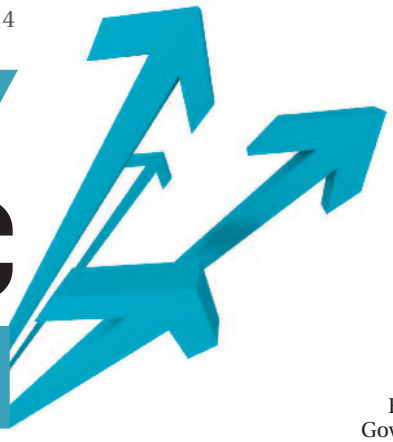
September, 2014

MONTHLY ECONOMIC BULLETIN



ITP Divison
Ministry of
External Affairs
Government of India

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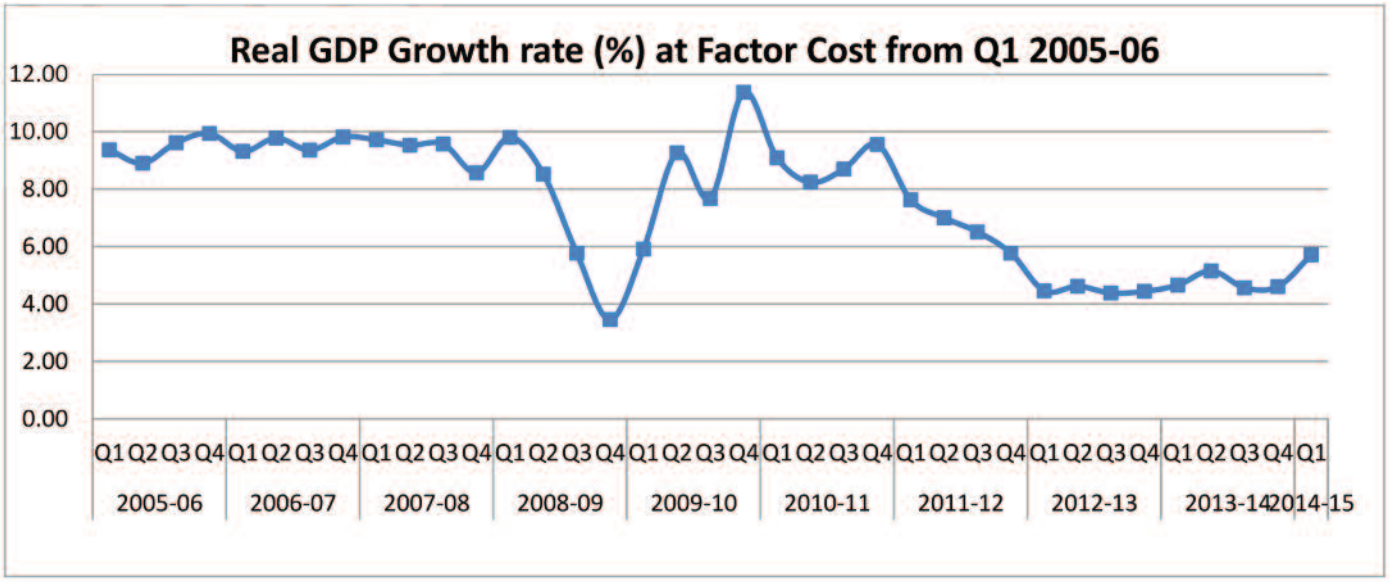
Domestic Economy and Markets

Estimates of Gross Domestic Product for the First Quarter (April-June) of 2014-15

As per the estimates of the Central Statistics Office (CSO), the growth in Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices is placed at 5.7 per cent in the first quarter of 2014-15, which is the highest recorded in nine quarters, with agriculture, industry and services registering growth rates of 3.8 per cent, 4.2 per cent and 6.8 per cent respectively. GDP growth was estimated at 4.7 per cent for the full year, 2013-14.



The details of estimates of GDP for Q1, 2014-15 are presented below.

Estimates of GDP by Economic Activity

(a) At constant (2004-2005) prices

Quarterly GDP at factor cost at constant (2004-2005) prices for Q1 of 2014-15 is estimated at Rs.14.38 lakh crore, as against Rs.13.61 lakh crore in Q1 of 2013-14, showing a growth rate of 5.7 per cent over the corresponding quarter of previous year.

The economic activities which registered significant growth in Q1 of 2014-15 over Q1 of 2013-14 are 'electricity, gas & water supply' at 10.2 per cent , 'financing, insurance, real estate and business services' at 10.4 per cent and 'community, social and personal services' at 9.1 per cent. The estimated growth rates in other economic activities are: 4.8 per cent in 'construction', 3.5 per cent in 'manufacturing', 2.8 per cent in 'trade, hotels, transport and communication', 3.8 per cent in 'agriculture, forestry & fishing', and 2.1 per cent in 'mining & quarrying' during this period.

According to the information furnished by the Department of Agriculture and Cooperation (DAC), which has been used in compiling the estimate of GVA from agriculture in Q1 of 2014-15, the production of coarse cereals and pulses registered growth rates of 11.2 per cent and 6.2 per cent respectively during the Rabi season of agriculture year 2013-14 (which ended in June 2014) and rice and wheat also registered growth of 15.0 per cent and 2.6 percent over the production in the corresponding season of previous agriculture year. Among the commercial crops, the produc-

tion of oilseeds increased by 3.0 per cent during the Rabi season of 2013-14.

According to the latest estimates available on the Index of Industrial Production (IIP) the index of mining, manufacturing and electricity, registered growth rates of 3.2 per cent, 3.1 per cent and 11.3 per cent, respectively during Q1 of 2014-15, as compared to the growth rates of (-) 4.6 per cent, (-) 1.1 per cent and 3.5 per cent in these sectors during Q1 of 2013-14.

The key indicators of construction sector, namely, production of cement and consumption of finished steel registered growth rate of 9.5 per cent and 0.7 percent, during Q1 of 2014-15.

Among the services sectors, the key indicators of railways, namely, the net tonne kilometres and passenger kilometres have shown growth rate of 3.3 per cent and 5.5 per cent respectively during Q1 of 2014-15. In case of other transport sectors, passengers handled by the civil aviation, cargo handled by the civil aviation and cargo handled at major ports registered growth rates of 7.5 per cent and 6.2 per cent and 4.3 percent respectively while the sales of commercial vehicles registered the decline of 16.1 percent during Q1 of 2014-15 over Q1 of 2013-14. The other key indicators, namely, aggregate bank deposits, and bank credits have shown growth rates of 12.4 per cent, and 13.3 per cent, respectively as on June 2014 as against growth of 13.5 per cent and 13.5 per cent respectively as on June 2013.

(b) At current prices

GDP at factor cost at current prices in Q1 of 2014-15, is estimated at Rs.26.97 lakh crore, as against Rs.24.11 lakh crore in Q1, 2013-14, showing an increase of 11.9 per cent.

The wholesale price index (WPI), in respect of the groups - food articles, minerals, manufactured products, electricity and all commodities, has risen by 8.8 per cent, 5.3 percent, 3.6 per cent, 12.0 per cent and 5.7 per cent, respectively during Q1 of 2014-15 over Q1 of 2013-14. The consumer price index for industrial workers (CPI-IW) has shown a rise of 6.9 per cent during Q1 of 2014-15 over Q1 of 2013-14.

Estimates of GDP at Market Prices

GDP at current market prices in Q1 of 2014-15, is estimated at Rs. 28.43 lakh crore, as against Rs.25.47 lakh crore in Q1, 2013-14, showing an increase of 11.6 per cent. At constant (2004-2005) prices, the GDP at market prices is estimated at Rs.15.16 lakh crore in Q1 of 2014-15 as against Rs.14.32 lakh crore in Q1 of 2013-14 showing an increase of 5.8 per cent over the corresponding quarter of previous year. The growth in major subsidies was 3.3 per cent in Q1 of 2014-15 and the indirect tax revenue of the central government viz., customs, excise and service tax has shown a growth of (-)5.0 percent , (-) 13.0 percent and 20.0 percent respectively in Q1 of 2014-15.

Estimates of Expenditure on GDP

The components of expenditure on gross domestic product, namely, consumption expenditure and capital formation, are normally measured at market prices. The aggregates presented in the following paragraphs, therefore, are in terms of market prices.

Private Final Consumption Expenditure

Private Final Consumption Expenditure (PFCE) at current prices is estimated at Rs.16.71 lakh crore in Q1 of 2014-15 as against Rs.14.92 lakh crore in Q1 of 2013-14. At constant (2004-05) prices, the PFCE is estimated at Rs. 9.35 lakh crore in Q1 of 2014-15 as against Rs. 8.85 lakh crore in Q1 of 2013-14. In terms of GDP at market prices, the rates of PFCE at current and constant (2004-2005) prices during Q1 of 2014-15 are estimated at 58.8 per cent and 61.7 per cent, respectively, as against the corresponding rates of 58.6 per cent and 61.8 per cent, respectively in Q1 of 2013-14.

Government Final Consumption Expenditure

Government Final Consumption Expenditure (GFCE) at current prices is estimated at Rs.3.81 lakh crore in Q1 of 2014-15 as against Rs.3.29 lakh crore in Q1 of 2013-14. At constant (2004-2005) prices, the GFCE is estimated at Rs.1.87 lakh crore in Q1 of 2014-15 as against Rs.1.72 lakh crore in Q1 of 2013-14. In terms of GDP at market prices, the rates of GFCE at current and constant (2004-2005) prices during Q1 of 2014-15 are estimated at 13.4 per cent and 12.4 per cent, respectively, as against the corresponding rate of 12.9 per cent and 12.0 each in Q1 of 2013-14.

Gross Fixed Capital Formation

Gross Fixed Capital Formation (GFCF) at current prices is estimated at Rs.8.14 lakh crore in Q1 of 2014-15 as against Rs. 7.32 lakh crore in Q1 of 2013-14. At constant (2004-2005) prices, the GFCF is estimated at Rs.4.96 lakh crore in Q1 of 2014-15 as against Rs.4.63 lakh crore in Q1 of 2013-14. In terms of GDP at market prices, the rates of GFCF at current and constant (2004-2005) prices during Q1 of 2014-15 are estimated at 28.6 per cent and 32.7 per cent, respectively, as against the corresponding rates of 28.7 per cent and 32.3 per cent, respectively in Q1 of 2013-14.

QUARTERLY ESTIMATE OF GDP AT FACTOR COST IN Q1 (APRIL-JUNE) OF 2014-15
(at 2004-2005 prices)

Industry	APRIL-JUNE (Q1)				
	(₹crore) Gross Domestic Product for Q1 of			Percentage change Over previous year Q1	
	2012-13	**2013-14**	**2014-15**	**2013-14**	**2014-15**
1. agriculture, forestry & fishing	177947	185084	192115	4.0	3.8
2. mining & quarrying	26519	25490	26016	-3.9	2.1
3. manufacturing	208756	206340	213470	-1.2	3.5
4. electricity, gas & water supply	26018	26999	29763	3.8	10.2
5. construction	101803	102875	107779	1.1	4.8
6. trade, hotels, transport & communication	349478	355018	364809	1.6	2.8
7. financing, insurance, real estate & business services	255560	288494	318614	12.9	10.4
8. community, social & personal services	154140	170458	185922	10.6	9.1
GDP at factor cost	1300221	1360757	1438488	4.7	5.7

QUARTERLY ESTIMATE OF EXPENDITURES OF GDP AT MARKET PRICES IN Q1 (APRIL-JUNE) OF 2014-15

(at 2004-2005 prices)

Item	APRIL-JUNE (Q1)				
	(₹ crore) Expenditures of Gross Domestic Product for Q1 of			RATES OF GDP AT MARKET PRICES (%)	
	2012-13	**2013-14**	**2014-15**	**2013-14**	**2014-15**
1. Private Final Consumption Expenditure (PFCE)	837828	885067	934995	61.8	61.7
2. Government Final Consumption Expenditure(GFCE)	152505	172143	187377	12.0	12.4
3. Gross Fixed Capital Formation (GFCF)	476521	463173	495725	32.3	32.7
4. Change in Stocks	25762	26066	26718	1.8	1.8
5. Valuables	45124	30420	14993	2.1	1.0
6. Exports	361798	351497	392044	24.5	25.9
7. *Less* Imports	484435	492476	490435	34.4	32.4
8. Discrepancies	-40756	-3650	-45391	-0.3	-3.0
GDP at market prices	1374346	1432240	1516025	100.0	100.0

QUARTERLY ESTIMATE OF GDP AT FACTOR COST IN Q1 (APRIL-JUNE) OF 2014-15

(at current prices)

Industry	APRIL-JUNE (Q1)				
	(₹crore) Gross Domestic Product for Q1 of			Percentage change Over previous year Q1	
	2012-13	**2013-14**	**2014-15**	**2013-14**	**2014-15**
1. agriculture, forestry & fishing	376011	423712	474092	12.7	11.9
2. mining & quarrying	53419	50724	54804	-5.0	8.0
3. manufacturing	313696	320159	343126	2.1	7.2
4. electricity, gas & water supply	37374	47487	58648	27.1	23.5
5. construction	180261	190993	211437	6.0	10.7
6. trade, hotels, transport & communication	544027	576810	624797	6.0	8.3
7. financing, insurance, real estate & business services	388606	461234	537198	18.7	16.5
8. community, social & personal services	286491	339598	393200	18.5	15.8
GDP at factor cost	2179885	2410718	2697303	10.6	11.9

QUARTERLY ESTIMATE OF EXPENDITURES OF GDP AT MARKET PRICES IN Q1 (APRIL-JUNE) OF 2014-15
(at current prices)

Item	APRIL-JUNE (Q1)				
	(₹ crore) Expenditures of Gross Domestic Product for Q1 of			RATES OF GDP AT MARKET PRICES (%)	
	2012-13	**2013-14**	**2014-15**	**2013-14**	**2014-15**
1. Private Final Consumption Expenditure (PFCE)	1330747	1491773	1671247	58.6	58.8
2. Government Final Consumption Expenditure(GFCE)	266715	328541	380982	12.9	13.4
3. Gross Fixed Capital Formation (GFCF)	711628	731957	814236	28.7	28.6
4. Change in Stocks	40654	44299	48076	1.7	1.7
5. Valuables	66359	41860	21202	1.6	0.7
6. Exports	592964	610753	722815	24.0	25.4
7. *Less* Imports	740894	789793	835206	31.0	29.4
8. Discrepancies	40560	87546	19245	3.4	0.7
GDP at market prices	2308732	2546935	2842596	100.0	100.0

Highlights of Monthly Economic Report

- GDP growth in the first quarter (April-June 2014) at 5.7 per cent is the highest in nine quarters. The overall growth of GDP at factor cost at constant (2004-05) prices (real GDP) for 2013-14 was placed at 4.7 per cent as compared to 4.5 per cent for 2012-13 (as per the Provisional Estimates released on 30th May, 2014).
- Food grains (rice and wheat) stocks held by FCI and State agencies were 51.19 million tonnes as on October 1, 2014 vis- -vis the buffer stock norm of 21.20 million tonnes as on October 1, 2014.
- Overall growth in the Index of Industrial Production (IIP) was 0.4 per cent during August 2014, same as in August 2013. During April-August, 2014-15, IIP growth was 2.8 per cent as compared to nil growth in April-August, 2013-14.
- Eight core infrastructure industries registered a growth of 5.8 per cent in August 2014 as compared to 4.7 per cent in August 2013. During April-August, 2014-15, these sectors grew by 4.4 per cent as compared to 4.2 per cent during April-August, 2013-14.
- Broad money (M3) for 2014-15 (up to October 03, 2014) increased by 6.8 per cent as compared to 7.4 per cent during the corresponding period of the last year. The year-on-year growth, as on October 3, 2014 was 12.6 per cent as compared to 13.6 per cent in the previous year.
- Exports and imports increased by 2.7 per cent and 26.0 per cent respectively, in US$terms, during September 2014 over September 2013.
- Foreign Currency Assets stood at US$ 290.4 billion at end-September 2014 as compared to US$ 249.4 billion at end-September 2013.
- The rupee depreciated against the US dollar and appreciated against the Pound sterling, Japanese yen and Euro in the month of September 2014 over August 2014.
- The WPI inflation for all commodities for the month of September 2014 declined to 2.38 per cent from 3.74 per cent in the previous month.
- Gross tax revenue for the financial year 2014-15 (April-August) at Rs 3,24,938 crore, recorded a growth of 5.1 per cent over 2013-14.
- As proportion of Budget estimate, fiscal deficit and revenue deficit during 2014-15 (April-August) was 74.9 per cent and 85.8 per cent respectively.

