economy.

He said the government was focusing on skill development that would fulfil not just the Indian requirement, but also the global requirement.

In terms of the education system, he said the best in the world should be there in India as well.

Modi said he wanted India to have a skill development programme that focuses on both job-creators and job-seekers.

The prime minister said he believes in a fair, predictable and consistent tax system, and in economic policies that will drive growth, according to an official statement.

Twenty one major global investors participated in the India Investor Summit earlier in the day.

The list of institutional investors included asset managers, insurers, pension funds, and official institutions.

The prime minister congratulated Laurence Fink, chairman and CEO of American multinational investment management firm BlackRock, and the finance ministry for organising the summit.

Union ministers Arun Jaitley, Nitin Gadkari, Suresh Prabhu, Dharmendra Pradhan, Piyush Goyal and Jayant Sinha were present at the dinner.

Fink had met Modi during the prime minister's US visit in September.

He had then told Modi that his company would be very keen to host a global investors meet in India in 2015.

Fink made this offer in response to Modi's call for investments.

Source: Indo-Asian News Service
Singapore and India on February 9 discussed development issues, especially the Narendra Modi government’s initiatives of Smart Cities, skill development, connectivity and also boosting linkages with northeast India as visiting Singapore President Tony Tan Keng Yam held talks with Prime Minister Modi in New Delhi.

Tan, accompanied by his wife Mary Tan, is on a four-day state visit to India from Feb 8 on the invitation of President Pranab Mukherjee. The Singapore president’s maiden visit to India is also part of celebrations to mark the 50th anniversary of diplomatic relations between the two countries.

President Tan met Prime Minister Modi and External Affairs Minister Sushma Swaraj during which they held wide-ranging discussions on boosting bilateral ties and strengthening cooperation on regional and international issues to raise the partnership to a higher level.

The talks covered new focus areas which are part of India’s development process, which include the Smart Cities and urban rejuvenation initiatives, promoting skill development, measures to speed up connectivity and coastal and port development, strengthening linkages with the northeast India, projects to scale up investments in the new development initiatives launched in India and enhancing exchanges with India, said a ministry of external affairs statement.

Both sides agreed on sharing of experiences in science and technology, space and other areas to enhance productivity and efficiency as well as broadening cooperation in fighting terrorism.

The discussions reflected the spirit of mutual trust, understanding and cooperation that characterise the unique and special relations between the two countries, the statement said.

Tan is to inaugurate the Singapore Festival in India Tuesday, launch a commemorative book titled “Singapore and India: Towards A Shared Future”, open the Peranakan Exhibition at the National Museum and host a food festival themed “Flavours Of Singapore”.

The year-long Festival of India in Singapore is currently underway since August 2014, to showcase India’s culture, innovation, youth and states. The presidential visit reinforces “our traditional close exchanges and further enhanced the excellent bilateral relations between our two countries”, the statement said.

In the morning, President Tan was accorded a ceremonial welcome at the Rashtrapati Bhavan after which he proceeded to Raj Ghat to lay a wreath at the memorial of Mahatma Gandhi.

“India-Singapore relationship, based on convergence of views and values and Singapore’s role as our gateway to Association of Southeast Asian Nations (Asean), is robust and expanding. It encompasses strong political understanding, close defence and security cooperation, growing complementarities in economic engagement, civilisational and cultural linkages and shared interests in bilateral and multilateral fora,” the statement said.

His delegation included Second Minister for Foreign Affairs Grace Fu and Minister for Culture, Community and Youth Lawrence Wong.

Source: Indo-Asian News Service
Bunking global trend, India's FDI increased by 26% in 2014: UN

Notwithstanding the decline in global foreign direct investment inflows, India's FDI increased by 26 percent in 2014 to an estimated $35 billion with maximum growth in the services sector, a UN report said on January 29.

China toppled the US in 2014 as the world's largest recipient of FDI -- a position that the US had been holding almost consistently since the 1980's -- though with a modest increase of 3%, the latest ‘Global Investment Trade Monitor’ report released by United Nations Conference on Trade and Development said.

The propping up of FDI in China is mainly due to an increase in FDI in the service sector, even as FDI in manufacturing sector particularly from Japan and in industries sensitive to rising labour costs fell.

The manufacturing sector in terms of net cross border mergers and acquisitions (M&A) sales recorded a decrease for India from US $4,604 million to US $4,172 million, the report said.

FDI flows to India increased by 26% in 2014 to an estimated 35 billion, with maximum growth in services sector especially in electricity, gas, water, waste management and information and communication, the report said.

This figure is one of the highest in recent years, though in 2008 FDI peaked in India with US $47 billion investment followed by US $35.6 billion in 2009. James Zhan, Director of Investment and Enterprise, at UNCTAD said, "India is still a bright spot for FDI despite a global decline. It is at a significant historical high though not at the highest level of investment."

"If policy trends encourage liberalisation then we can expect more FDI in China despite a slowdown in economic growth," said Zhan referring to new draft for full foreign investment law that was proposed last week in Beijing.

The top five FDI hosts in 2014 were China (US $128 billion), followed by Hong Kong (US $111 billion), the US (US $86 billion), Singapore (US $81 billion) and Brazil (US $62 billion).

"In 2014 global FDI inflows declined by 8% to an estimated US $1.26 trillion due to fragility of the global economy, policy uncertainty and geo-political risks," the report said.

The drop in FDI in the US has been primarily due to a fall in cross-border M&A sales, particularly due to the Verizon-Vodafone deal and stood at US $10 billion in 2014 from US $60 billion in 2013. It had exceeded US $222 billion in 2008, the report said.

Source: Press Trust of India
Facebook rings Reliance Communications for free data access

Reliance Communications, a part of the Anil Ambani-led group, on February 10 said it has been roped in by Facebook to offer free access to data and websites to customers through the social networking site’s global digital inclusion initiative, Internet.org. The Internet.org initiative will provide access to popular websites and services with zero data charge to make it easier for people to access the Internet across both the 2G and 3G platforms, Reliance executives said at a press conference here.

"Internet is the integral part of our well being. It is tool to transform lifestyle. Data is the raw material of the information age," said Gurdeep Singh, chief executive officer, consumer business, Reliance Communications.

To start with, these services will be available to Reliance customers in of Mumbai, Maharashtra, Gujarat, Andhra Pradesh, Chennai, Tamil Nadu and Kerala. The services will then be extended to the rest of the country in a phased manner with more services and websites. The company is already live with the he services in all these circles by, said Singh: "We are committed to go online pan-India within 90 days." The companies declined to share who will bear the cost of such data. "If we do good to people they will come back to us," Singh said.

"Today, we’re excited to make the Internet available to millions of people in India through the launch of Internet.org and free basic services with Reliance," said Chris Daniels, the vice-president of Internet.org at Facebook.

"This is a big step forward in our efforts to connect everyone in India to the Internet, and to help people discover new tools and information that can create more jobs and opportunities."

Reliance customers can now explore Internet and reap its benefit in daily life, without having to worry about data charges. These set of services also come with free Facebook access, Singh said.

"It is not restricted to any handset, irrespective of screen size or operating platform," he said.

"Through this partnership, we aim to increase Internet inclusion and encourage more Indians to go online. This will not only accelerate net penetration in India, but also open new socio-economic opportunities to users in areas like education, information and commerce."

Saying that future belongs to the people with access to internet, he said that people with no access to internet will be "less comparative and agile."

Daniels said Facebook has helped Reliance in the project with technology and users experience. Reliance customers can access these websites with zero data charges at www.internet.org, or in the Internet.org Android app. Most of the services will be available in English, Hindi, Tamil, Telugu, Malayalam, Gujarati and Marathi, to begin with.

Reliance Communications, an integrated telecommunications service provider with a pan-India presence, has a customer base of over 110 million, including over 2.6 million individual overseas retail customers.

Some of the free services on offer with Facebook:
- Careers and Jobs: TimesJobs, Babajob
- Health and Social Welfare: Facts for Life (UNICEF), BabyCenter & MAMA, Girl Effect (Nike Foundation), iLearn (UN Women), Malaria No More, Socialblood, AP Speaks
- Search: Bing (from Microsoft)
- Social: Facebook, Facebook Messenger
- Sports: ESPN Cricinfo
- Utility: OLX, Astro, Cleartrip, AccuWeather.

Source: Indo-Asian News Service
All models of financing should be explored to attract FDI: Jaitley

Finance Minister Arun Jaitley on February 6 said that in order to attract foreign direct investment and finance India’s infrastructural projects, “all models of financing would have to be explored” and a structure of financing would be put in place for that. The country cannot solely rely on foreign investment, it needs to increase public spending, in the first stage, while also converting domestic savings into infrastructural financing, Mr. Jaitley said in an address through video conference organized by the Maharashtra government.

Under the conference Mumbai Next, the government initiated a discussion on ways to convert Mumbai into a global financial, commercial and entertainment hub. The gathering included top businessmen, artists and politicians including Chief Minister Devendra Fadnavis. “Infrastructure creation in the last few years has admittedly slowed down. The structure of financing has to be put in place, quick decisions need to be taken. We will now have to enter a new age where all models of financing will have to be explored. We need to increase the levels of public spending, in the first stage. Domestic savings need to be converted into infrastructure financing,” Mr. Jaitley said.

He was responding to a question put forward by Mukesh Ambani, chairman, Reliance Industries Limited. Mr. Ambani, who was present at the conference in Mumbai, asked Mr. Jaitley how could the Centre-state coordination touted by the government help in fast-tracking the infrastructural projects in Mumbai that have been stuck for the past few years.

Mr. Jaitley hinted at more reforms for faster economic growth and rationalisation of expenditure, saying the government does not believe in living on borrowed money. While answering Mr. Ambani’s question, Mr. Jaitley said the issue of financing infrastructural projects pertained to not just Mumbai but the rest of the country.

“India is no longer only a country governed by cooperative federalism. It has entered the era of competitive federalism. He who reforms will take the country forward. Why not Maharashtra?” Mr. Jaitley asked why pointing out the investment potential of Mumbai.

Source: The Hindu

BMW India partners with seven Indian component suppliers

German luxury automobile manufacturer BMW Wednesday said it has partnered with major Indian auto component suppliers for local production of its vehicles at its Chennai based plant.

“BMW Plant Chennai is the heart of our India operations. Since 2007, BMW Group has strengthened its commitment to the Indian market and has continuously increased the number of its locally produced car models,” said Philipp von Sahr, president, BMW Group India. “With a strong portfolio of locally produced cars, it is now the appropriate time for us to partner with major Indian auto component suppliers who will play a significant role in the future strategy of BMW Group in India.” The company said that it has partnered with suppliers Force Motors, ZF Hero Chassis, Draexlmaier India, Tenneco Automotive India, Valeo India, Mahle Behr and Lear India.

“With the addition of these partnerships, the level of localisation at BMW Plant Chennai will increase to approximately 50 percent,” the company said in a statement.

According to Robert Frittrang, managing director of BMW’s Chennai plant the new partnership with Indian auto component suppliers will help the company in setting even higher benchmarks not only in quality standards but also in cost optimization and value addition.

Some of the major auto components sourced for local production by BMW include engine and gearbox from Force Motors; axles from ZF Hero Chassis; door panels and wiring harness from Draexlmaier India; exhaust systems from Tenneco Automotive India; heating, ventilating, air-conditioning and cooling modules from Valeo India and Mahle Behr and seats from Lear India.