Economy improving, 5.5 percent growth this year: RBI Governor

India's economy is improving and the country is hoping to achieve 5.5 percent, or little more, growth rate this year, said Reserve Bank of India (RBI) Governor Raghuram Rajan.

"Next year we will go into sixes and hopefully sevens the year after," he said while addressing students of Indian Business School (ISB) in Hyderbad on October 16..

Rajan said that without thinking of major reforms, the country can put the economy back on track to a reasonable level but reforms will be key to sustain the growth and to take it to a higher level.

While claiming that the economy is improving, he hoped that there will be more sustainable growth going forward.

Rajan, however, underlined the need to support the growth in a strong way by working on the financial side.

"The bottom line is we do seem to be picking up in growth. Our current account deficit is smaller and inflation numbers look lot healthier than they looked a few months ago," he said.

He said many market participants were convinced that India could hit the RBI's target of bringing down consumer inflation to 6 percent by Jan next. The central bank chief said there was some pickup of industrial growth.

Rajan said while exports seem to have slowed down, the country is doing reasonably well in non-oil and non-gold exports with 6-7 percent growth. "This has been one of the strengths of the economy over last few months."

Noting the government is focusing on improving the framework of doing business, he stressed the need to make easy for business to grow in terms of access to finance, regulations, and skilled labour.

"The government is working in all these areas. I don't see why we can't overtime reach double digit given our level of development," he added.

Stating that some reliance on foreign investment is not bad, he said FDI alone may not be sufficient. He stressed the need for portfolio investments saying they are relatively stable form of financing.

Rajan admitted that there will be some volatility in foreign institutional portfolio investment but remarked that one has to live with it. To a question, Rajan said Prime Minister Narendra Modi has an ambitious agenda for India. "The level of expectations is very high. We have to match it," he averred.

Denying that there is a conflict between government and RBI, he said they enjoy free, frank and cordial relationship. He said discussions are creating institutional structures like financial resolution authority to improve functioning of financial sector. "We need financial resolution authority so that we can close down financial institutions poorly functioning one and resurrect well functioning ones," he said

The RBI governor said discussions were also on on the monetary policy framework. Terming it as a far sighted move by the government, he said this will help reach the standards which other countries have achieved and also decide how to make objectives of central bank more explicit like keeping inflation at certain level, financial stability and growth.

Discussions are also on creating a monetary policy committee, who will appoint the members of the committee and what will be the term of management of the RBI.

Rajan said the RBI would be restructured by appointing another deputy director. He, however, pointed out that RBI Act will have to be amended to create the post of fifth deputy director.

The RBI governor said the country need specialists - Indian or foreign - to put distress assets back on track. "If the specialists bring in new money which is required to complete projects they will be very welcome. It's not that India is for sale but we need help on project restructuring."

Stressing the need for strengthening asset restructuring companies with more capital, Rajan said the country will be open for more asset reconstruction companies. He said RBI will open licensing process for new asset reconstruction companies of various hues so that they can start helping in bringing down the level of distress.

India's Foreign Trade (Merchandise)

Exports (including re-exports)

Exports during September, 2014 were valued at US $ 28903.28 million (Rs.175919.53 crore) which was 2.73 per cent higher in Dollar terms (1.92 per cent lower in Rupee terms) than the level of US $ 28135.90 million (Rs. 179372.28 crore) during September, 2013. Cumulative value of exports for the period April-September 2014-15 was US $ 163701.40 million (Rs 985539.11 crore) as against US $ 153754.85 million (Rs 910882.94 crore) registering a growth of 6.47 per cent in Dollar terms and growth of 8.20 per cent in Rupee terms over the same period last year.

Imports

Imports during September, 2014 were valued at US $ 43150.70 million (Rs.262636.30 crore) representing a growth of 25.96 per cent in Dollar terms and a growth of 20.25 per cent in Rupee terms over the level of imports valued at US $ 34258.24 million (Rs. 218403.50 crore) in September, 2013. Cumulative value of imports for the period April-September 2014-15 was US $ 234099.98 million (Rs 1409466.83 crore) as against US $ 230479.32 million (Rs 1355761.53 crore) registering a growth of 1.57 per cent in Dollar terms and growth of 3.96 per cent in Rupee terms over the same period last year.

Crude Oil and Non-Oil imports

Oil imports during September, 2014 were valued at US $ 14497.3 million which was 9.7 per cent higher than oil imports valued at US $ 13213.0 million in the corresponding period last year. Oil imports during April-September, 2014-15 were valued at US $ 82476.7 million which was 3.1 per cent higher than the oil imports of US $ 80012.4 million in the corresponding period last year.

Non-oil imports during September, 2014 were estimated at US $ 28653.4 million which was 36.2 per cent higher than non-oil imports of US $ 21045.2 million in September, 2013. Non-oil imports during April-September, 2014-15 were valued at US $ 151623.2 million which was 0.8 per cent higher than the level of such imports valued at US $ 150466.9 million in April-September, 2013-14.

Trade Balance

The trade deficit for April-September, 2014-15 was estimated at US $ 70398.58 million which was lower than the deficit of US $ 76724.47 million during April-September, 2013-14. However, the trade deficit for the month of September 2014 stands at US $ 14247.42 million which was 132.71 per cent higher than the value of US $ 6122.34 million in September 2013. This phenomenal increase in trade deficit is mainly due to rise in imports without adequate rise in exports. Imports have increased mainly due to unusual growth of 449.7 per cent in imports of Gold and 105.6 per cent in imports of Metalliferous Ores & Other Minerals over the same period last year. Both these items have a high value in the import basket with Gold having a value of US $ 3751.87 million and Metalliferous Ores & Other Minerals having a value of US $ 817.79 million in September 2014.

India's Foreign Trade (Services): August, 2014

(As per the RBI Press Release dated 14th October, 2014)

A. Exports(Receipts)

Exports during August, 2014 were valued at US $ 12242 Million (Rs. 74547.90 Crore).

B. Imports (Payments)

Imports during August, 2014 were valued at US $ 6767 Million (Rs. 41207.78 Crore).

C. Trade Balance

The trade balance in Services (i.e. net exports of Services) for August, 2014 was estimated at US $ 5475 Million.

EXPORTS & IMPORTS (MERCHANDISE): (US $ Million)		
(PROVISIONAL)		
	SEPTEMBER	APRIL-SEPTEMBER
EXPORTS(including re-exports)		
2013-14	28135.90	153754.85
2014-15	28903.28	163701.40
%Growth2014-15/ 2013-14	2.73	6.47
IMPORTS		
2013-14	34258.24	230479.32
2014-15	43150.70	234099.98
%Growth 2014-15/ 2013-14	25.96	1.57
TRADE BALANCE		
2013-14	-6122.34	-76724.47
2014-15	-14247.42	-70398.58
EXPORTS & IMPORTS (MERCHANDISE): (Rs. Crore)		
(PROVISIONAL)	SEPTEMBER	APRIL-SEPTEMBER
EXPORTS(including re-exports)		
2013-14	179372.28	910882.94
2014-15	175919.53	985539.11
%Growth 2014-15/ 2013-14	-1.92	8.20
IMPORTS		
2013-14	218403.50	1355761.53
2014-15	262636.30	1409466.83
%Growth 2014-15/ 2013-14	20.25	3.96
TRADE BALANCE		
2013-14	-39031.22	-444878.59
2014-15	-86716.77	-423927.72

EXPORTS & IMPORTS (SERVICES) : (US $ Million)	
(PROVISIONAL)	
	August 2014-15
EXPORTS (Receipts)	12242.00
IMPORTS (Payments)	6767.00
TRADE BALANCE	5475.00
EXPORTS & IMPORTS (SERVICES): (Rs. Crore)	
(PROVISIONAL)	August 2014-15
EXPORTS (Receipts)	74547.90
IMPORTS (Payments)	41207.78
TRADE BALANCE	33340.12

Source: RBI Press Release dated 14th October, 2014

Agriculture

New initiatives for development of agro and allied sector

Union Minister of Agriculture, Shri Radha Mohan Singh has said that all round development of the Agro Sector is the higher priority of the Government. It has taken a number of initiatives for the development of Agro and allied sector which include advance research facilities for farm techniques, use of information technology to transfer information and knowledge to the farmers at grass root level and improved crop insurance and finance to the farmers.

Full text of the Minister's addressed is as follows:

"Our country has made tremendous progress in the fields of tele-communication, information technology, service sector, automobiles, health, space technology, etc. However, on a comparative basis, the progress in agriculture is not to the same extent. Though we have come a long way from the stage of import of food grains in 1960s to self-sufficiency since last several years, but still we have a long way to go to achieve the full potential of production and productivity in agriculture sector. As of now, there are manifold opportunities in the agriculture sector. In many areas of the country, many varieties of fertile soil, optimum availability and use of water for agriculture, new thinking and innovation of farmers, reducing production costs, stronger infrastructure facilities etc. can lead to many opportunities in Indian agriculture. Further, there is a great potential of providing gainful employment to a large population by stepping up activities in the agriculture sector.

- We have to work actively and primarily to increase production and productivity. We can rise from the present achievement of self-sufficiency in food grains to the much more ambitious goal of emerging as a world agricultural power.
- Our Hon'ble Prime Minister, Shri Narendra Modi has got a clear thinking and vision for agriculture and agricultural development. His vision is to reduce the gap from lab to land to increase productivity, to use new technologies on a continuous basis in agriculture and to increase the exports of agricultural commodities leading to rapid economic growth. During the last four months, we have been following the vision of our Hon'ble Prime Minister leading to effective and speedy implementation of agricultural programmes thereby proving how effective leadership can boost the country's economy.
- The new Government was constituted in May 2014, facing the challenges of deficit rainfall due to delayed monsoon. The task before the Ministry was to maintain the increasing agricultural output of the country despite the impending deficit rainfall. Advance preparations were made to deal with the situation, by holding discussions with State Governments to organize seeds and disseminate appropriate farming practices, prepare district-wise Contingency action plans and bring in flexibility in various schemes so that States don't face any hurdle in making any desired changes in the approved action plans to tackle the situation arising out of deficit rainfall. The Central Research Institute for Dry land agriculture (CRIDA) with the active cooperation of Agricultural Universities and State Governments prepared District Contingency plans in respect of 571 districts
- The deficit of rain in June 2014 was (-) 43%, which by July 2014 became (-) 22%. To cope with this deficit rainfall, Government took some important measures, such as diesel subsidy scheme, additional financial assistance to protect horticulture crops, increase in seed subsidy, additional fodder development scheme, waiving of import duty on oil cakes etc.

- It may be noted that coverage in sowing position is as per average of last 5 years, and is only 3% lower than the situation of last year. With improved rainfall, it is estimated that kharif production will be approximately 120 million tonnes. This major achievement is due to hard work put in by our farmers and active cooperation of State Governments.
- In some rain deficit parts of the country, there is still a possibility of adverse impact on Rabi crops due to lack of adequate soil moisture. The Rabi Conference was held on 17-18 September 2014 with the State officials and an effective plan has been prepared to combat this challenge. We have targeted to achieve production of 94 million tonnes of wheat, 14 million tonnes of Rabi paddy, 12.5 million tonnes of pulses and 11 million tonnes of oilseeds in the ensuing Rabi season.
- Ministry of Agriculture has prepared a Mission Mode Scheme to issue Soil Health Card to all farmers. A programme has been formulated to issue 3 crore Soil Health Cards in 2014-15, 5.5 crore in 2015-16 and 5.5 crore Soil Health cards in 2016-17. State-wise allocation has been made for establishing 100 Mobile Soil Testing Laboratories in 2014-2015.
- Under the Prime Minister Krishi Sinchai Yojana, being launched shortly, the implementation of small and major Irrigation schemes held up for years will be expedited under the joint monitoring of Ministry of Water Resources, Ministry of Rural Development and Agriculture Ministry.
- In order to check rising prices of fruits and vegetables, these have been kept outside the purview of APMC Act in Delhi. Other States have also been advised to take similar steps. Some States have already taken steps in this direction. In a short span of time, we have completed all formalities to set up a Kisan mandi in Alipur, Delhi, which will be inaugurated on 25th September. Farmer Producer Organizations have started direct marketing of onion and potatoes at reasonable prices in Delhi. With the help of newly announced Price Stabilization Fund, work is going to commence very soon to buy from farmers and sell directly to consumers at reasonable prices, Potato and Onion in the initial phase and gradually extending this to other vegetables.
- Saffron Park inaugurated in Kashmir with an aim to improve the productivity, quality and marketing of saffron.
- Under Agri Marketing Infrastructure, the Grameen Bhandaran Yojana has been made more effective, as a result of which the budget for the entire year has been released in only 4 months.
- A project titled "Bhartiya Paramparagat Krishi Vikas Pariyojana" has been formulated to promote Organic Farming. The objective is to promote eco-friendly concept of cultivation reducing the dependency on agro-chemicals and fertilizers and to optimally utilize the locally available natural resources for input production.
- Crop insurance schemes currently under implementation suffer from several deficiencies and operational difficulties. Suggestions have been sought from Chief Ministers of all the States/UTs in this regard. It is proposed to roll out new crop insurance scheme for insuring the production, productivity and income risk faced by the farmers.
- Information relating to registration of Multi State Cooperative Society has been made available online, in order to facilitate easy availability of information to the applicant and ensure transparency.
- NABARD, since 12 September 2014, has started making available long term loan on concessional rates in Agriculture and related fields. Initial allotment of rupees five thousand crore has already been made for the purpose.
- A project has been sanctioned to ICRISAT, an international institution for Rs. 12.65 crores for developing new varieties of chickpea, utilizing analysis of chickpea genome.
- Stress tolerant varieties of rice have been introduced in ten thousand hectares in areas affected by drought, flood and salinity with assistance of IRRI, an international institution.
- Encouragement to Industry and Trade: Katupalli Sea Port in Tamil Nadu and Kochi Airport notified as import entry points for plants and plant materials.

Unparalleled Success in Information Technology in Last 100 days.

- In the last 100 days, 32.29 crore agriculture based information and advisories were sent to farmers over mobile which is almost equal to the number during the period since inception of this facility (16th July, 2013) till 25th May,

2014. Till date 186 crore SMSs have been sent to farmers which is not only the highest amongst all the e-Services of the Central Government but also the biggest initiatives from the Government towards providing SMS based Citizen Services.

- The Department has started obtaining Farmers' Feedback on the quality of information received by farmers through IVRS and SMS under the m-Kisan Portal and the Kisan Call Centres (through toll free number 1800-180-1551).
- USSD technology has been implemented by the Department as a new initiative in a big way towards use of Information Technology in mobile telephony. Under this service the farmers can obtain selected information available on internet through an interactive session on SMS without having internet connection. This information is also provided through pull SMS.
- A Farmers' Portal (www.farmer.gov.in)(at present in Hindi and English) for the farmers and also m-Kisan portal (www.mKisan.gov.in) to present mobile based services in an integrated manner have been launched on internet.