Source: Indo-Asian News Service
Twitter to set up R&D facility in Bengaluru: Report

Twitter Inc. plans to set up a research and design (R&D) centre in Bengaluru to grow faster in emerging markets, according to a 4 February report by The Financial Times newspaper. This will be the San Francisco-based company’s first such facility outside the US.

Twitter plans to use Bengaluru-based mobile marketing and analytics company ZipDial Mobile Solutions Pvt. Ltd’s team to build this new R&D facility, the report said, citing people familiar with the matter who it did not name.

On 20 January, Twitter said it is acquiring Bengaluru-based mobile marketing and analytics company ZipDial, its first acquisition in India and a move that is aimed at expanding its user base in the country.

The acquisition will also pave the way for the microblogging site’s first engineering office in India.

Twitter did not disclose financial details of the ZipDial deal, citing the so-called silent period ahead of the release of its financial results. However, a 12 January report by technology website TechCrunch, citing unnamed people, pegged the value of the deal at $30-40 million.

The purchase will help Twitter increase its base in a country where it has 33 million users, out of 284 million worldwide.

Social media network Facebook Inc., on the other hand, has 100 million users in the country and 1.3 billion globally. “It dramatically accelerates our ability to drive user growth in India, and over time, other emerging economies, for instance, Indonesia, Brazil and others,” Rishi Jaitly, market director for India and Southeast Asia at Twitter, had then said in a phone interview.

Twitter and ZipDial periodically partnered each other in different campaigns like the general elections, film promotions for the Hindi film industry and MTV India’s #RockTheVote Dial the Hashtag campaign, over the last two years.

ZipDial’s employees, numbering a little over 50, including serial entrepreneur and ZipDial’s founder and chief executive officer Valerie Wagoner and co-founder and chief operating officer Amiya Pathak, will be joining Twitter’s product division. Twitter currently has 284 million monthly active users, of which 80% are on mobile devices. According to the company, 77% of accounts are outside the US.

With more than 33 million users, India is home to 8% of Twitter’s global user base. India has over 900 million mobiles. Moreover, in 2014, a little over 80 million smartphones would have been sold. And the numbers are growing rapidly, which explains Twitter’s growing interest in the country.

Active Internet users are defined as users who go online at least once a month, according to the Internet the Mobile Association of India.

Twitter also plans to use India as a base to develop some of the new technologies for media and analytics capabilities that it plans to create as a part of research at the Laboratory for Social Machines (LSM), the creation of which it announced with the Massachusetts Institute of Technology (MIT) Media Lab on 1 October.

In a 1 November interview, Deb Roy, an associate professor at MIT Media Lab who will lead the LSM and also serves as Twitter’s chief media scientist, acknowledged that India is big for Twitter, and that the company is going to develop new technologies for media and analytics capabilities that have relevance for social impact.

LSM is funded by a five-year, $10 million commitment from Twitter.

Source: Mint
US envoy to India stresses on improving trade ties

Describing US President Barack Obama’s visit as “transformative”, that brought US-India relations to a new level, the American envoy to India Sunday said improving the economic ties was a key area.

Speaking on the occasion of a book launch in Kolkata on February 1, US Ambassador Richard Rahul Verma said the US was endeavouring to become India’s “best partner”.

“This was a visit which pushed the relationship to a different level. The best line of the visit is that the president said India and US are natural partners, we know that. But, he said, we want to be India’s best partner,” said Verma.

“We articulated different vision for our relationship and talked about cooperation in East Asia, on maritime issue, humanitarian issue, combating terrorism. We issued something called the Delhi declaration of friendship - something we haven’t done with any other country,” he said.

About economic ties, Verma lamented the low volume of two-way trade.

“Economic and trade ties were major issues during the talks and it has been agreed to increase the two-way trade by at least five time the current volume.

“While the current trade volume is satisfactory, the percentage of export that go from US to India is two percent and vice versa its one percent, so we are barely reaching our potential,” he said.

Launching Swadesh Chatterjee’s “Building Bridges: The Role of Indian Americans in Indo-US Relations”, Verma said US and India have agreed to collaborate on jointly designing and producing defence equipment besides signing a 10 year deal for joint military exercises.

“We had quite breakthrough in defence, signing a 10-year deal to bring our militaries together, we will do more training, more exercises. We agreed to start building and designing things together. We have picked four projects that we going to work on jointly and also formed two working groups for military assistance,” he said.

About the civil nuclear pact for which Chatterjee played a key role in pushing the deal, Verma credited the heads of the two countries for finally clinching the deal that had been in the limbo for a decade.

“We had a breakthrough understanding in the civil nuclear deal which had got stuck in the liability issue since the day it was passed. But it took the leaders of the two countries to get the breakthrough. This is surely a great pathway forward not just for US or other companies but for India’s ability to generate non carbon-based electricity,” added Verma.

“The president during his departure told me that now, it was the time for the hard work to begin, and we are ready to begin that hard work,” he said.

Source: Indo-Asian News Service
January trade deficit falls to 11-month low, exports down

India’s trade deficit in January fell to a eleven-month low by over 11 percent at $8.32 billion, from $9.43 billion in the corresponding month of 2014, government data showed on February 13.

The fall on a month-on-month basis was similar despite weaker exports, with the December 2014 deficit having been recorded at $9.45 billion, as declining oil prices helped bring down the country’s import bill.

According to data released by the Reserve Bank of India (RBI), exports during the month under review fell 11.12 percent to $23.88 billion, extending December’s 3.77 percent decline $25.39 billion.

During the April to January period of the current fiscal, exports grew by 2.44 percent to $265.03 billion.

Imports in the April to January period were up by 2.17 percent to $383.41 billion, leaving a trade deficit of $118.37 billion.

Exports contracted, with the main performing poorly sectors being cotton yarn, chemicals, pharmaceuticals and gems and jewellery.

Exports of cotton yarn, chemicals, pharmaceuticals and gems and jewellery contracted by 9.15 percent, 10.52 percent, 0.16 percent and 3.73 percent, respectively, in January this year.

Exports of tea, coffee, rice, tobacco and spices also recorded a negative growth in the month in review.

Exports in January 2014 stood at $26.89 billion.

Imports declined by 11.39 percent to $32.2 billion during the month.

Gold imports in January grew by 8.13 percent to $1.55 billion.

Source: Indo-Asian News Service
IT exports to grow 12-14 percent in 2016

Indian IT exports, including software services and products are projected to grow 12-14 percent in the ensuing fiscal (2015-16), the industry’s representative body Nasscom said on February 11.

“IT exports will grow 12-14 percent to reach $110-112 billion and domestic market by 15-17 percent to touch $55-57 billion in next fiscal (FY 2016),” National Association of Software and Services Companies (Nasscom) said on the margins of its leadership forum in Mumbai.

The IT-BPM (business process management) industry had a robust growth this fiscal (2014-15), with aggregate revenues expected to be $146 billion, including $99 billion from software exports, registering 13.1 percent annual growth in constant currency and 12.3 percent in reported currency.

“We expect the industry to add $20 billion in FY 2016 to the overall revenues of $146 billion in FY 2015, Nasscom president R. Chandrashekhar said on the occasion.

Exports to the US, the largest market grew above industry average (60 percent), aided by an economic revival and higher technology adoption, while demand from Europe remained strong during the first half of the fiscal, but softened during the second half due to currency movements and economic challenges. Fuelled by e-commerce business, the domestic market is expected to grow 14 percent this fiscal (FY 2015) to $47 billion.

“The current fiscal brought in overall optimism for the industry and is expected to meet guidance for the year in constant currency,” Chandrashekhar pointed out. The engineering and research and development (R&D) services segment witnessed the fastest growth at 13.2 percent, driven by higher value-added solutions from vendors and expansion of the GIC (global in-house centre) landscape. “Digital solutions around SMAC (social, media, analytics and cloud services), upgrading legacy systems to be SMAC-enabled, greater demand for AERP, CRM, mobility and user experience technologies is driving growth in IT services,” Chandrashekhar noted.

Digital solutions accounted for 12-14 percent of the industry revenues.

The industry also evolved during the year and prioritised on enhancing efficiency, enabling transformation and agility and partnering for digital initiatives.

“Infrastructure outsourcing and software testing segment also outpaced the industry growth rate. The BPM sector is being driven by greater automation, expanding omni-channel presence, application of analytics across the value chain, Chandrashekhar said. Nasscom also revealed that digitisation, internet of things, agile entrepreneurial ecosystem and improving business environment were the highlights of the industry over the year.

“The year also witnessed hyper-growth in the start-up and product landscape and India ranked as the fourth largest startup hub in the world, with over 3,100 startups across the country,” the former telecom secretary asserted.

Manufacturing, utilities and retail growth remained strong as clients increased discretionary spend on customer experience, digital, analytics, ERP updates and improving overall efficiency.

The sector continued to be one of the largest employers in the country, directly hiring 3.5 million professionals, adding over 230,000 employees during the fiscal. “India is jumping the technology maturity curve and is emerging as a digital economy. The recent official announcements on Digital India’, Make in India’ and Skilling India’ are creating a renewed thrust on the domestic market,” Chandrashekhar added.

Thus, the RBI has focused its triggers on overall domestic credit and the health of banks and corporates to sustain the increase in credit.

Source: Indo-Asian News Service
India wants to take economic ties with China to new level

Stating that both countries should have mutual confidence, External Affairs Minister Sushma Swaraj on February 1 said that India desired to take economic ties with China to "a qualitatively new level".

Addressing the launch of the Second India-China Media Forum, Sushma Swaraj also said that the Narendra Modi government was committed to exploring an early settlement to the Sino-Indian boundary row.

"China is today our largest partner in trade and goods," the minister said. "The two economies are moving to invest in each other. "Serious discussions on enhancing connectivity have been initiated. On that foundation, we are now seeking to take our economic cooperation to a qualitatively new level," she said.

Sushma Swaraj said that as both countries play a larger international role, "our contacts and dialogues must commensurately grow. As the two major civilizational powers of Asia, we should have confidence in each other, to build on our shared interests".

She said that a particularly significant new area of bilateral collaboration was in railways. This included heavy haulage, boosting speed and station development besides capacity building.

"Another major thrust is in establishing industrial parks in two Indian states that would contribute to the 'Make in India' initiative," she said.

"We will make it easier for Chinese companies to do business in India and expect that similar encouragement would be given to our companies to expand their business in China."

Sushma Swaraj also appreciated China's decision to open an additional route through Nathula for the Kailash Mansarovar Yatra.

"Our relationship today has reached a level where we have interactions in fields that could not have been imagined some years ago.

"We have made considerable progress in establishing and expanding defence contacts and exchanges, including across our border.

"They contribute to the maintenance of peace and tranquility there, a pre-requisite for the further development of our relationship."

The minister underlined that India had a new government "with a decisive mandate propelled by the aspirations of a young, vibrant and enterprising generation.

"Even in the last eight months, it is evident that drastic transformations are underway in my country that will accelerate our journey to modernity.

"A number of key initiatives addressing a wide range of ambitious goals are unfolding. They provide new opportunities for cooperation insofar as our key international partners are concerned.

"Where China is concerned, this is very evident in the frequency of our high-level exchanges and the widening of our already substantive bilateral agenda."

She recalled that Prime Minister Narendra Modi had three successful meetings with President Xi Jinping, who visited India in September 2014. Modi, she said, had also interacted with Premier Li Keqiang.