E governance and Digitization

- ICAR has started implementation of e governance to promote disposal of administrative matter electronically.
- Financial Management System/Management Information System has been launched in 44 research institutes under ICAR.
- Digitization of the technical data and development of geo-information system has been launched.
- Digitization of research papers for development of e-repository has been launched in all research institutes and agriculture universities.

Agricultural Research and Education

- Efforts have been initiated to establish new Research Institutions on the lines of Indian Agricultural Research Institute (IARI) in the States of Asom and Jharkhand that are expected to give a new direction to the development of farming and farmers in these states. The primary objective of national institution is to strengthen the agricultural research and education. These institutions will provide guidance and national leadership in transfer of technology and setting up of standards and quality benchmarks. It is expected that the establishment of these institutions will help to bring the green revolution in the eastern parts of the country.
- New Agricultural Universities in Andhra Pradesh and Rajasthan.
- New Horticultural Universities in Telangana and Haryana.
- Foundation Stone of Indian Institute of Agricultural Biotechnology laid in Ranchi, Jharkhand on 25 August, 2014 by Hon'ble Union Minister of Agriculture.

New National Initiatives sanctioned in EFC Meetings

- Farmer FIRST (Farmer, Innovation, Resources, Science & Technology) Project involving linkage of farmers with scientists, technology assessment, demonstration and training and capacity development of farmers (Budget allocation Rs. 300 crores).
- Student READY (Rural Entrepreneurship and Awareness Development Yojana) program in agricultural education for developing entrepreneurship among youth through skill development of students in project mode will be implemented in different agricultural universities (Budget allocation Rs. 50 crores).
- ARYA (Attracting and Retaining Youth in Agriculture) - an innovative program to check the migration of rural youth and retain their interest in agriculture through creation of new employment opportunities will be implemented in project mode (Budget allocation Rs. 100 crores).

Lab to Land

- Four new Krishi Vigyan Kendra (KVK) namely Bogaigaon, Morigaon and Buxa districts of Asom and Ramgarh district of Jharkhand have been established. A review was undertaken of all KVKs in the country and a work plan initiated for meeting the infrastructural and human resource requirements of all the KVKs within a year.

- A total of 56 new high yielding improved varieties of cereals (34), pulses (6), oilseeds (4), forage (2), vegetables (6), fruits (2) and sugarcane (2) have been notified and released.
- New improved variety "Swarna Vaidehi" of Makhana released to the farmers.
- Microbial source based nano fertilizers for phosphorus, magnesium, zinc, and iron commercialized for the first time in the country.

Climate Change and Monsoon Related Initiatives

- In relation to variable Monsoon of 2014, District Contingency Plans for 45 districts developed raising the total number of District Contingency Plans to 570.
- A Weekly National Agromet Advisory has been launched jointly with Indian Meteorological Department (IMD).
- Project for development of Land Resource Inventory at 1:10,000 scale for Agricultural Land Use Planning launched in collaboration with National Remote Sensing Centre (NRSC).

New Researches

- At international level, draft sequence of bread-wheat genome has been deciphered so that the research on the feasibility of gene relating to disease resistance, high production and climate change could be undertaken.
- A male buffalo calf has been cloned (named Rajat) from frozen semen of a progeny tested elite bull at NDRI, Karnal for the first time in the world on July 23, 2014. This is a unique success in the world for cloning from the frozen semen of a male buffalo. This success has already been recorded in the Limca Book of Record.
- New technique developed for the diagnosis of brucellosis disease in livestock.
- New Live Attenuated Vaccine has been developed for Sheep pox disease using indigenous virus strain.

Important Meetings / Conferences

- Hon'ble Prime Minister of India addressed the Vice-Chancellors of Agricultural Universities, Directors and Scientists of the ICAR on the occasion of 86th ICAR Foundation Day on 29th July, 2014. Hon'ble Prime Minister in his address called upon the scientists to develop such technologies that will improve farmers' income, productivity of natural resources such as 'per drop - more crop', soil health cards and digitization of research papers/thesis.
- Hon'ble President of India inaugurated International Conference on Natural Fibres at Kolkata on 1st August, 2014. In his address, the President highlighted the environmental importance and export potential of natural fibres and emphasised the need to undertake appropriate research and development programmes.
- Initiatives of Krishi Vigyan Kendras (KVKs) in Tribal Areas were discussed in an Interface Workshop and Exhibition organised at NASC, New Delhi on 19-20 August, 2014. In this workshop, the strength of tribal people in terms of their indigenous knowledge and germplasm was recognised. In this workshop, it was decided to strengthen the infrastructure in the KVKs located in tribal areas so as to enable them to take modern agriculture technologies to the tribal farmers in order to improve the productivity, profitability and sustainability of farming.
- Dr. Jos Graziano da Silva, Director General, FAO interacted with the Vice Chancellors of Agricultural Universities, Directors of ICAR Research Institutions and eminent scientists on the issue of global food security and the role of Indian agriculture. On this occasion, while appreciating the progress of Indian agriculture, he expressed that India could make effective contributions to help agricultural development of under-developed countries in the continents of Asia and Africa.

Rashtriya Gokul Mission

India has the largest bovine population in the world and ranks first among the world's milk producing Nations since 1998. Milk production peaked at about 14 crore tonnes in 2013-14. 79% of the 30 Crore bovines in India are indigenous represented by 37 well recognized indigenous breeds of cattle and 13 buffalo breeds. Indigenous bovines are robust and re-

silient and are particularly suited to the climate and environment of their respective breeding tracts. Rashtriya Gokul Mission, a project under the National Program for Bovine Breeding and Dairy Development, is being launched with the objective of conserving and developing indigenous breeds to enhance their productivity through professional farm management and superior nutrition and upgradation of indigenous bovine germplasm with an outlay of Rs. 500 Crores.

National Kamdhenu Breeding Centre

"National Kamdhenu Breeding Centre" will be set up for development, conservation and preservation of Indigenous Breeds, as a Centre of Excellence to develop and conserve Indigenous Breeds in a holistic and scientific manner. An allocation of Rs 50.00 crore has been announced in the Budget in July 2014 for conservation and development of indigenous breeds. This fund will be used to establish two National Kamdhenu Breeding Centres - one each in the northern and southern part of the country. The National Kamdhenu Breeding Centre will be a repository of indigenous germplasm and a source of Certified Genetics in the Country. Elite certified germplasm will be made available to Farmers, Breeders, Breeding Institutes and Trusts maintaining Indigenous Breeds. A Nucleus Herd of all the Indigenous Bovine Breeds will be conserved and developed with the aim of enhancing their productivity and upgrading genetic merit. The State Governments are being consulted to obtain their comments and to identify suitable land for this purpose.

Rail Milk Network

In order to promote Agri. Rail network for transportation of milk, orders have been placed by AMUL and NDDB on behalf of Dairy Cooperative Federations for procurement of 30 new Rail Milk Tankers and will be made available by Railways. At present 96 RMTs are running along the milk grid to supply milk from cooperatives having excess milk to milk deficient areas. The procurement of 30 new tankers by Amul and by NDDB, for use by cooperative federations, will augment the existing 96 RMTs in movement of milk from milk surplus areas to areas of demand, benefitting the consumer and enhancing farmers' market access.

Stakeholder Consultations

The Department of Animal Husbandry, Dairying & Fisheries organized a Dairy Conference Dairy Vision 2025 and the Way Forward, 5 September 2014 along with Confederation of Indian Industry. The Department of Animal Husbandry, Dairying & Fisheries organized Conference of State Ministers of Animal Husbandry, Dairying & Fisheries on 16 September 2014 to identify the requirement of States and UTs to lay down road map for development of the sector.

J&K Relief Emergent Respone

The Department of Animal Husbandry Dairying and Fisheries has arranged to send relief materiel in the form of Milk and Milk Products for the flood affected regions of the State dispatched though the Air Force to J&K Government for relief. So far five tones of SMP, 70 tonnes of WMP and 17 tonnes of ESL milk along with small quantities of other milk products have been dispatched. Adequate stocks are kept ready for immediate dispatch as per the requirement of the State Government.

National Livestock Mission

This Division has launched National Livestock Mission (NLM) recently. Recently the Executive Committee of the National Livestock Mission (NLM) has approved the annual plan for the seven States and has approved Rs 96 Crores for the same.

Livestock Health

Intensive vaccinations have been undertaken in the States against various animal diseases through Central Schemes and funds made available to the States. The Department has established Equine Disease Free Zone (EDFZ) at Remount Veterinary Corps, Meerut, for movement of sports horses from India for sporting events. This facility has come into existence for the first time in the country. During last Asian games, our supports were not allowed to participate by China in the absence of EDFZ facility and disease free zone.

The procurement and sale of Milk by the Dairy Cooperative Federations has increased substantially over the same period last year (by 10% and 8% respectively), despite the onset of the lean season in North India and a lower than average Monsoon.

An amount of Rs. 272 Crores has been released under Dairy Development Schemes namely, National Programme for Dairy Development (NPDD), Dairy Entrepreneurship Development Scheme (DEDS) and National Dairy Plan, phase-I (NDP-I), for creation of dairy infrastructure.

National Programme for Dairy Development and Bovine Breeding (NPBBDD):

Under NPDD component of NPBBDD scheme, 8 new projects have been approved in Kerala (3), Tamil Nadu (3), Nagaland (1) and Punjab (1) with a total outlay of Rs.96 Crores for the 12th Plan period and an amount of Rs 34 Crores have been released to the States for the first phase.

An amount of Rs. 19 Crores has also been released for 12 ongoing dairy infrastructure projects in 11 States namely, Gujarat, Karnataka, Mizoram, West Bengal, Kerala, Maharashtra, Punjab, Tamil Nadu, Sikkim and Uttarakhand under NPDD.

National Dairy Plan:

The number of Projects sanctioned in the last 4 months is 47 with an outlay of Rs 102 Crores. Progeny Testing and Pedigree selection for Indigenous cattle undertaken for eleven indigenous breeds like Gir, Rathi, Kankrej, Tharparkar and Sahiwal under NDP.

DEDS (Dairy Entrepreneurship Development Scheme):

Under DEDS, the Department has released Rs.147 Crores to NABARD for release of back-ended capital subsidy, of which NABARD has released Rs. 122 Crores to the beneficiaries for setting up of 34,540 dairy units in various States as on 31.08.2014.

Cattle Development:

During the last four months, 8 projects under National Programme for Bovine Breeding have been sanctioned with an outlay of Rs 398 Crores. During the current year, 64 Crores has been disbursed to the States of Madhya Pradesh, UP, Tamil Nadu and Nagaland and Rs 37 Crores is being released to the States of Odisha, Kerala, Manipur and Sikkim .

A Compendium of MSPs and SOPs has been prepared and circulated to all the States in order to improve the quality of genetic upgradation programmes.

Farmers Manual and MSP for Embryo Transfer Technology have been developed recently and circulated among the States for their comments/suggestions.

ISO 9001-2008 has been initiated as a pilot project for CCBF, Chiplima. Once it is obtained, other CCBFs will also be ISO certified.

CHRS units have been integrated with INAPH data base.

At CFSP&TI strength of indigenous bulls has been increased and Tharparkar and Red Sindhi bulls of high genetic merit have been inducted.

Strengthening of CFSPTI has been taken under NDP.

National Livestock Mission(NLM):

The Department has supplied 7,22,450 commercial hatching eggs and 4,55,985 commercial chicks along with 6,204 high genetic value parent hatching eggs and 33,316 parent day-old high genetic breeding chicks during 2014-15.

3,750 quintals of high-yielding fodder variety seeds for fodder crops, grasses and legume seeds have been sown to enhance production during 2014-15.

Rs. 93 crore has been released to NABARD for Entrepreneurship Development and Employment Generation, like Rearing of goat, sheep, pig, poultry etc.

Livestock Health:

Intensive vaccinations have been undertaken in the States against various animal diseases during the last three months.

Rs.161 crore for FMD vaccine and its vaccination under FMD Control Programme (FMD-CP) have been released to the States for prevention & control of FMD.

The Department is extending FMD control programme to Bihar.

Rs.46.27 crore have been released to the States under Assistance to States for Control of Animal Diseases (ASCAD) programme for prevention & control of various economically important diseases.

Fisheries: National Blue Revolution

India is world's second largest producer of fish, however, it still scores low on the productivity scale. India has large natural resources, such as water bodies, reservoirs, lakes, ponds and 8118 kilometre long coastline and is well positioned to now have a Blue Revolution in Fisheries. Keeping in view the potential of the country the government has announced a new scheme:"Blue Revolution –Inland Fisheries" to increase the fish production. This will focus on increasing productivity and introduction of new technologies. A budget of Rs.50 Crores has been sanctioned for the purpose.

Besides, during the last four months period the following steps have been undertaken:

India hosted 33rd Session of FAO Asia –Pacific Fishery Commission meeting on 23-25 June, 2014 in Hyderabad to give a greater impetus to fisheries in the Asia Pacific region. This meeting was inaugurated by Hon'ble Minister for Agriculture and was attended by 28 delegates from 17 Countries

Fisheries Statistics 2014 have been released on 29th August 2014.

During the period of these four months, 830 fishermen houses have been approved under National Scheme of Welfare of Fishermen.

To focus on Beel fisheries (wetland fisheries) is on the agenda of the government. Government has initiated stakeholder consultation and conference of stakeholders was held in Guwahati, Assam on 27th August 2014.

Government has received the Report of Expert Committee constituted for comprehensive review of the Deep Sea Fishing Policy and Guidelines, 2014 and a comprehensive review of the Marine policy has been initiated during the period of these four months.

6013 fishermen have been trained during these four months under various training programmes of the Ministry.

2700 traditional boats in the coastal states will be motorized for which an assistance of Rs.400.00 lakhs has been released and 7 construction fishing harbours has been supported with the release of Rs.1500 lakh.

The Government has planned for providing assistance of Rs 157 Crores for construction of new hatcheries, ponds, cages, open sea cages, cold water fisheries, etc. under the National Mission of protein supplement and RKVY".

INFLATION

The official Wholesale Price Index for 'All Commodities' (Base: 2004-05 = 100) for the month of September, 2014 declined by 0.4 percent to 185.0 (provisional) from 185.7 (provisional) for the previous month.

The annual rate of inflation, based on monthly WPI, stood at 2.38% (provisional) for the month of September, 2014 (over September,2013) as compared to 3.74% (provisional) for the previous month and 7.05% during the corresponding month of the previous year. Build up inflation rate in the financial year so far was 2.61% compared to a build up rate of 6.23% in the corresponding period of the previous year.

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 1.3 percent to 258.2 (provisional) from 261.7 (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 1.4 percent to 261.8 (provisional) from 265.4 (provisional) for the previous month due to lower price of tea and fruits & vegetables (5% each), maize (4%), poultry chicken and fish-marine (3% each) and condiments & spices, jowar, pork and moong (1% each). However, the price of egg and coffee (4% each), fish-inland and barley (3% each), masur and arhar (2% each) and rice, bajra, gram, ragi and urad (1% each) moved up.

The index for `Non-Food Articles` group declined by 2.0 percent to 214.3 (provisional) from 218.7 (provisional) for the previous month due to lower price of flowers (17%), safflower (kardi seed) (16%), soyabean (13%), raw rubber (8%), gingelly seed (5%), mesta, copra (coconut) and raw cotton (3% each), linseed and castor seed (2% each) and coir fibre (1%). However, the price of fodder (8%), groundnut seed (6%), guar seed (5%), niger seed (4%) and raw silk (1%) moved up.