"We expect that the momentum that has been set in the last few months would not only be kept up but accelerated event further at various levels."

Source: Indo-Asian News Service
Indian shrimp exports to touch Rs.27,151 crore by 2017

While the Indian frozen shrimp export market is expected to reach nearly Rs.27,151 crore by 2017, over-exploitation of the crustacean has led to a market imbalance, a study conducted by an industry association said on February 2.

According to industry body Assocham, there is an urgent need to promote brackish water aquaculture for shrimp production through focused research on increasing productivity.

"Over-exploitation of shrimp from natural sources and ever-increasing demand for shrimp and shrimp products globally has resulted in wide demand-supply gap, thereby necessitating the need for exploring new avenues for increasing production of prawns and increasing brackish water area under culture," D.S. Rawat, secretary general of the industry body said here.

Indian shrimp exports in 2013-14 accounted for 301,435 tonnes valued at $3,210.94 million and the volume export of cultured shrimp grew by 31.85 percent in the time period.

The study has stated the exports in the coming years are expected to rise by 36.71 percent in volume and 92.29 percent in terms of dollar valuation.

According to the study, although the shrimp production potential is enormous for the country, estimated at over 11 lakh hectares (ha) available for brackish water, only 8.5 percent, accounting for about 1 lakh ha has been brought under shrimp cultivation.

Brackish water is needed for shrimp farming and is the natural habitat of the crustacean.

Though West Bengal had the largest available brackish water area of over four lakh ha, the state had brought a meagre 12 percent area of about 47,488 ha under brackish water culture as of 2009-10, the study said.

The state, which had the highest share of over 46 percent in total area under brackish water culture, however, has decreased by about six per cent in four years.

Gujarat, ranked second in terms of potential brackish water area of over 3.7 lakh ha, had brought only 0.5 percent or about 1,916 ha of area under brackish water culture.

However, it is the only coastal state where area under brackish water culture has increased by about 48 percent, from 1,297 ha in 2005-06 to 1,916 ha as of 2009-10, added the study.

Source: Indo-Asian News Service
EU-India Trade and Investment conference in September

The European Parliament will host the annual EU-India Trade and Investment Partnership (TIPS) 2015 conference on September 30, organisers of Europe-India Chamber of Commerce (EICC) said in Brussels on February 2.

The Belgian capital-based chamber said in a release that the conference theme will be "Changing Dynamics in EU-India Relations: Business and Strategic Implications in the Next Decade".

"Based on the outcome of the TIPS 2014 and the issues raised during the Summit, the TIPS 2015 will take innovative steps and will see shift from our current model to a different format," said EICC secretary general Sunil Prasad.

The summit will be organised in partnership with Eurochambers, and in collaboration with the Indian Chamber of Commerce and The Friends of Europe.

The conference will invite some selected EU countries to showcase the potential for investment in their countries, the current state of business collaborations with India and how it can be improved further.

The 28-member EU is India’s largest trading partner, accounting for roughly 15 percent of the total trade in goods and services. It is also the largest source of foreign equity inflows to India, accounting for over one-fourth of the total.

Despite several rounds of negotiations that began in 2007, the proposed EU-India Bilateral Trade and Investment Agreement (BTIA), covering trade in merchandise, services and investment, is still far from being concluded.

India is seeking improved market access in services covering information technology enabled services (ITES), business process outsourcing (BPO) and knowledge process outsourcing (KPO), and movement of skilled professionals like software engineers. The country is also seeking a data secure status from the EU.

The EU’s demands include further liberalisation of FDI in multi-brand retail and insurance, and presently closed sectors like accountancy and legal services.

The seven-month ban on Indian mangoes, imposed last year by the European Union, was lifted last week, well in advance of the deadline set for the ban which was originally till December 2015.

Source: Indo-Asian News Service
CIL selloff: Govt raises over Rs 22k cr

In the largest ever share sale, the government on January 30 raised over Rs 22,500 crore by offloading 10% in Coal India (CIL) largely to institutional and high net worth investors in an issue that was marginally oversubscribed.

The funds raised from the stake sale is just Rs 1,400 crore lower than the record annual disinvestment of Rs 23,957 crore during 2012-13 when shares in NTPC, Oil India and NMDC, among other PSUs, were sold.

With the latest transaction, Coal India has rewritten its own record of raising Rs 15,200 crore in 2010 and officials suggested that the largest issue was based on the Gujarat’s model of “think big”. The issue received bids for 67.52 crore shares valued at Rs 24,210 crore, resulting in over-subscription of 1.1 times of the offer size of 63.16 crore shares.

But, the success of the issue was driven by institutional investors such as LIC and some overseas funds as well as retail investors chose to remain cautious. Data available on the BSE website showed that retail investors bid for only 44% or 5.56 crore of the 12.63 crore shares on offer at 3.30pm, when the day-long auction on the exchanges ended. These bids came from around 2 lakh applicants and will help the government raise around Rs 2,000 crore. In contrast, non-retail participation was estimated at 122%.

But, despite the tepid retail response, market players described the issue as a huge success, considering the issue witnessed the largest retail participation in any offer for sale in the country. Coal and power minister Piyush Goyal said the success of the share sale reflects the investors’ confidence in the government’s ability to usher in reforms and improvement in the economy.

For the government, the Coal India issue will come as a relief since this year, so far, it had managed to raise only Rs 1,700 crore through disinvestment, against the target of over Rs 43,000 crore. Meeting the disinvestment target, which includes sale of residual stakes in Balco and Hindustan Zinc as well as some shares of Axis Bank, is critical for the government to stick the budgeted fiscal deficit of 4.1% of GDP.

Stake sales in other companies such as ONGC have not materialized so far.

The pressure is acute given that the Centre is set to miss the tax collection target due to weaker-than-expected indirect tax mop-up. Yet, government functionaries have repeatedly said the fiscal deficit target will be met.

Source: The Times of India
India's domestic air passenger traffic up 12.5 percent

The International Air Transport Association (IATA) on February 6 reported that India's domestic passenger traffic increased by 12.5 percent in December 2014.

The country's domestic traffic had spiked 14.2 percent in November and by 16.3 percent in October.

India's domestic capacity in the month under review rose marginally 0.4 percent when compared to December, 2013.

According to IATA, for the full year 2014, Indian domestic passenger traffic grew by eight percent.

India's domestic passenger growth rate has been attributed to many factors including a revived confidence over the new business-supportive government, generation of strong demand owing to market stimulation measures introduced by airlines.

For full year 2014 global passenger traffic demand increased 5.9 percent compared to the full year of 2013. In December the passenger traffic growth stood at 6.1 percent.

"Demand for the passenger business did well in 2014. With a 5.9 percent expansion of demand, the industry out-performed the 10-year average growth rate," said Tony Tyler, director general and chief executive, IATA.

"Overall a record 3.3 billion passengers boarded aircraft last year—some 170 million more than in 2013."

Earlier, data furnished by the civil aviation ministry, showed that domestic air passenger traffic increased by 15.29 percent in December to 64.40 lakh passengers -- up from 55.86 lakh in the corresponding month last year.

The data showed that domestic passengers carried in 2014 rose 9.70 percent and stood at 673.83 lakh from 614.26 lakh ferried in 2013.

Low cost carrier IndiGo achieved the highest market share at 36.1 percent followed by Jet Airways (18.7), Air India (18.6), SpiceJet (10.4), GoAir (9.3) and JetLite (4.6 percent).

AirAsia India reported a market share of 1.1 percent. So did Air Costa.

Total market share for 2014 was also led by IndiGo at 31.8 percent, Air India (18.4), Jet Airways (17.4), SpiceJet (17.4), GoAir (9.2) and JetLite at (4.3).

Air Costa's market share for 2014 stood at 0.9 percent and AirAsia India had a market share of 0.5 percent.

Source: Indo-Asian News Service
Global IT services company HCL Technologies has started a global delivery centre in Texas, US, that will generate 300 jobs and has a space for additional 200 employees, the company said in a statement on February 4.

Located at 2401 Internet Boulevard, the Frisco (Texas) centre was inaugurated Feb 3 by Mayor of Frisco Maher Maso.

"The opening of the facility will initially bring 300 local jobs to the Frisco community and offers space for an additional future 200 employees," the statement said.

The Frisco centre complements HCL’s US network of global delivery centres, which created over 1,500 jobs in the US in 2014.

It also reinforces HCL’s differentiated, multi-tiered global delivery model comprising onshore, offshore and near-shore capabilities offering measureable business impact, joint innovation and real-time collaboration with clients worldwide.

HCL’s employees at the centre will be focused on providing next-generation IT services by leveraging innovative business models, advanced technology skills and best practices from HCL’s global partners.

The centre will bring added proximity advantage to HCL’s clients in the South Central region such as Dean Foods, Entergy, Dr Pepper Snapple Group (DPSG), EFH, Oncor and other major telecom companies in the Dallas Fort-Worth area among others.

"The new global delivery centre in Frisco will be a strategic asset for our business and will further accelerate our ongoing rapid growth in the US," said C. Vijay Kumar, corporate vice president, Infrastructure Services Division at HCL.

HCL’s US headquarters is in Sunnyvale, California, with global delivery centres located in Cary town, North Carolina; Redmond, Washington; Jackson, Michigan; Rochester, New York; and now Frisco, Texas.

With more than 9,000 employees across 42 states, HCL’s business in America contributes to over 50 percent of HCL’s global revenues, it added.

Source: Indo-Asian News Service
Govt mulling regulatory regime for e-commerce

In a bid to effectively regulate the country’s e-commerce market, which has more than tripled in the last 4-5 years, the government is considering a regime where there will be a clear demarcation of the sector’s activities to be handled by different ministries and regulators.

Pointing out that e-commerce activities are very complex and diverse to be kept under the jurisdiction of a single department or ministry, the department of consumer affairs has moved a note for the consideration of the committee of secretaries (CoS) and sought approval for a proposal for clear allocation of business rules with respect to the sector.

Currently, there is no single law in the country to regulate, monitor and supervise e-commerce. Also, what is making monitoring a very difficult task is the lack of a mechanism of registration/licencing of online retailers, sources said.

Besides, the government has taken note of online retailers cleverly taking undue advantage by operating out of low tax regions, they said.

During any probe on online frauds, the government will be troubled by problems in accessing data on servers and data centres situated overseas, they said. They added that all such issues necessitate clarity and formalisation in how different government departments handle e-commerce activities.

According to the consumer affairs department’s proposal, the department of revenue will handle taxation related issues, while the Reserve Bank of India should look into banking and foreign exchange issues.

The consumer protection issues will be taken care of by the consumer affairs department, while foreign investment and trade policy will be under the purview of the commerce and industry ministry.

The ministry of IT and telecom will handle data protection, cyber security and issues related to registration of server and websites, while competition policy related matters will fall within the corporate affairs ministry’s jurisdiction.

Criminal frauds will be looked into by the finance, corporate and home ministries. A database on the sector will be maintained by the statistics department, while the information and broadcasting ministry will take care of advertising norms and related matters.

This kind of a system is needed in the future because most of the complaints related to the sector are being referred to the consumer affairs department on the contention that since the department looks into ‘internal trade’ matters, it should handle e-commerce matters, too, as such activities also constitute ‘internal trade’.

However, the consumer affairs department has asked for more clarity in the definition of ‘internal trade’.