The index for `Minerals` group rose by 0.1 percent to 347.3 (provisional) from 347.0 (provisional) for the previous month due to higher price of chromite (3%), iron ore and steatite (2% each). However, the price of barytes (21%), sillimanite (9%), copper ore (4%), manganese ore (3%) and zinc concentrate (1%) declined.

Fuel & Power

The index for this major group declined by 0.3 percent to 213.4 (provisional) from 214.0 (provisional) for the previous month due to lower price of petrol (4%), bitumen (2%) and aviation turbine fuel and furnace oil (1% each). However, the price of lubricants (4%) and high speed diesel (1%) moved up.

Manufactured products (Weight 64.97%)

The index for this major group remained unchanged at its previous month`s level of 155.8 (provisional). The groups and items for which the index showed variations during the month are as follows:-

The index for `Food Products` group rose by 0.2 percent to 175.1 (provisional) from 174.7 (provisional) for the previous month due to higher price of powder milk (8%), tea leaf (blended) (5%), ghee (3%), bakery products (2%) and groundnut oil and oil cakes (1% each). However, the price of tea dust (unblended) (5%), gram powder (besan), rice bran oil and vanaspati (2% each) and sunflower oil, gur, gingelly oil, soyabean oil, sugar, wheat flour (atta) and palm oil (1% each) declined.

The index for `Beverages, Tobacco & Tobacco Products` group rose by 0.7 percent to 201.0 (provisional) from 199.6 (provisional) for the previous month due to higher price of cigarette (3%). However, the price of chewing tobacco (scented or not) (5%) declined.

The index for `Textiles` group declined by 0.1 percent to 144.1 (provisional) from 144.2 (provisional) for the previous month due to lower price of jute sacking cloth (3%) and cotton yarn (1%). However, the price of jute yarn (5%), jute sacking bag (2%) and gunny and hessian cloth, man made fibre and man made fabric (1% each) moved up.

The index for `Wood & Wood Products` group rose by 0.4 percent to 186.1 (provisional) from 185.4 (provisional) for the previous month due to higher price of plywood & fibre board (1%).

The index for `Paper & Paper Products` group rose by 0.3 percent to 150.0 (provisional) from 149.6 (provisional) for the previous month due to higher price of paper rolls (6%), laminated paper (2%) and paper cartons/boxes (1%). However, the price of books/ periodicals/ journals (2%) declined.

The index for `Leather & Leather Products` group declined by 0.1 percent to 146.6 (provisional) from 146.7 (provisional) for the previous month due to lower price of footwear/safety boot and other leather footwear (1% each). However, the price of leather garments & jackets (1%) moved up.

The index for `Rubber & Plastic Products` group rose by 0.2 percent to 151.2 (provisional) from 150.9 (provisional) for the previous month due to higher price of hdpe woven fabric (8%), tooth brush (4%), plastic containers and rubber transmission belt (3% each), polyester chips (2%) and plastic/pvc chappals, hdpe woven sacks and reclaimed rubber (1% each). However, the prices of plastic /pvc pipe, plastic/pvc suitcases, expandable polystyrene and plastic rolls (1% each) declined.

The index for `Chemicals & Chemical Products` group declined by 0.3 percent to 153.6 (provisional) from 154.1 (provisional) for the previous month due to lower price of synthetic resin (3%), vitamins (2%) and organic manure, non-cyclic compound, basic organic chemicals, rubber chemicals and castor oil (1% each). However, the price of dye & dye intermediates and distemper (2% each) moved up.

The index for `Non-Metallic Mineral Products` group rose by 0.8 percent to 170.8 (provisional) from 169.5 (provisional) for the previous month due to higher price of asbestos corrugated sheet (4%), white cement (3%), marbles and grey cement (1% each). However, the price of slag cement (1%) declined.

The index for `Basic Metals, Alloys & Metal Products` group declined by 0.4 percent to 165.8 (provisional) from 166.4 (provisional) for the previous month due to lower price of gold & gold ornaments, zinc, silver and pencil ingots (2% each) and wire rods, steel rods, billets, crc, pig iron and steel castings (1% each). However, the price of furniture, sponge iron, ferro manganese, melting scrap and pressure cooker (1% each) moved up.

The index for `Machinery & Machine Tools` group rose by 0.1 percent to 134.6 (provisional) from 134.5 (provisional) for the previous month due to higher price of fibre optic cable (3%), ball/roller bearing and electric generators (2% each) and textile machinery, machine tools, electric motors and control equipments (1% each). However, the price of battery dry cells (11%), pump & assembly (3%) and boiler & accessories, communication equipments, insulators and conductor (1% each) declined.

The index for ` Transport, Equipment & Parts ` group rose by 0.1 percent to 136.1 (provisional) from 136.0 (provisional) for the previous month due to higher price of gauges (5%), geared motor (2%) and gear boxes & parts and suspension (1% each). However, the price of trolleys/tanker, wheels & parts and wiper/blade/arm etc (1% each) declined.

Final Index for the Month of July 2014 (Base Year: 2004-05=100)

For the month of July, 2014, the final Wholesale Price Index for 'All Commodities' (Base: 2004-05=100) stood at 185.0 as compared to 184.6 (provisional) and annual rate of inflation based on final index stood at 5.41 percent as compared to 5.19 percent respectively as reported on 14.08.2014.

Inflation for important commodities / commodity groups is given below:

Wholesale Price Index and Rates of Inflation (Base Year: 2004-05=100)

Month of September, 2014

Commodities/Major Groups/Groups/Sub-Groups	Weight	WPI Sep, 2014	Latest month over month		Build up from March		Year on year	
			2013-14	2014-15	2013-14	2014-15	2013-14	2014-15
ALL COMMODITIES	100.00000	185.0	0.95	-0.38	6.23	2.61	7.05	2.38
PRIMARY ARTICLES	20.11815	258.2	0.32	-1.34	13.27	7.85	14.03	2.18
Food Articles	14.33709	261.8	0.20	-1.36	18.12	11.59	18.68	3.52
Cereals	3.37323	236.6	0.70	0.47	7.62	2.38	13.44	3.45
Rice	1.79348	247.3	-0.04	1.31	12.22	6.55	18.61	6.87
Wheat	1.11595	209.7	2.01	-0.19	3.65	-3.85	7.31	-1.50
Pulses	0.71662	240.9	1.90	0.84	-3.13	5.80	-13.42	6.69
Vegetables	1.73553	328.6	-2.69	-13.02	106.91	65.63	91.15	-14.98
Potato	0.20150	405.0	-4.96	11.88	45.23	110.28	-12.28	90.23
Onion	0.17794	354.1	16.94	-11.45	195.05	45.36	335.88	-58.12
Fruits	2.10717	259.8	5.86	6.43	15.24	19.94	13.65	20.95
Milk	3.23818	245.3	0.69	0.12	4.61	6.61	5.77	11.55
Egg, Meat & Fish	2.41384	270.0	-2.22	-0.41	10.17	-4.49	13.37	-4.12
Non-Food Articles	4.25756	214.3	1.57	-2.01	2.70	-1.56	4.92	0.52
Fibres	0.87737	220.8	2.45	-2.13	16.56	-7.42	19.00	-13.58
Oil Seeds	1.78051	212.4	1.34	-2.48	-4.24	2.61	-5.12	8.15
Minerals	1.52350	347.3	-0.91	0.09	2.44	0.52	2.33	-3.63
FUEL & POWER	14.91021	213.4	2.88	-0.28	9.92	-0.37	11.72	1.33
Liquefied petroleum gas	0.91468	170.6	2.79	-0.35	2.60	-3.45	11.42	2.83
Petrol	1.09015	187.4	6.16	-3.70	9.24	-6.58	9.64	-9.42
High speed diesel	4.67020	242.0	2.04	0.67	8.97	4.67	20.24	10.10
MANUFACTURED PRODUCTS	64.97164	155.8	0.60	0.00	1.88	1.04	2.36	2.84
Food Products	9.97396	175.1	0.65	0.23	2.66	3.55	1.61	3.00
Sugar	1.73731	193.7	0.11	-0.72	-0.68	5.62	-7.39	1.68
Edible Oils	3.04293	144.5	0.48	-0.69	0.07	-1.37	-2.72	-1.57
Beverages, Tobacco & Tobacco Product	1.76247	201.0	0.05	0.70	0.39	2.71	3.58	10.26
Cotton Textiles	2.60526	165.0	1.34	-0.66	6.13	0.06	7.85	3.58
Man Made Textiles	2.20573	137.9	1.22	0.80	3.84	2.15	6.52	4.15
Wood & Wood Products	0.58744	186.1	0.73	0.38	2.87	-0.69	4.74	3.91
Paper & Paper Products	2.03350	150.0	0.71	0.27	1.21	1.63	4.11	5.71
Leather & Leather Products	0.83509	146.6	1.53	-0.07	8.24	0.41	8.40	0.55
Rubber & Plastic Products	2.98697	151.2	0.83	0.20	4.95	0.87	6.32	3.28
Chemicals & Chemical Products	12.01770	153.6	0.61	-0.32	2.12	0.66	3.47	3.09
Non-Metallic Mineral Products	2.55597	170.8	-0.90	0.77	-1.44	1.97	-0.06	3.89
Cement & Lime	1.38646	167.7	-2.20	1.08	-4.53	2.19	-3.86	1.95
Basic Metals Alloys & Metal Product	10.74785	165.8	0.49	-0.36	-0.67	-1.07	-2.03	1.28
Iron & Semis	1.56301	157.8	0.47	-0.63	-2.58	-0.69	-7.82	4.64
Machinery & Machine Tools	8.93148	134.6	0.23	0.07	1.47	1.05	2.26	2.51
Transport Equipment & Parts	5.21282	136.1	0.75	0.07	2.04	0.22	3.85	0.89

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

Commodities/Major Groups/Groups/Sub-Groups	Weight (%)	Rate of Inflation for the last six months					
		Sept-14	Aug-14	July-14	June-14	May-14	Apr-14
ALL COMMODITIES	100.00	2.38	3.74	5.41	5.66	6.18	5.55
PRIMARY ARTICLES	20.12	2.18	3.89	6.78	7.01	8.58	7.02
Food Articles	14.34	3.52	5.15	8.47	8.32	9.64	8.74
Cereals	3.37	3.45	3.70	5.18	5.60	7.81	8.27
Rice	1.79	6.87	5.44	8.13	10.24	12.75	12.76
Wheat	1.12	-1.50	0.67	1.06	0.88	3.44	4.42
Pulses	0.72	6.69	7.81	3.31	0.61	-0.17	-1.84
Vegetables	1.74	-14.98	-4.88	-1.15	-5.44	0.08	1.62
Potato	0.20	90.23	61.61	47.83	46.46	37.12	33.01
Onion	0.18	-58.12	-44.70	-8.26	-11.41	-3.46	-10.59
Fruits	2.11	20.95	20.31	31.87	22.42	19.45	16.05
Milk	3.24	11.55	12.18	10.46	10.82	9.57	9.19
Egg, Meat & Fish	2.41	-4.12	-5.87	1.56	10.20	12.51	10.17
Non-Food Articles	4.26	0.52	4.19	2.89	3.40	4.94	3.43
Fibres	0.88	-13.58	-9.54	-3.20	3.55	8.44	7.59
Oil Seeds	1.78	8.15	12.38	6.31	4.79	4.97	0.19
Minerals	1.52	-3.63	-4.59	2.72	4.87	8.06	2.86
FUEL & POWER	14.91	1.33	4.54	7.35	9.04	10.53	9.34
Liquefied petroleum gas	0.91	2.83	6.07	8.90	6.74	7.11	7.50
Petrol	1.09	-9.42	-0.15	5.90	9.02	12.28	7.77
High speed diesel	4.67	10.10	11.61	12.64	13.62	14.21	13.74
MANUFACTURED PRODUCTS	64.97	2.84	3.45	4.07	3.95	3.88	3.69
Food Products	9.97	3.00	3.43	4.41	3.34	3.29	2.88
Sugar	1.74	1.68	2.52	1.99	-0.68	-0.89	-1.15
Edible Oils	3.04	-1.57	-0.41	0.97	-0.75	-0.82	-0.68
Beverages, Tobacco & Tobacco Product	1.76	10.26	9.55	9.96	9.03	8.45	8.58
Cotton Textiles	2.61	3.58	5.66	6.74	8.57	9.13	8.81
Man Made Textiles	2.21	4.15	4.59	5.71	5.54	6.04	5.98
Wood & Wood Products	0.59	3.91	4.27	5.27	6.50	6.68	8.68
Paper & Paper Products	2.03	5.71	6.17	6.54	6.41	6.26	6.49
Leather & Leather Products	0.84	0.55	2.16	3.64	3.99	4.49	6.86
Rubber & Plastic Products	2.99	3.28	3.93	4.58	4.75	5.34	6.68
Chemicals & Chemical Products	12.02	3.09	4.05	4.48	4.86	4.93	4.79
Non-Metallic Mineral Products	2.56	3.89	2.17	1.44	1.50	0.90	0.30
Cement & Lime	1.39	1.95	-1.37	-3.09	-3.05	-3.93	-5.02
Basic Metals Alloys & Metal Product	10.75	1.28	2.15	3.02	2.71	2.39	1.34
Iron & Semis	1.56	4.64	5.80	6.00	5.70	3.82	2.38
Machinery & Machine Tools	8.93	2.51	2.67	2.98	2.91	2.45	2.62
Transport Equipment & Parts	5.21	0.89	1.57	2.10	2.48	2.72	2.73

INDUSTRIAL PRODUCTION

The Quick Estimates of Index of Industrial Production (IIP) with base 2004-05 for the month of August 2014 have been released by the Central Statistics Office of the Ministry of Statistics and Programme Implementation. IIP is compiled using data received from 16 source agencies viz. Department of Industrial Policy & Promotion (DIPP); Indian Bureau of Mines; Central Electricity Authority; Joint Plant Committee; Ministry of Petroleum & Natural Gas; Office of Textile Commissioner; Department of Chemicals & Petrochemicals; Directorate of Sugar; Department of Fertilizers; Directorate of Vanaspati, Vegetable Oils & Fats; Tea Board; Office of Jute Commissioner; Office of Coal Controller; Railway Board; Office of Salt Commissioner and Coffee Board.

The General Index for the month of August 2014 stands at 166.1, which is 0.4% higher as compared to the level in the month of August 2013. The cumulative growth for the period April-August 2014-15 over the corresponding period of the previous year stands at 2.8%.

The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of August 2014 stand at 116.6, 172.9 and 184.1 respectively, with the corresponding growth rates of 2.6%, (-) 1.4% and 12.9% as compared to August 2013 (Statement I). The cumulative growth in the three sectors during April-August 2014-15 over the corresponding period of 2013-14 has been 2.5%, 1.8% and 11.7% respectively.

In terms of industries, eleven (11) out of the twenty two (22) industry groups (as per 2-digit NIC-2004) in the manufacturing sec tor have shown positive growth during the month of August 2014 as compared to the corresponding month of the previous year (St atement II). The industry group 'Basic metals' has shown the highest positive growth of 19.1%, followed by 14.3% in 'Other transport equipment' and 10.9% in 'Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products'. On the other hand, the industry group 'Radio, TV and communication equipment & apparatus' has shown the highest negative growth of (-) 48.8%, followed by (-) 43.9% in 'Office, accounting & computing machinery' and (-) 17.8% in 'Electricity machinery & apparatus n.e.c.'.

As per Use-based classification, the growth rates in August 2014 over August 2013 are 9.6% in Basic goods, (-) 11.3% in Capital goods and 0.3% in Intermediate goods (Statement III). The Consumer durables and Consumer non-durables have recorded growth of (-) 15.0% and (-) 0.9% respectively, with the overall growth in Consumer goods being (-) 6.9%.