The department said though it can take care of consumer protection issues and grievances, e-commerce also has several other issues including tax evasion, online frauds, predatory business practices, data privacy/cyber security and FDI.

On other problems related to e-commerce, the department said since there is no list of genuine/licensed online sellers, consumers do not have any mechanism to distinguish between genuine and fraudulent e-commerce players. Besides, many of the sellers also do not provide proper contact information, the department said.

Also, consumers have been confused by different operating procedures followed by online traders for placing orders and purchasing, it said. The department added there are several complaints related to delivery of services and products as well as in cancelling orders and getting refunds for returned items.

The department said small and medium enterprises with very limited resources are troubled by multiplicity of rules and regulations of e-commerce, and therefore are not able to make use of business opportunities.

“I thought - despite not attending, how can I connect with you. That is when I decided to use technology & talk to you via this medium,” added Modi in another tweet.

Source: The Financial Express
Govt estimates Rs 1000 crore funding for each smart city

Each city selected under the smart city project could require central funding of Rs 1,000 crore over the next 10 years, the Centre has estimated.

The government plans to develop 100 smart cities through public-private partnership aimed at improving transport, infrastructure, housing and communication solutions.

The urban development ministry will identify cities and issue policy for development by March-end, urban development secretary Shankar Agarwal said at a seminar organised by the World Trade Centre here on January 29.

About 80-85 per cent of the project cost will be borne by the private sector with the rest being provided by Central and state governments along with a small contribution from urban local bodies.

In the first phase, 15-20 cities are expected to get selected for development based on the city administration’s commitment to e-governance, and Clean India and Make in India campaigns.

Last month, urban development minister Venkaiah Naidu had said that the Centre was considering a viability gap funding model to finance infrastructure projects in the selected towns.

Funding from the Centre for the smart city project will go towards retrofitting existing developed areas, redevelopment of urban localities and greenfield development.

While the Centre is keen to see development in all these areas, the interest from the private sector will be the driving force.

“The culture of doing business has now changed. We see a sense of urgency within the government. We have shared our concerns and suggestions regarding the smart city scheme,” said Ravi Kant Malhan, business development head (smart cities and special projects) at Schneider Electric.

Source: Business Standard
Govt charts plan to manage green spaces in smart cities

The environment ministry has drawn up a “comprehensive plan” for the management of urban green spaces in the 100 smart cities Prime Minister Narendra Modi wants to create in India.

The move is significant because the ministry of environment and forests (MoEF) has been receiving flak from environmentalists and activists for clearing industrial projects, while allegedly doing little to protect the environment.

“How can smart cities be called smart if they do not have a component of environment protection, conservation of trees and ample space for green areas? We have prepared a comprehensive plan to develop and manage greens in urban areas... to manage and conserve trees in such areas,” a senior MoEF said on condition of anonymity.

The official said urban greens would be an irreplaceable part of the smart cities concept—a flagship scheme of the National Democratic Alliance (NDA) government.

“Tree and forest cover are critical for ensuring ground water recharge, providing shade and conserving local biodiversity, improving the quality of life for city dwellers by providing recreational avenues besides other things. Thus, urban greens would be a significant part of the smart city plan; otherwise, cities would only resemble concrete jungles,” the official said.

Increasing urbanization, especially in tier-I and tier-II cities, has put a lot of pressure on the environment—its impact includes the dwindling of tree cover—and this pressure is only expected to grow.

The proportion of urban population in India has increased from 17% in 1951 to 31% in 2011, and is expected to reach 55% by 2050.

The environment ministry’s plan specifically looks at the problem of sacrificing the green cover in urban areas to make way for development works such as road widening and building parking spaces and flyovers.

“Smart cities need to...and would have specific urban green spaces. The plan is not to only have only one green cover for the city but to have a uniform and well-distributed tree cover across such cities,” the official added.

MoEF is not limiting the plan to smart cities, the official said; it is also planning to execute a similar strategy across other cities.

“Our plan is a comprehensive one to conserve, develop and manage urban greens across the country. Of course, tailoring them for 100 smart cities would be a priority, as quick work on them would inspire all to follow suit,” the MoEF official added.

The environment ministry is also considering green solutions such as offering incentives to the public for involvement in urban greening projects and encouraging corporate entities to take up greening as part of their corporate social responsibility programmes.

Developing 100 smart cities is one of Modi’s key initiatives, and it figured prominently in his recent meetings with US President Barack Obama.

The US Trade and Development Agency has signed memorandums of understanding with the governments of Andhra Pradesh, Uttar Pradesh and Rajasthan to develop Visakhapatnam, Allahabad and Ajmer as smart cities, with the participation of the US industry.

Source: Mint
Tata Tea goes international

Tata Global Beverages (TGB), the Rs 7,622-crore beverage arm of the Tata Group, has inducted Tata Tea into its global power brand list. With this, the brand has become the second Indian product of the group to achieve this status. The other is mineral water brand Himalayan.

Typically, products with a strong international appeal, such as Tetley, Tea Pix and Eight O’Clock Coffee, have been part of the list for some time now. TGB had inducted Himalayan into this club four years ago.

Tata Tea’s induction was on the cards but was delayed with the management debating whether such a move would be beneficial because of its strong presence in markets such as India, Southeast Asia and West Asia. However, Ajoy Misra, managing director of TGB, says: “We launched Tata Tea in Canada two-three years ago and it is doing well there. Remember Canada is an evolved tea market, where you have established brands. Tetley is already there, with Unilever’s products.”

TGB proposes to push Tata Tea deeper into the Canadian market, targeting areas beyond where the Indian diaspora is. (Its taste is considered stronger than Tetley’s.) The same strategy will be applied in the UK, where Tata Tea is available in select outlets.

These efforts are tied to TGB’s objective of building a strong portfolio of products that can straddle price points and segments. “Currently, there are white spaces, notably in coffee and water, which could be filled both organically and inorganically. In the UK, the top-end, mid-end and bottom-end are covered with Tea Pix, a luxury tea brand; Tetley, in the centre; and Tata Tea now, at the lower end. We would ideally like to replicate this model in other markets and across our verticals. If that necessitates an acquisition, we will do it. If an in-house product can fill the gap, we would look at that as well,” said Misra.

According to Misra, the acquisition of the Map coffee brand in Australia last year was part of this plan to fill gaps in key markets.

In India, the company might consider introducing one of its international coffee brands such as Eight O’Clock (available in the US) or Grand (available in Russia) to fill the vacant slot in packaged coffee. The company is also mulling taking Tata Coffee’s packaged brand, Mr Bean, national as an alternative. Mr Bean is a popular packaged coffee brand in Kerala and Tamil Nadu.

TGB will also look at co-creating products with Tata Group companies in areas such as ambient beverages.

Misra says it is also talking to “institutes and institutions”, exploring the prospect of jointly developing new products with them.

This aggression by TGB comes with the group and company chairman Cyrus Mistry laying special emphasis on the consumer and retail vertical among three other clusters as part of his Vision 2025 document. The plan here includes achieving a market capitalisation comparable with the 25 most valuable companies in the world in the next decade. Among other things, Mistry proposes to invest $35 billion (Rs 2.1 lakh crore) in the next three years in consumer & retail, defence, aerospace, financial services, realty, and infrastructure.

Source: Business Standard
'Economy needs to grow yearly at 7-8 percent'

Given the growth-inflation conundrum with the union budget due later this month, Minister of State for Finance Jayant Sinha on February 4 said the government wants to put the economy on sustainable non-inflationary growth trajectory of over 7 percent.

"We want to put India on a sustainable non-inflationary growth trajectory of seven to eight percent growth. We need to have 7-8 percent growth to provide employment to young people that join the workforce every year," Sinha said here at The Energy and Resources Institute (TERI)-organized 15th Delhi Sustainable Development Summit.

"Seven-eight percent growth will double the size of the economy in the next 10 years. For this we need to build our productive capacity, but also need to ensure that our growth is sustainable," he added.

"Climate change is real and significant challenge which every country is facing. So innovation for sustainability is true need of the hour," Sinha said.

The government Friday revised the base year for computing national accounts resulting in the upward economic growth rate of 6.9 percent for 2013-14.

The GDP estimates under the old method was 4.7 percent.

The base year of national accounts was last revised in January 2010.

As a result, the growth rate for 2012-13 has been changed to 5.1 percent under revised norms as against 4.5 percent estimated under the old values.

Source: Indo-Asian News Service
India's GDP growth for 2014-15 pegged at 7.4 percent

The government on February 9 said it expects the annual gross domestic product (GDP) to grow at 7.4 percent in the current fiscal under a new method for computing national accounts, thereby resulting in the upward economic growth rate.

“Real GDP at constant (2011-12) prices in the year 2014-15 is likely to attain a level of Rs.106.57 lakh crore, as against the first revised estimate of GDP for the year 2013-14 of Rs.99.21 lakh crore, released on Jan 30, 2015,” the central statistics office (CSO) said in its advance estimates of national income 2014-15.

“The growth in GDP during 2014-15 is estimated at 7.4 percent as compared to the growth rate of 6.9 percent in 2013-14,” it added.

The CSO, under the ministry of statistics and programme implementation, had shifted base year from 2004-05 to 2011-12, and had come out with the new annual estimate of national income and other macroeconomic aggregates on Jan 30, 2015. Under the new method, CSO measures GDP by market prices instead of factor costs, to take into account gross value addition (GVA) in goods and services and indirect taxes. The base year of national accounts was last revised in January 2010. The CSO had earlier said that following international practices, industry-wise estimates will be presented as gross value added (GVA) at basic prices, while GDP at market prices will henceforth be referred to as GDP. The CSO has also revised the growth rate for the first half of 2014-15 to 7.4 percent, from the 5.5 percent it had reported earlier under the old method.

At constant prices of 2011-12, the CSO has revised the October-December GDP rate to 7.5 percent.

While the growth rate calculated under the new system for the second quarter has been revised to 8.2 percent, that for the first quarter has been pegged at 6.5 percent. The CSO said these estimates are based on the anticipated level of agricultural production, index of industrial production (IIP), monthly accounts of union government expenditure and of state government expenditure. The data furnished by CSO shows that financial, real estate, professional services, trade, hotels, transport, communication and services related to broadcasting, public administration, defence, electricity, gas, water supply and other utility services grew at the rate of over seven percent.

The growth in agriculture, forestry and fishing has been estimated to be at 1.1 percent, mining and quarrying at 2.3 percent, construction at 4.5 percent and manufacturing at 6.8 percent.

Commenting on the data the Confederation of Indian Industry said: “A lot of effort has gone into developing the new GDP series and CII would like to commend the work done by CSO.”

“While growth in most sectors is estimated to have picked up from the previous year, there has been deceleration in three sectors: agriculture, mining and trade, hotels, transport and communication. Growth in capital formation still remains weak at 1.3 percent and needs to be strengthened,” it added.

Jyotsna Suri, president of industry chamber Ficci, in a statement here said: “We must remember that large segments of the industrial sector are still faced with muted demand, and a sustained increase in GDP requires both investment and consumption demand to move full speed ahead. We are looking forward to the ensuing budget and hope to see more measures by the government to give a boost to the investment cycle.”

“With a growth rate of 6.9 percent in FY 2013-14, the April-December FY 2014-15 GDP growth at 7.4 percent suggests that slowdown is behind us and recovery is gaining strong momentum,” said Alok B. Shriram, president, PHD Chamber.

Source: Indo-Asian News Service
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