Some of the important items showing high positive growth during the current month over the same month in previous year include 'Stainless/ alloy steel' (160.8%), 'Sealed compressors' (121.1%), 'Air Conditioner (Room)' (80.1%), 'Plastic Machinery Incl. Moulding Machinery' (59.4%), 'Rice' (56.7%), 'Scooter and Mopeds' (32.1%), 'Three-Wheelers (including passenger & goods carrier)' (31.3%) and 'Fasteners (Excl. Zip-Fasteners)' (25.1%).

Some of the other important items showing high negative growth are: 'Telephone Instruments (incl. Mobile Phones & Accessories)' [(-) 57.2%], 'Generator/ Alternator' [(-) 51.3%], 'Computers' [(-) 49.5%], 'Marble Tiles/ Slabs' [(-) 44.0%], 'Polythene Bags Incl. HDPE & LDPE Bags' [(-) 42.3%], 'Aluminium Conductor' [(-) 37.2%], 'Sugar Machinery' [(-) 33.6%], 'Boilers' [(-) 32.0%], 'Sugar' [(-) 30.8%], 'Antibiotics & Its Preparations' [(-) 23.8%], 'Cable, Rubber Insulated' [(-) 23.7%], 'Steel Structures' [(-) 22.6%] and 'Fuel, Aviation Turbine' [(-) 21.8%].

Along with the Quick Estimates of IIP for the month of August 2014, the indices for July 2014 have undergone the first revision and those for May 2014 have undergone the final revision in the light of the updated data received from the source agencies. It may be noted that these revised indices (first revision) in respect of July 2014 shall undergo final (second) revision along with the release of IIP for the month of October 2014.

Statements giving Quick Estimates of the Index of Industrial Production at Sectoral, 2-digit level of National Industrial Classification (NIC-2004) and by Use-based classification for the month of August 2014, along with the growth rates over the corresponding month of previous year, including the cumulative indices and growth rates, are enclosed.

INDEX OF INDUSTRIAL PRODUCTION - SECTORAL
(Base : 2004-05=100)

Month	Mining (141.57)		Manufacturing (755.27)		Electricity (103.16)		General (1000.00)	
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015
Apr	120.5	122.6	176.1	181.4	159.1	178.1	166.5	172.7
May	122.3	125.3	173.3	183.5	172.4	183.9	166.0	175.3
Jun	116.5	121.8	175.0	179.3	157.0	181.6	164.9	171.4
Jul	116.1	117.5	182.7	180.8	164.5	183.8	171.4	172.1
Aug*	113.6	116.6	175.4	172.9	163.1	184.1	165.4	166.1
Sep	115.2		177.1		169.0		167.5	
Oct	118.8		180.1		162.6		169.6	
Nov	123.7		171.8		158.5		163.6	
Dec	135.9		189.0		169.4		179.5	
Jan	139.2		194.1		171.1		184.0	
Feb	127.5		183.3		156.7		172.7	
Mar	147.2		204.7		173.0		193.3	
Average								
Apr-Aug	117.8	120.8	176.5	179.6	163.2	182.3	166.8	171.5
Growth over the corresponding period of previous year								
Aug	-0.9	2.6	-0.2	-1.4	7.2	12.9	0.4	0.4
Apr-Aug	-3.6	2.5	-0.1	1.8	4.5	11.7	0.0	2.8

*** Indices for Aug 2014 are Quick Estimates.**
NOTE : Indices for the months of May'14 and Jul'14 incorporate updated production data.

INDEX OF INDUSTRIAL PRODUCTION - (2-DIGIT LEVEL)
(Base: 2004-05=100)

Industry code	Description	Weight	Index		Cumulative Index		Percentage growth	
			Aug'13	Aug'14	Apr-Aug 2013-14	Apr-Aug 2014-15	Aug'14	Apr-Aug 2014-15
15	Food products and beverages	72.76	115.0	124.8	140.8	150.3	8.5	6.7
16	Tobacco products	15.70	105.3	111.2	99.4	105.8	5.6	6.4
17	Textiles	61.64	155.8	153.2	147.7	152.1	-1.7	3.0
18	Wearing apparel; dressing and dyeing of fur	27.82	158.8	142.7	177.4	162.0	-10.1	-8.7
19	Luggage, handbags, saddlery, harness & footwear; tanning and dressing of leather products	5.82	122.0	135.3	133.6	144.8	10.9	8.4
20	Wood and products of wood & cork except furniture; articles of straw & plating materials	10.51	145.1	151.2	143.9	145.0	4.2	0.8
21	Paper and paper products	9.99	139.1	145.2	138.5	140.9	4.4	1.7
22	Publishing, printing & reproduction of recorded media	10.78	188.9	177.4	186.6	175.7	-6.1	-5.8
23	Coke, refined petroleum products & nuclear fuel	67.15	149.1	142.3	142.0	138.9	-4.6	-2.2
24	Chemicals and chemical products	100.59	145.1	137.4	137.7	138.3	-5.3	0.4
25	Rubber and plastics products	20.25	175.1	184.3	183.7	189.9	5.3	3.4
26	Other non-metallic mineral products	43.14	150.7	157.6	158.4	170.9	4.6	7.9
27	Basic metals	113.35	187.6	223.4	188.0	214.1	19.1	13.9
28	Fabricated metal products, except machinery & equipment	30.85	181.8	164.2	170.3	169.0	-9.7	-0.8
29	Machinery and equipment n.e.c.	37.63	178.9	188.1	205.5	217.1	5.1	5.6
30	Office, accounting & computing machinery	3.05	112.9	63.3	109.3	64.2	-43.9	-41.3
31	Electrical machinery & apparatus n.e.c.	19.80	456.4	375.3	404.5	492.7	-17.8	21.8
32	Radio, TV and communication equipment & apparatus	9.89	811.2	415.7	792.7	395.9	-48.8	-50.1
33	Medical, precision & optical instruments, watches and clocks	5.67	100.4	102.2	101.5	101.3	1.8	-0.2
34	Motor vehicles, trailers & semi-trailers	40.64	224.6	219.9	227.1	218.2	-2.1	-3.9
35	Other transport equipment	18.25	232.4	265.7	229.7	257.2	14.3	12.0
36	Furniture; manufacturing n.e.c.	29.97	104.7	104.2	111.7	112.7	-0.5	0.9
10	Mining & Quarrying	141.57	113.6	116.6	117.8	120.8	2.6	2.5
15-36	Manufacturing	755.27	175.4	172.9	176.5	179.6	-1.4	1.8
40	Electricity	103.16	163.1	184.1	163.2	182.3	12.9	11.7
	General Index	1000	165.4	166.1	166.8	171.5	0.4	2.8

*Industry codes are as per National Industrial Classification 2004

INDEX OF INDUSTRIAL PRODUCTION - USE-BASED
(Base : 2004-05=100)

Month	Basic goods (456.82)		Capital goods (88.25)		Intermediate goods (156.86)		Consumer goods (298.08)		Consumer durables (84.60)		Consumer non-durables (213.47)	
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015
Apr	150.1	163.0	207.3	235.0	145.3	149.7	190.6	181.5	276.8	255.4	156.4	152.2
May	155.5	167.1	218.8	228.0	150.2	155.5	174.7	182.7	253.5	262.7	143.5	151.0
Jun	148.4	163.2	219.6	270.7	147.3	150.9	183.1	165.4	276.1	211.5	146.2	147.1
Jul	152.1	163.4	271.3	260.8	151.0	155.5	182.1	168.1	277.6	219.7	144.2	147.6
Aug*	150.4	164.9	245.0	217.4	152.0	152.5	171.7	159.9	257.4	218.7	137.8	136.6
Sep	153.6		232.4		148.3		179.6		271.6		143.1	
Oct	153.1		247.2		150.6		182.1		295.8		137.0	
Nov	153.6		235.6		144.6		167.8		235.8		140.8	
Dec	164.9		254.3		157.2		191.3		229.1		176.3	
Jan	167.3		240.7		158.2		206.2		261.6		184.2	
Feb	156.9		235.3		150.0		190.2		261.2		162.1	
Mar	176.3		303.8		160.3		203.9		274.4		175.9	
Average												
Apr-Aug	151.3	164.3	232.4	242.4	149.2	152.8	180.4	171.5	268.3	233.6	145.6	146.9
Growth over the corresponding period of previous year												
Aug	0.9	9.6	-2.0	-11.3	3.8	0.3	-0.9	-6.9	-8.3	-15.0	5.4	-0.9
Apr-Aug	0.3	8.6	0.7	4.3	2.4	2.4	-1.6	-4.9	-11.2	-12.9	6.8	0.9

*** Indices for Aug 2014 are Quick Estimates.**

NOTE : Indices for the months of May'14 and Jul'14 incorporate updated production data.

INDEX OF EIGHT CORE INDUSTRIES (BASE: 2004-05=100), AUGUST, 2014

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 165.1 in August, 2014, which was 5.8 % higher compared to the index of August, 2013. Its cumulative growth during April to August, 2014-15 was 4.4 %.

Coal

Coal production (weight: 4.38 %) increased by 13.4 % in August, 2014 over August, 2013. Its cumulative index during April to August, 2014-15 increased by 7.2 % over corresponding period of previous year.

Crude Oil

Crude Oil production (weight: 5.22 %) declined by 4.9 % in August, 2014 over August, 2013. The cumulative index of Crude Oil during April to August, 2014-15 declined by 1.2 % over the corresponding period of previous year.

Natural Gas

The Natural Gas production (weight: 1.71 %) declined by 8.3 % in August, 2014 over August, 2013. Its cumulative index during April to August, 2014-15 declined by 5.8 % over the corresponding period of previous year.

Petroleum Refinery Products (0.93% of Crude Throughput)[1]

Petroleum refinery production (weight: 5.94%) declined by 4.3 % in August, 2014 over August, 2013. Its cumulative index during April to August, 2014-15 declined by 2.7 % over the corresponding period of previous year.

Fertilizers

Fertilizer production (weight: 1.25%) declined by 4.3 % in August, 2014 over August, 2013. While, it registered a cumulative growth of 2.8 % during April to August, 2014-15 over the corresponding period of previous year.

Steel (Alloy + Non-Alloy)

Steel production (weight: 6.68%) increased by 9.1 % in August, 2014 over August, 2013. Its cumulative index during April to August, 2014-15 increased by 2.0 % over the corresponding period of previous year.

Cement

Cement production (weight: 2.41%) increased by 10.3 % in August, 2014 over August, 2013. Its cumulative growth during April to August, 2014-15 was 11.0 % over the corresponding period of previous year.

Electricity

Electricity generation (weight: 10.32%) increased by 12.6 % in August, 2014 over the period of August, 2013 and it registered a cumulative growth of 11.3 % during April to August, 2014-15 over the corresponding period of previous year.

Performance of Eight Core Industries

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

(Weight in IIP: 37.90 %)

INDEX

Sector	Weight	2009-10	2010-11	2011-12	2012-13	2013-14	Apr-Aug 13-14	Apr-Aug 14-15
Coal	4.379	140.0	139.7	141.5	148.1	149.1	130.4	139.7
Crude Oil	5.216	99.1	111.0	112.1	111.4	111.2	111.3	109.9
Natural Gas	1.708	149.5	164.4	149.7	128.1	111.4	112.9	106.4
Refinery Products*	5.939	125.9	129.7	133.7	172.5	175.2	176.0	171.3
Fertilizers	1.254	103.4	103.4	103.8	100.2	101.8	96.4	99.1
Steel	6.684	139.3	157.7	174.0	181.1	195.6	198.6	202.6
Cement	2.406	157.1	164.2	175.2	188.7	194.2	187.1	207.6
Electricity	10.316	130.8	138.1	149.3	155.3	164.2	163.2	181.6
Overall Index	**37.903**	**129.9**	**138.4**	**145.3**	**154.7**	**159.9**	**157.5**	**164.5**

GROWTH RATE (in %)

Sector	Weight	2009-10	2010-11	2011-12	2012-13	2013-14	Apr-Aug 13-14	Apr-Aug 14-15
Coal	4.379	8.1	-0.2	1.3	4.6	0.7	0.2	7.2
Crude Oil	5.216	0.5	11.9	1.0	-0.6	-0.2	-1.6	-1.2
Natural Gas	1.708	44.6	10.0	-8.9	-14.5	-13.0	-17.0	-5.8
Refinery Products*	5.939	-0.4	3.0	3.1	29.0#	1.6	4.6	-2.7
Fertilizers	1.254	12.7	0.0	0.4	-3.4	1.5	1.8	2.8
Steel	6.684	6.0	13.2	10.3	4.1	8.0	13.3	2.0
Cement	2.406	10.5	4.5	6.7	7.7	2.9	3.1	11.0
Electricity	10.316	6.2	5.6	8.1	4.0	5.8	4.4	11.3
Overall Index	**37.903**	**6.6**	**6.6**	**5.0**	**6.5**	**3.3**	**4.2**	**4.4**

*Note: RIL (SEZ) production figures for August, 2014 are on prorated basis.

#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

(Weight in IIP: 37.90 %)

INDEX

Sector	Coal	Crude Oil	Natural Gas	Refinery Products*	Fertilizers	Steel	Cement	Electricity	Overall Index
Weight	**4.379**	**5.216**	**1.708**	**5.939**	**1.254**	**6.684**	**2.406**	**10.316**	**37.903**
Aug-13	122.3	112.3	112.5	183.0	110.5	191.9	170.2	163.0	**156.0**
Sep-13	129.4	108.8	109.1	174.5	114.4	182.8	190.8	168.5	**156.2**
Oct-13	135.5	112.3	111.9	173.5	113.0	181.5	188.0	162.5	**155.2**
Nov-13	150.5	110.9	109.3	168.1	107.4	182.5	172.0	157.8	**153.5**
Dec-13	170.1	115.0	113.4	175.9	110.2	199.0	203.3	168.1	**165.6**
Jan-14	178.7	115.1	116.1	176.9	104.2	201.2	215.0	169.8	**168.2**
Feb-14	165.1	103.5	104.2	169.6	97.9	192.5	200.2	155.1	**156.7**
Mar-14	208.3	112.1	108.8	183.8	92.1	214.2	226.2	172.9	**175.4**
Apr-14	140.5	109.6	104.7	165.8	87.4	192.8	217.5	176.9	**160.9**
May-14	145.2	111.6	111.2	171.6	100.5	214.3	216.4	183.2	**168.7**
Jun-14	139.2	110.4	109.4	173.3	99.5	196.1	209.7	181.5	**163.9**
Jul-14	134.9	111.1	103.5	170.8	102.5	200.4	206.9	182.8	**163.9**
Aug-14	138.6	106.8	103.1	175.1	105.7	209.3	187.7	183.6	**165.1**

GROWTH RATE (in %)

Sector	Coal	Crude Oil	Natural Gas	Refinery Products*	Fertilizers	Steel	Cement	Electricity	Overall Index
Weight	**4.379**	**5.216**	**1.708**	**5.939**	**1.254**	**6.684**	**2.406**	**10.316**	**37.903**
Aug-13	6.1	-1.5	-16.1	4.9	1.7	8.1	5.2	7.1	**4.7**
Sep-13	12.5	0.6	-14.1	8.0	5.3	6.6	11.5	12.6	**8.0**
Oct-13	-3.9	-0.8	-13.6	-4.8	4.1	3.5	1.0	1.3	**-0.6**
Nov-13	2.3	1.1	-11.3	-5.0	0.6	3.9	4.2	5.9	**1.7**
Dec-13	-0.6	1.6	-9.9	-1.7	4.1	3.1	1.1	6.7	**2.1**
Jan-14	-0.7	3.0	-5.2	-4.5	1.2	3.4	1.5	5.7	**1.6**
Feb-14	0.1	1.9	-4.4	3.2	-0.7	4.8	2.3	10.4	**4.5**
Mar-14	0.7	-1.6	-9.3	2.8	-6.1	5.4	0.0	5.4	**2.5**
Apr-14	3.3	-0.1	-7.7	-2.2	11.1	3.1	6.7	11.2	**4.2**
May-14	5.5	-0.3	-2.2	-2.3	17.6	-2.0	8.7	6.3	**2.3**
Jun-14	8.1	0.1	-1.7	1.2	-1.0	4.2	13.6	15.7	**7.3**
Jul-14	6.2	-1.0	-9.0	-5.5	-4.2	-3.4	16.5	11.2	**2.7**
Aug-14	13.4	-4.9	-8.3	-4.3	-4.3	9.1	10.3	12.6	**5.8**

*Note: RIL (SEZ) production figures for August, 2014 are on prorated basis.

FOREIGN DIRECT INVESTMENTS

Total FDI inflows into India in the period April 2000–August 2014 touched US$ 341,357 million. Total FDI inflows into India during the period April–August FY15 was US$ 17,445 million.
The telecommunication sector (US$ 2,336 million) attracted the highest FDI equity inflows in the period April–August 2014, followed by the services (US$ 1,086 million) and drugs & pharmaceuticals (US$ 903 million) sectors.

Mauritius led the share of top investing countries by FDI equity inflows into India with US$ 3,934 million during April-August FY15, followed by Singapore (US$ 1,892 million), the Netherlands (US$ 1,562 million) and Japan (US$ 897 million).

Investments
US-based Nike has made a proposal to the Department of Industrial Policy and Promotion (DIPP) to set up fully-owned stores in India. Nike is one of the world's largest suppliers of athletic shoes and apparel globally, with a market capitalisation of US$ 68 billion.

US-based Milacron Llc plans to invest US$ 30 million in the next three years in its India operations – Ferromatik Milacron India Pvt Ltd (FMI), as per president and CEO, Mr Thomas Goeke. FMI manufactures plastic moulding machines at its plants in Ahmedabad in Gujarat and Coimbatore in Tamil Nadu.

Bengal looks set for one of its biggest foreign investments. A large private equity firm which has exposure in social infrastructure and agriculture plans to invest over Rs 300 crore (US$ 49.02 million) in the proposed Dankuni food park promoted by Keventer Group.

The Foreign Investment Promotion Board (FIPB) has approved a proposal from InterGlobe Aviation, the company that runs IndiGo, to reclassify shareholding of promoter Rakesh Gangwal as Non-Resident Indian (NRI) from FDI at present. This move enables the airline to have access to fresh FDI.
Norway's Telenor Group plans to invest an additional Rs 780 crore (US$ 127.47 million) to increase its ownership in Indian subsidiary Uninor to 100 per cent; Telenor currently owns a 74 per cent stake in Uninor.

Chinese telecom equipment maker ZTE Corporation plans to establish a Global Network Operating Centre (GNOC) in India. The centre will seek to manage the networks of multiple telecom carriers in Asia and Africa.

Japan's Suzuki Motor Corporation (SMC), the parent company of Maruti Suzuki, will spend Rs 18,500 crore (US$ 3.02 billion) to establish a new factory in Gujarat. SMC plans to establish a 100 per cent subsidiary, Suzuki Motor Gujarat (SMG), to manufacture cars on a strictly no-loss, no-profit basis for Maruti Suzuki.

US-based Leapfrog Investment has bought a minority stake in Chennai-based financial services provider IFMR Capital Finance for US$ 29 million. This marks Leapfrog's third investment in India, after having earlier backed insurance distribution firm Mahindra Insurance Brokers and Shriram CCL.
Government Initiatives

India’s cabinet has cleared a proposal which allows 100 per cent FDI in railway infrastructure, excluding operations. Though the move does not allow foreign firms to operate trains, it allows them to do other things such as create the network and supply trains for bullet trains etc.
Based on the recommendations of the FIPB in its 207th meeting held on July 4, 2014, the government approved 14 pro-

posals of FDI amounting to about Rs 1,528.38 crore (US$ 249.78 million).
Additionally, based on the recommendations of the FIPB in its meeting held on June 11, 2014, the government approved 19 proposals of FDI amounting to about Rs 2,326.72 crore (US$ 380.25 million).
The Union Cabinet has cleared a bill to raise the foreign investment ceiling in private insurance companies from 26 per cent to 49 per cent, with the proviso that the management and control of the companies must be with Indians.

The Reserve Bank of India (RBI) has allowed a number of foreign investors to invest, on repatriation basis, in non-convertible/ redeemable preference shares or debentures which are issued by Indian companies and are listed on established stock exchanges in the country.
In an effort to bring in more investments into debt and equity markets, the RBI has established a framework for investments which allows foreign portfolio investors (FPIs) to take part in open offers, buyback of securities and disinvestment of shares by the Central or state governments.

Road Ahead

Foreign investment inflows are expected to increase by more than two times and cross the US$ 60 billion mark in FY15 as foreign investors start gaining confidence in India's new government, as per an industry study. "Riding on huge expectations from the incoming Modi government, global investors are gung ho on the Indian economy which is expected to witness over 100 per cent increase in foreign investment inflows – both FDI and FIIs – to above US$ 60 billion in the current financial year, as against US$ 29 billion during 2013-14," according to the study.

India will require around US $1 trillion in the 12th Five-Year Plan (2012–17), to fund infrastructure growth covering sectors such as highways, ports and airways. This requires support in terms of FDI. The year 2013 saw foreign investment pour into sectors such as automobiles, computer software and hardware, construction development, power, services, and telecommunications, among others.

FACT SHEET ON FOREIGN DIRECT INVESTMENT (FDI)
From APRIL, 2000 to AUGUST, 2014

(up dated up to August, 2014)

I. CUMULATIVE FDI FLOWS INTO INDIA (2000-2014):

A. TOTAL FDI INFLOWS (from April, 2000 to August, 2014):

1.	**CUMULATIVE AMOUNT OF FDI INFLOWS (Equity inflows + 'Re-invested earnings' +'Other capital')**	-	**US$ 341,357 Million**
2.	**CUMULATIVE AMOUNT OF FDI EQUITY INFLOWS (excluding,** amount remitted through RBI's-+NRI Schemes)	Rs. 1,115,873 crore	**US$ 229,595 Million**

B. FDI INFLOWS DURING FINANCIAL YEAR 2014-15 (from April, 2014 to August, 2014):

1.	**TOTAL FDI INFLOWS INTO INDIA (Equity inflows + 'Re-invested earnings' + 'Other capital')** (as per RBI's Monthly bulletin dated: 10.10.2014).	-	**US$ 17,445 million**
2.	**FDI EQUITY INFLOWS**	Rs. 71,976 crore	**US$ 12,014 million**

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

Financial Year 2014-15 (April-March)		*Amount of FDI Equity inflows*	
		(In Rs. Crore)	*(In US$ mn)*
1.	**April, 2014**	10,290	**1,705**
2.	**May, 2014**	21,373	**3,604**
3.	**June, 2014**	11,508	**1,927**
4.	**July, 2014**	21,022	**3,500**
5.	**August, 2014**	7,783	**1,278**
2014-15 (from April, 2014 to August, 2014) #		**71,976**	**12,014**
2013-14 (from April, 2013 to August, 2013) #		48,830	8,461
%age growth over last year		**(+) 47 %**	**(+) 42 %**

D. FDI EQUITY INFLOWS (MONTH-WISE) DURING THE CALENDAR YEAR 2014:

Calendar Year 2014 (Jan.-Dec.)		*Amount of FDI Equity inflows*	
		(In Rs. Crore)	*(In US$ mn)*
1.	**January, 2014**	13,589	**2,189**
2.	**February, 2014**	12,557	**2,017**
3.	**March, 2014**	21,558	**3,533**
4.	**April, 2014**	10,290	**1,705**
5.	**May, 2014**	21,373	**3,604**
6.	**June, 2014**	11,508	**1,927**
7.	**July, 2014**	21,022	**3,500**
8.	**August, 2014**	7,783	**1,278**
Year 2014 (up to August, 2014) #		**119,680**	**19,753**
Year 2013 (up to August, 2013) #		**78,500**	**13,939**
%age growth over last year		**(+) 53 %**	**(+) 42 %**

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):*

Amount Rupees in crores (US$ in million)

Ranks	Country	2012-13 (April - March)	2013-14 (April – March)	2014-15 (April-August, 2014)	Cumulative Inflows (April '00 - August '14)	%age to total Inflows (in terms of US $)
1.	MAURITIUS	51,654 (9,497)	29,360 (4,859)	23,542 (3,934)	394,027 (82,459)	36 %
2.	SINGAPORE	12,594 (2,308)	35,625 (5,985)	11,332 (1,892)	137,139 (27,337)	12 %
3.	U.K.	5,797 (1,080)	20,426 (3,215)	4,930 (827)	105,815 (21,591)	9 %
4.	JAPAN	12,243 (2,237)	10,550 (1,718)	5,377 (897)	86,021 (17,165)	8 %
5.	NETHERLANDS	10,054 (1,856)	13,920 (2,270)	9,379 (1,562)	65,677 (12,797)	6 %
6.	U.S.A.	3,033 (557)	4,807 (806)	2,367 (394)	58,097 (12,321)	5 %
7.	CYPRUS	2,658 (490)	3,401 (557)	1,693 (283)	37,422 (7,729)	3 %
8.	GERMANY	4,684 (860)	6,093 (1,038)	2,262 (377)	33,868 (6,895)	3 %
9	FRANCE	3,487 (646)	1,842 (305)	1,158 (192)	19,864 (4,070)	2 %
10.	SWITZERLAND	987 (180)	2,084 (341)	687 (114)	13,835 (2,822)	1 %
TOTAL FDI INFLOWS FROM ALL COUNTRIES *		121,907 (22,423)	147,518 (24,299)	71,976 (12,014)	1,116,406 (229,716)	-

**Includes inflows under NRI Schemes of RBI.*

Note: (i) Cumulative country-wise FDI equity inflows (from April, 2000 to August, 2014) 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:

Amount in Rs. crores (US$ in million)

Ranks	Sector	2012-13 (April - March)	2013-14 (April-March)	2014-15 (April-August, 2014)	Cumulative Inflows (April '00 - August '14)	% age to total Inflows (In terms of US$)
1.	SERVICES SECTOR **	26,306 (4,833)	13,294 (2,225)	6,521 (1,086)	192,091 (40,546)	18 %
2.	CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE	7,248 (1,332)	7,508 (1,226)	2,666 (446)	111,223 (23,752)	10 %
3.	TELECOMMUNICATIONS (radio paging, cellular mobile, basic telephone services)	1,654 (304)	7,987 (1,307)	13,902 (2,336)	80,621 (16,499)	7 %
4.	COMPUTER SOFTWARE & HARDWARE	2,656 (486)	6,896 (1,126)	2,244 (374)	61,914 (13,191)	6 %
5.	DRUGS & PHARMACEUTICALS	6,011 (1,123)	7,191 (1,279)	5,373 (903)	61,443 (12,500)	5 %
6.	AUTOMOBILE INDUSTRY	8,384 (1,537)	9,027 (1,517)	1,848 (308)	50,044 (10,120)	4 %
7.	CHEMICALS (OTHER THAN FERTILIZERS)	1,596 (292)	4,738 (878)	2,418 (403)	47,652 (10,070)	4 %
8.	POWER	2,923 (536)	6,519 (1,066)	2,210 (369)	44,866 (9,269)	4 %
9.	METALLURGICAL INDUSTRIES	7,878 (1,466)	3,436 (568)	1,162 (193)	39,412 (8,268)	4 %
10	HOTEL & TOURISM	17,777 (3,259)	2,949 (486)	1,937 (323)	38,146 (7,441)	3 %

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

(ii) Cumulative Sector- wise FDI equity inflows (from April, 2000 to August, 2014) are at - Annex-'B'.

(iii) FDI Sectoral data has been revalidated / reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.

G. **STATEMENT ON RBI'S REGIONAL OFFICES (WITH STATE COVERED) RECEIVED FDI EQUITY INFLOWS**[1] *(from April, 2000 to August, 2014):*

Amount Rupees in crores (US$ in million)

S. No.	RBI's - Regional Office[2]	State covered	2012-13 (April - March)	2013-14 (April - March)	2014-15 (April-August, 2014)	Cumulative Inflows (April '00 - August '14)	%age to total Inflows (in terms of US$)
1	MUMBAI	MAHARASHTRA, DADRA & NAGAR HAVELI, DAMAN & DIU	47,359 (8,716)	20,595 (3,420)	15,390 (2,567)	329,478 (69,324)	30
2	NEW DELHI	DELHI, PART OF UP AND HARYANA	17,490 (3,222)	38,190 (6,242)	10,266 (1,713)	217,037 (44,248)	19
3	CHENNAI	TAMIL NADU, PONDICHERRY	15,252 (2,807)	12,595 (2,116)	6,102 (1,019)	71,508 (14,215)	6
4	BANGALORE	KARNATAKA	5,553 (1,023)	11,422 (1,892)	2,607 (434)	63,474 (13,111)	6
5	AHMEDABAD	GUJARAT	2,676 (493)	5,282 (860)	1,665 (277)	46,047 (9,788)	4
6	HYDERABAD	ANDHRA PRADESH	6,290 (1,159)	4,024 (678)	4,570 (762)	45,484 (9,408)	4
7	KOLKATA	WEST BENGAL, SIKKIM, ANDAMAN & NICOBAR ISLANDS	2,319 (424)	2,659 (436)	460 (77)	13,624 (2,819)	1
8	CHANDIGARH`	CHANDIGARH, PUNJAB, HARYANA, HIMACHAL PRADESH	255 (47)	562 (91)	200 (33)	6,327 (1,325)	0.6
9	JAIPUR	RAJASTHAN	714 (132)	233 (38)	3,138 (525)	6,696 (1,248)	0.5
10.	BHOPAL	MADHYA PRADESH, CHATTISGARH	1,208 (220)	708 (119)	600 (100)	6,095 (1,215)	0.5
11	KOCHI	KERALA, LAKSHADWEEP	390 (72)	411 (70)	240 (40)	4,972 (1,021)	0.4
12	PANAJI	GOA	47 (9)	103 (17)	54 (9)	3,711 (797)	0.4
13	KANPUR	UTTAR PRADESH, UTTRANCHAL	167 (31)	150 (25)	200 (33)	1,965 (406)	0.2
14	BHUBANESHWAR	ORISSA	285 (52)	288 (48)	51 (8)	1,956 (397)	0.2
15	GUWAHATI	ASSAM, ARUNACHAL PRADESH, MANIPUR, MEGHALAYA, MIZORAM, NAGALAND, TRIPURA	27 (5)	4 (0.6)	9 (1)	361 (80)	0
16	PATNA	BIHAR, JHARKHAND	41 (8)	9 (1)	48 (8)	247 (47)	0
17	JAMMU	JAMMU & KASHMIR	0 (0)	1 (0.2)	25 (4)	26 (4)	0
18	REGION NOT INDICATED[3]		**21,833 (4,004)**	**50,283 (8,245)**	26,351 (4,402)	296,867 (60,142)	26.19
SUB. TOTAL			**121,907 (22,424)**	**147,518 (24,299)**	**71,976 (12,014)**	**1,115,873 (229,595)**	**100.00**
19	**RBI'S-NRI SCHEMES** *(from 2000 to 2002)*		0	0	0	533 (121)	-
GRAND TOTAL			**121,907 (22,424)**	**147,518 (24,299)**	**64,193 (10,736)**	**1,116,406 (229,716)**	**-**

[1] *Includes 'equity capital components' only.*
[2] *The Region-wise FDI inflows are classified as per RBI's – Regional Office received FDI inflows, furnished by RBI, Mumbai.*
[3] *Represents, FDI inflows through acquisition of existing shares by transfer from residents to non residents. For this, RBI Regional wise information is not provided by Reserve Bank of India.*

II. FINANCIAL YEAR-WISE FDI INFLOWS DATA:

A. AS PER INTERNATIONAL BEST PRACTICES:

(Data on FDI have been revised since 2000-01 with expended coverage to approach International Best Practices)

(Amount US$ million)

S. No.	Financial Year (April-March)	FOREIGN DIRECT INVESTMENT (FDI)						Investment by FII's Foreign Institutional Investors Fund (net)
		Equity		Re-invested earnings +	Other capital +	FDI FLOWS INTO INDIA		
		FIPB Route/ RBI's Automatic Route/ Acquisition Route	Equity capital of unincorporated bodies #			Total FDI Flows	%age growth over previous year (in US$ terms)	
FINANCIAL YEARS 2000-01 to 2014-15 (up to August, 2014)								
1.	2000-01	2,339	61	1,350	279	4,029	-	1,847
2.	2001-02	3,904	191	1,645	390	6,130	(+) 52 %	1,505
3.	2002-03	2,574	190	1,833	438	5,035	(-) 18 %	377
4.	2003-04	2,197	32	1,460	633	4,322	(-) 14 %	10,918
5.	2004-05	3,250	528	1,904	369	6,051	(+) 40 %	8,686
6.	2005-06	5,540	435	2,760	226	8,961	(+) 48 %	9,926
7.	2006-07	15,585	896	5,828	517	22,826	(+) 146 %	3,225
8.	2007-08	24,573	2,291	7,679	300	34,843	(+) 53 %	20,328
9.	2008-09	31,364	702	9,030	777	41,873	(+) 20 %	(-) 15,017
10.	2009-10 (P) (+)	25,606	1,540	8,668	1,931	37,745	(-) 10 %	29,048
11.	2010-11 (P) (+)	21,376	874	11,939	658	34,847	(-) 08 %	29,422
12.	2011-12 (P)	34,833	1,022	8,206	2,495	46,556	(+) 34 %	16,812
13.	2012-13 (P)	21,825	1,059	9,880	1,534	34,298	(-) 26%	27,582
14	2013-14 (P)	24,299	984	9,047	2,066	36,396	(+) 6%	5,010
15.	2014-15 (Apr - Aug, 2014)	12,014	375	3,451	1,605	17,445	-	-
CUMULATIVE TOTAL (from April, 2000 to August, 2014)		231,279	11,180	84,680	14,218	341,357	-	149,663

Source: *(i) RBI's Bulletin October, 2014 dt. 10.10.2014 (Table No. 34 – FOREIGN INVESTMENT INFLOWS).*
(ii) Inflows under the acquisition of shares in March, 2011, August, 2011 & October, 2011, include net FDI on account of transfer of participating interest from Reliance Industries Ltd. to BP Exploration (Alpha).
(iii) RBI had included Swap of Shares of US$ 3.1 billion under equity components during December 2006.
(iv) Monthly data on components of FDI as per expended coverage are not available. These data, therefore, are not comparable with FDI data for previous years.
(v) Figures updated by RBI up to August, 2014.

'#' Figures for equity capital of unincorporated bodies for 2010-11 are estimates. (P) All figures are provisional
"+" Data in respect of 'Re-invested earnings' & 'Other capital' for the years 2009- 10, 2010-11, 2012-13, 2013-14 and 2014-15 are estimated as average of previous two years.

B. DIPP'S – FINANCIAL YEAR-WISE FDI EQUITY INFLOWS:

(As per DIPP's FDI data base – equity capital components only):

S. Nos	Financial Year (April – March)	Amount of FDI Inflows		%age growth over previous year (in terms of US $)
FINANCIAL YEARS 2000-01 to 2014-15 (up to August, 2014)		In Rs crores	In US$ million	
1.	2000-01	10,733	2,463	-
2.	2001-02	18,654	4,065	(+) 65 %
3.	2002-03	12,871	2,705	(-) 33 %
4.	2003-04	10,064	2,188	(-) 19 %
5.	2004-05	14,653	3,219	(+) 47 %
6.	2005-06	24,584	5,540	(+) 72 %
7.	2006-07	56,390	12,492	(+)125 %
8.	2007-08	98,642	24,575	(+) 97 %
9.	2008-09 '*'	142,829	31,396	(+) 28 %
10.	2009-10 #	123,120	25,834	(-) 18 %
11.	2010-11 #	97,320	21,383	(-) 17 %
12.	2011-12 # ^	165,146	35,121	(+) 64 %
13.	2012-13 #	121,907	22,423	(-) 36 %
14.	2013-14	147,518	24,299	(+) 8%
15.	2014-15 (Apr - Aug, 2014)	71,976	12,014	-
CUMULATIVE TOTAL (from April, 2000 to August, 2014)		1,116,407	229716	-

Note: *(i) including amount remitted through RBI's-NRI Schemes (2000-2002).*
(ii) FEDAI (Foreign Exchange Dealers Association of India) conversion rate from rupees to US dollar applied, on the basis of monthly average rate provided by RBI (DEPR), Mumbai.
 # Figures for the years 2009-10, 2010-11, 2011-12 & 2012-13 (from April, 2012 to September, 2012) are provisional subject to reconciliation with RBI.
^ Inflows for the month of March, 2012 are as reported by RBI, consequent to the adjustment made in the figures of March, '11, August, '11 and October, '11.

STATEMENT ON COUNTRY-WISE FDI EQUITY INFLOWS FROM APRIL, 2000 TO AUGUST, 2014

S.No	Name of the Country	Amount of Foreign Direct Investment Inflows		%age with total FDI Inflows (+)
		(In Rs crore)	(In US$ million)	
1	Mauritius	394,027.03	82,458.89	35.91
2	Singapore	137,139.01	27,337.03	11.91
3	United Kingdom	105,814.97	21,590.72	9.40
4	Japan	86,020.79	17,164.74	7.48
5	Netherlands	65,676.87	12,797.06	5.57
6	U.S.A	58,096.69	12,321.42	5.37
7	Cyprus	37,422.44	7,728.80	3.37
8	Germany	33,867.84	6,895.25	3.00
9	France	19,864.35	4,070.34	1.77
10	Switzerland	13,835.30	2,822.03	1.23
11	UAE	13,665.37	2,810.35	1.22
12	Spain	9,741.85	1,924.33	0.84
13	South Korea	7,341.09	1,481.83	0.65
14	Italy	7,001.51	1,458.93	0.64
15	Hong Kong	6,146.00	1,264.44	0.55
16	Luxembourg	5,998.42	1,090.85	0.48
17	Sweden	5,124.03	1,069.09	0.47
18	Cayman Islands	4,636.19	1,021.68	0.44
19	Russia	5,034.18	935.68	0.41
20	British Virginia	3,738.12	818.00	0.36
21	Belgium	4,084.48	787.17	0.34
22	Malaysia	3,755.54	721.93	0.31
23	Indonesia	2,891.93	621.47	0.27
24	Poland	3,276.30	615.66	0.27
25	Australia	2,930.84	610.57	0.27
26	Canada	2,434.47	505.16	0.22
27	The Bermudas	2,252.20	502.07	0.22
28	China	2,316.24	422.27	0.18
29	Denmark	1,961.63	397.55	0.17
30	Oman	1,674.52	360.57	0.16
31	Ireland	1,667.09	317.63	0.14
32	Finland	1,494.37	305.10	0.13
33	Austria	1,207.14	239.09	0.10
34	South Africa	1,146.21	227.15	0.10
35	Thailand	928.09	178.80	0.08
36	Seychelles	1,060.49	176.16	0.08
37	Norway	835.45	164.15	0.07
38	Chile	710.49	150.23	0.07
39	Morocco	651.82	137.35	0.06
40	British Isles	462.71	100.45	0.04
41	Turkey	477.62	93.25	0.04
42	Taiwan	440.45	88.25	0.04
43	West Indies	348.17	78.28	0.03
44	Mexico	421.32	77.28	0.03
45	Israel	379.86	76.53	0.03
46	Philippines	363.18	63.75	0.03
47	St. Vincent	254.02	49.67	0.02
48	Virgin Islands(US)	257.67	47.30	0.02
49	Saudi Arabia	227.59	46.50	0.02

S.No	Name of the Country	Amount of Foreign Direct Investment Inflows		%age with total FDI Inflows (+)
		(In Rs crore)	(In US$ million)	
50	New Zealand	218.04	44.34	0.02
51	Panama	189.51	41.30	0.02
52	Bahamas	185.08	37.81	0.02
53	Korea(North)	187.77	37.04	0.02
54	Bahrain	167.95	35.48	0.01
55	Saint Kitts & Nevis	147.88	33.53	0.01
56	Sri Lanka	155.25	32.22	0.01
57	Channel Islands	172.43	31.78	0.01
58	Portugal	154.59	30.85	0.01
59	Jordan	156.47	28.80	0.01
60	Kazakhstan	134.16	26.11	0.01
61	Kuwait	129.54	25.69	0.01
62	Brazil	110.49	22.61	0.01
63	Kenya	101.06	21.51	0.01
64	Iceland	93.72	21.14	0.01
65	Gibraltar	85.02	19.73	0.01
66	Czech Republic	83.08	18.71	0.01
67	Hungary	88.39	16.85	0.01
68	Isle of Man	82.11	15.56	0.01
69	Liberia	64.54	14.56	0.01
70	Malta	65.40	14.05	0.01
71	Nigeria	64.44	12.90	0.01
72	Belarus	50.44	12.62	0.01
73	Argentina	46.35	10.17	0.00
74	Liechtenstein	47.14	9.40	0.00
75	Myanmar	35.75	8.96	0.00
76	Slovenia	40.58	8.49	0.00
77	Romania	33.19	6.26	0.00
78	Ghana	31.27	6.20	0.00
79	Maldives	26.81	5.83	0.00
80	Belize	25.37	5.56	0.00
81	Slovakia	23.06	5.29	0.00
82	Rep. of Fiji Islands	22.30	5.07	0.00
83	Qatar	27.12	4.94	0.00
84	Tunisia	19.84	4.31	0.00
85	Guernsey	23.53	4.25	0.00
86	Scotland	18.65	3.93	0.00
87	Greece	20.05	3.92	0.00
88	Uruguay	16.87	3.77	0.00
89	Egypt	15.41	2.91	0.00
90	Bermuda	16.88	2.75	0.00
91	West Africa	12.31	2.47	0.00
92	Trinidad & Tobago	12.73	2.34	0.00
93	Nepal	9.68	2.02	0.00
94	Yemen	7.74	1.87	0.00
95	Tanzania	7.47	1.60	0.00
96	Monaco	7.49	1.52	0.00
97	SAN MARINO	9.41	1.52	0.00
98	Lebanon	7.01	1.24	0.00
99	Colombia	5.40	1.18	0.00
100	Ukraine	5.06	1.12	0.00
101	Uganda	5.06	1.10	0.00
102	Cuba	4.73	1.04	0.00
103	Guyana	4.60	1.00	0.00

S.No	Name of the Country	Amount of Foreign Direct Investment Inflows		%age with total FDI Inflows (+)
		(In Rs crore)	(In US$ million)	
104	Vanuatu	4.41	0.94	0.00
105	Togolese Republic	4.28	0.80	0.00
106	Iran	3.30	0.57	0.00
107	Congo (DR)	2.41	0.54	0.00
108	Croatia	2.29	0.52	0.00
109	Jamaica	2.70	0.50	0.00
110	Aruba	1.96	0.43	0.00
111	Bulgaria	2.04	0.42	0.00
112	Estonia	1.31	0.30	0.00
113	Anguilla	1.47	0.29	0.00
114	Vietnam	1.44	0.29	0.00
115	Yugoslavia	1.13	0.24	0.00
116	Iraq	1.02	0.22	0.00
117	Zambia	0.67	0.15	0.00
118	Peru	0.77	0.14	0.00
119	Latvia	0.52	0.10	0.00
120	SURINAME	0.54	0.09	0.00
121	Libya	0.28	0.07	0.00
122	Mongolia	0.27	0.06	0.00
123	Sudan	0.24	0.05	0.00
124	Costa Rica	0.23	0.04	0.00
125	Bangladesh	0.16	0.03	0.00
126	Afghanistan	0.12	0.03	0.00
127	Botswana	0.13	0.02	0.00
128	St. Lucia	0.06	0.01	0.00
129	Georgia	0.02	0.00	0.00
130	East Africa	0.02	0.00	0.00
131	Cameroon	0.01	0.00	0.00
132	Bolivia	0.01	0.00	0.00
133	Kyrgyzstan	0.01	0.00	0.00
134	Djibouti	0.00	0.00	0.00
135	Paraguay	0.00	0.00	0.00
136	Muscat	0.00	0.00	0.00
137	Venezuela	0.00	0.00	0.00
138	Barbados	0.00	0.00	0.00
139	MOZAMBIQUE	0.00	0.00	0.00
140	SENEGAL	0.00	0.00	0.00
141	FII's	0.25	0.06	0.00
142	NRI '*'	20,383.66	4,684.25	2.04
143	Country Details Awaited	30,875.37	6,964.32	3.03
SUB-TOTAL		1,115,873.31	229,595.06	100.00
144	RBI'S- NRI SCHEMES (2000-2002)	533.06	121.33	-
GRAND TOTAL		1,116,406.37	229,716.39	-

''Complete/separate data on NRI investment is not maintained by RBI. However, the above FDI inflows data on NRI investment, includes investment by NRI's, who have disclosed their status as NRI's, at the time of making their investment.*
'+' Percentage of inflows worked out in terms of US$ & the above amount of inflows received through FIPB/SIA route, RBI's automatic route & acquisition of existing shares only.

STATEMENT ON SECTOR-WISE FDI EQUITY INFLOWS FROM APRIL, 2000 TO AUGUST, 2014

S.No	Sector	Amount of FDI Inflows		%age with total FDI Inflows (+)
		(In Rs crore)	(In US$ million)	
1	SERVICES SECTOR*	192,090.45	40,546.07	17.66
2	CONSTRUCTION DEVELOPMENT: Townships, housing, built-up infrastructure and construction-development projects	111,223.10	23,751.76	10.35
3	TELECOMMUNICATIONS	80,621.20	16,499.09	7.19
4	COMPUTER SOFTWARE & HARDWARE	61,914.18	13,191.22	5.75
5	DRUGS & PHARMACEUTICALS	61,443.39	12,500.42	5.44
6	AUTOMOBILE INDUSTRY	50,044.15	10,119.68	4.41
7	CHEMICALS (OTHER THAN FERTILIZERS)	47,651.47	10,070.23	4.39
8	POWER	44,865.57	9,269.45	4.04
9	METALLURGICAL INDUSTRIES	39,411.95	8,267.99	3.60
10	HOTEL & TOURISM	38,145.60	7,441.00	3.24
11	PETROLEUM & NATURAL GAS	31,501.55	6,495.19	2.83
12	FOOD PROCESSING INDUSTRIES	35,244.61	6,035.52	2.63
13	TRADING	29,951.58	5,818.26	2.53
14	INFORMATION & BROADCASTING (INCLUDING PRINT MEDIA)	18,267.39	3,748.64	1.63
15	ELECTRICAL EQUIPMENTS	17,868.62	3,716.98	1.62
16	NON-CONVENTIONAL ENERGY	17,084.87	3,288.05	1.43
17	INDUSTRIAL MACHINERY	15,748.02	3,084.67	1.34
18	CEMENT AND GYPSUM PRODUCTS	13,547.89	2,909.86	1.27
19	CONSTRUCTION (INFRASTRUCTURE) ACTIVITIES	13,352.57	2,688.60	1.17
20	CONSULTANCY SERVICES	13,230.55	2,676.83	1.17
21	MISCELLANEOUS MECHANICAL & ENGINEERING INDUSTRIES	12,459.10	2,643.94	1.15
22	HOSPITAL & DIAGNOSTIC CENTRES	12,632.67	2,482.64	1.08
23	FERMENTATION INDUSTRIES	10,648.29	2,023.52	0.88
24	AGRICULTURE SERVICES	8,522.72	1,727.41	0.75
25	PORTS	6,719.33	1,635.40	0.71
26	RUBBER GOODS	8,828.18	1,623.62	0.71
27	TEXTILES (INCLUDING DYED,PRINTED)	7,322.79	1,493.29	0.65
28	MINING	7,224.11	1,467.88	0.64
29	ELECTRONICS	6,663.11	1,402.97	0.61
30	SEA TRANSPORT	6,322.10	1,332.32	0.58
31	PRIME MOVER (OTHER THAN ELECTRICAL GENERATORS)	6,007.40	1,153.48	0.50
32	EDUCATION	4,970.89	962.32	0.42
33	PAPER AND PULP (INCLUDING PAPER PRODUCTS)	4,235.30	895.42	0.39
34	MEDICAL AND SURGICAL APPLIANCES	4,504.85	870.46	0.38
35	SOAPS, COSMETICS & TOILET PREPARATIONS	4,176.19	807.24	0.35
36	MACHINE TOOLS	3,437.95	699.62	0.30
37	CERAMICS	3,115.31	666.50	0.29
38	RAILWAY RELATED COMPONENTS	3,393.95	629.00	0.27
39	AIR TRANSPORT (INCLUDING AIR FREIGHT)	2,393.73	509.64	0.22
40	DIAMOND,GOLD ORNAMENTS	2,185.74	453.39	0.20
41	VEGETABLE OILS AND VANASPATI	2,241.30	441.76	0.19
42	GLASS	2,207.85	434.28	0.19
43	PRINTING OF BOOKS (INCLUDING LITHO PRINTING INDUSTRY)	2,143.93	416.70	0.18
44	AGRICULTURAL MACHINERY	1,821.57	364.05	0.16
45	FERTILIZERS	1,544.20	319.57	0.14
46	COMMERCIAL, OFFICE & HOUSEHOLD EQUIPMENTS	1,436.20	296.44	0.13

S.No	Sector	Amount of FDI Inflows (In Rs crore)	Amount of FDI Inflows (In US$ million)	%age with total FDI Inflows (+)
47	EARTH-MOVING MACHINERY	1,062.50	222.38	0.10
48	SCIENTIFIC INSTRUMENTS	951.51	170.46	0.07
49	RETAIL TRADING (SINGLE BRAND)	842.53	159.17	0.07
50	LEATHER,LEATHER GOODS AND PICKERS	659.57	129.77	0.06
51	TEA AND COFFEE (PROCESSING & WAREHOUSING COFFEE & RUBBER)	489.53	107.08	0.05
52	TIMBER PRODUCTS	440.51	86.41	0.04
53	DYE-STUFFS	402.84	72.01	0.03
54	PHOTOGRAPHIC RAW FILM AND PAPER	273.76	67.29	0.03
55	INDUSTRIAL INSTRUMENTS	310.56	67.06	0.03
56	BOILERS AND STEAM GENERATING PLANTS	314.80	63.33	0.03
57	SUGAR	267.38	55.90	0.02
58	GLUE AND GELATIN	177.82	32.39	0.01
59	COAL PRODUCTION	119.19	27.73	0.01
60	MATHEMATICAL,SURVEYING AND DRAWING INSTRUMENTS	39.80	7.98	0.00
61	DEFENCE INDUSTRIES	24.36	4.94	0.00
62	COIR	22.05	4.07	0.00
63	MISCELLANEOUS INDUSTRIES	39,107.13	8,444.75	3.68
SUB-TOTAL		1,115,873.31	229,595.06	100.00
64	RBI'S- NRI SCHEMES (2000-2002)	533.06	121.33	-
GRAND TOTAL		1,116,406.37	229,716.39	-

** Services sector includes Financial, Banking, Insurance, Non-Financial / Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis*

FDI inflows data re-classified, as per segregation of data from April 2000 onwards.

'+' Percentage of inflows worked out in terms of US$ & the above amount of inflows received through FIPB/SIA route RBI's automatic route & acquisition of existing shares only.

- *FDI Sectoral data has been revalidated / reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.*

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At UN, Modi asks world leaders to work for genuine peace

Prime Minister Narendra Modi on September 27 urged world leaders to put their "differences aside" and come together and curb extremism by urgently adopting the United Nations' international convention against terrorism.

Debuting at the United Nations as the prime minister of India, Modi in his address to the 69th session of the General Assembly said that terrorism has spread far and wide and that there was hardly any country that has stayed untouched by it.

"Terrorism is taking new shapes and new names. No country, big or small, in the north or the south, east or west, is free from its threat. Are we really making concerted international efforts to fight these forces, or are we still hobbled by our politics, our division, our discrimination between good and bad terrorism..."

In perhaps a tangential reference to Pakistan, Modi said some countries still allowed terrorism to grow on their "territory or use terrorism as instruments of their policy".

Modi did not directly name the Islamic State terror group that controls large swathes of territory in Iraq and Syria where it has declared an Islamic caliphate and which would be governed according to Islamist laws.

"We welcome efforts to combat terrorism's resurgence in West Asia, which is affecting countries near and far. The effort should involve the support of all countries in the region," he said, referring to the US-led airstrikes on IS targets in Iraq and Syria.

He said "seas, space and cyber space have become new instruments of prosperity, they could also become a new theatre of conflicts".

He said the threats to world peace and stability have increased "more than ever" the need for a Comprehensive Convention on International Terrorism, a deadlocked treaty that criminalises all forms of terrorism and denies terrorists, their financiers and supporters access to funds, arms, and safe havens.

"We should put aside our differences and mount a concerted international effort to combat terrorism and extremism. As a symbol of this effort, I urge you to adopt the Comprehensive Convention on International Terrorism," Modi said.

He said he used to raise the issue with world leaders 20 years ago and "they wouldn't understand" the danger terrorism posed to world peace.

"They would ignore it and say it is a law and order problem," he said.

He said India, despite being part of the developing world, was "prepared to share our modest resources with those countries that need this assistance as much as we do".

"This is a time of great flux and change. The world is witnessing tensions and turmoil on a scale rarely seen in recent history. There are no major wars, but tensions and conflicts abound and there is absence of real peace and uncertainty about the future."

To further assert his calls on countering terrorism, Modi said that piracy has also posed a serious threat to the world's economic development.

"An integrating Asia Pacific region is still concerned about maritime security that is fundamental to its future," he said.

"Europe faces risk of new division. In West Asia, extremism and fault lines are growing. Our own region continues to face the destabilising threat of terrorism. Africa faces the twin threat of rising terrorism and a health crisis," the prime minister said

Source: Indo-Asian News Service

Modi-Xi talks set agenda to further India-China economic ties

Prime Minister Narendra Modi, after his talks with President Xi Jinping on September 18 said a new chapter in India-China economic ties has opened with Beijing assuring greater access for Indian goods and capital while also committing an investment of $20-billion over the next five years.

With economic relations on top of the agenda for the talks between the two leaders, the prime minister said he was particularly happy that China had agreed for the setting up of two industrial parks in India and look into how the issue of trade deficit can be addressed.

"I raised the issue of trade imbalance between our two countries. I urged President Xi to give our companies better market access and investment opportunities in China," Modi said after his talks in New Delhi with the Chinese side.

"The Chinese president assured that he will take concrete steps in this regard."

India-China bilateral merchandise trade stood at $65.88 billion in 2013. While India's exports to China were valued at $14.50 billion, its imports were much larger at $51.37 billion, resulting in a large trade deficit.

Modi, while delivering his statement before the media after the talks at the Hyderabad House, said India and China have much scope to increase economic cooperation, as it was way below the potential.

President Xi reciprocated what was said by Modi. "China and India will act as twin engines in spearheading economic growth in the region," the Chinese premier said. "China will invest $20 billion in India in five years," he added.

"We will also align our strategy to strengthen rail infrastructure in India."

The prime minister said he was pleased with the inking of agreements between the two sides for two Chinese industrial parks in India and Beijing's commitment to invest around $20 billion in India over the next five years.

"I invited Chinese investments in infrastructure and manufacturing sectors. I am glad that two Chinese industrial parks will be built in India," he said, adding: "The five-year economic and trade development plan is an important step."

Among the 12 pacts that were signed between the two sides, those on economic ties included cooperation in railways, outer space and culture, commitment for two Chinese industrial parks and $20-billion worth Chinese investments in India over the next five years.

Source: Indo-Asian News Service

Will build India of your dreams, join in our effort: Modi to Indians abroad

Prime Minister Narendra Modi connected with thousands of rapturously cheering Indian diaspora at Madison Square Garden in New York on September 28, promising them he would deliver on the electoral promise of a resurgent India and urged them to join in the mass movement to work for their country of origin.

Addressing a 20,000-strong crowd at the venue - that has seen former US presidents and rock stars take to the stage but never an Indian politician - and also thousands watching the event live outside on giant screens, and millions back home and around the world on TV and internet, Modi announced relief measures for the diaspora, including lifelong visas for Persons of Indian Origin cardholders and the merger of the PIO and Overseas Citizenship of India (OCI) schemes with a new scheme to be announced soon.

Speaking in his chatty style in Hindi for almost an hour, and attired in cream kurta-pyjama and a light orange jacket, Modi praised the Indian diaspora for its contribution to IT, saying India was no longer considered a land of snake charmers but of software wizards.

"Our forefathers maybe would play with snakes, but we play with the mouse (computer mouse)," he said, to wild cheers. Referring to the elections that swept him to power in May, Modi thanked the diaspora for their support and said he has not taken even a 15-minute vacation since becoming prime minister.

"Winning elections is not for sitting on a seat, it is a responsibility. And I have not taken even a 15-minute vacation since becoming PM," he said.

As the crowd chanted "Modi, Modi" throughout his speech, the prime minister said his government will not leave any stone unturned to fulfil the expectations of the people.

He said India is at an opportune cusp of circumstances, blessed with a vibrant democracy, with 65 percent of its people under the age of 35, and a market of 1.25 billion people and will scale new heights in the near future.

"These three things are present in one country, this is not there anywhere else in the world. And on the basis of this India will cross new heights - it is my belief," said Modi as the crowd chanted, clapped and cheered every time the prime minister made a good point and appealed to their patriotism.

Referring to the ageing populace across the world, he said that India is blessed with the youngest population and the largest workforce in the world. "India can supply the workforce to the world," he said, suggesting that India should export its trained teachers and nurses across the world.

He also proposed that the diaspora should join in the efforts to rebuild the country, a "vikas jan andolan" or a mass movement for development - in helping in any way they could.

Referring to the skill development that his government has launched for the youth, he said his government has created a skill development ministry and would invite other countries to join in the effort.

He also referred to the Make in India campaign the government launched ahead of his US visit to invite investments and to manufacture in India as also the sanitation campaign to make a Clean India, a movement which he said would gladden the hearts of Indian abroad who often get turned away by India's pervasive squalor.

He asked the Indian diaspora to connect with him directly online and also asked them to join in the endeavour to clean the Ganga river.

Modi also announced visa-free arrival for US tourists in India and that Indian missions in the US would grant long term visas to US citizens, which was widely welcomed by the Indian Americans.

Source: Indo-Asian News Service

India will always stand by Vietnam: President

India has always stood by Vietnam and will continue to do so, President Pranab Mukherjee said on September 17, and expressed confidence their strategic partnership will steadily augment and they will provide stability and growth to the region and the world.

The president, reading out a statement on his state visit to Vietnam, said he was "greatly moved" by his experiences during his stay.

"Yesterday at the War Remnants Museum, I saw a poster of 1966 proclaiming the support of the Indian people for the Vietnamese people in their struggle for freedom.

"India has always stood by and supported the people of Vietnam. We were with them then, we are with them now and we will continue to stand strongly with Vietnam in the future. Vietnam has in India a dependable and trustworthy partner.

"The people of India, irrespective of differences in political conviction or affiliation remain strong votaries of friendship with Vietnam," he said, expressing his confidence that the relations will grow from "strength to strength" and their strategic partnership will be "deepened and expanded".

Mukherjee said he was certain that as "two of the fastest growing economies of Asia", they will provide "stability and growth" to the region and the world.

The president told accompanying journalists in a media interaction during the return flight that his visits to the museum as well as the Cu Chi tunnel complex outside Ho Chi Minh City had convinced him of the "determination and strength of character" of the Vietnamese people, and this also explained their economic progress.

"There has been steady GDP growth and though they started (liberalisation) late in 1991, they have brought down the poverty rate from 50 percent to 10 percent now," he said.

"This shows the strength of their economy," he said.

The president also noted that the poster he saw in the museum had been printed in then Calcutta by the Indian Communist party.

In his statement, he said he and his delegation were "overwhelmed by the affection, hospitality and warmth" of the reception extended to them, the "across the board a deep-seated desire for closer interaction" and were returning "impressed by the commitment of the Vietnamese government to take the relation to new heights".

He said political relations have always been "strong and cloudless" but it was now time to focus with "renewed energy and fresh determination on strengthening economic engagement, connectivity, and people to people exchanges, especially among the youth.

During the visit that took Mukherjee to Hanoi and Ho Chi Minh City, India and Vietnam called for a peaceful, unfettered South China Sea, and inked seven agreements including for direct Delhi-Hanoi flights and an extended line of credit for purchase of military equipment.

Both countries also set a target of $15 billion bilateral trade by 2020.

Vietnamese Prime Minister Nguyen Tan Dung is set to visit India in October at the head of a large business delegation to explore further opportunities for economic cooperation.

A joint communique following the talks said Mukherjee and his Vietnamese counterpart Truong Tan Sang agreed to strengthen and deepen bilateral cooperation on the basis of the strategic partnership, with focus on political, defence and security cooperation, economic cooperation, science and technology, culture and people-to-people links, technical cooperation and multilateral and regional cooperation.

Source: Indo-Asian News Service

India, Vietnam ramp up ties, ink seven agreements

Signalling their intent to move closer in various spheres, India and Vietnam on September 15 signed seven agreements, including one for direct flights between their capitals, for scouting for oil, and an extended line of credit for purchase of defence equipment.

The seven agreements were signed in the presence of visiting Indian President Pranab Mukherjee and his Vietnamese counterpart Truong Tan Sang in Hanoi.

A joint communique said that the leaders agreed to strengthen and deepen bilateral cooperation on the basis of the Strategic Partnership with focus on political, defence and security cooperation, economic cooperation, science and technology, culture and people-to-people links, technical cooperation and multilateral and regional cooperation.

The leaders agreed that defence and security cooperation was an important pillar of the strategic partnership between the two countries.

They expressed satisfaction with the ongoing cooperation between the two sides in this field and noted that the signing of the MoU for the Line of Credit of $100 million for defence procurement extended by India to Vietnam would open new avenues for cooperation.

The seven agreements were signed in the presence of President Mukherjee and his Vietnamese counterpart Truong Tan Sang.

The air services agreement was between Jet Airways and Air Vietnam while OVL, the overseas arm of oil major ONGC, and Petro Vietnam inked an agreement on exploring two additional blocks off Vietnam.

The other agreements were on agriculture cooperation, cooperation in animal health, customs cooperation, and one on youth affairs and skill development.

After the inking of the agreement, Goyal said that the air services are going "to be very feasible, it is going to be very profitable".

He said the direct flights will start from November 5 and "booking has already started".

A Boeing 737 - 800 will be pressed into service and it "is going to be everyday", said Goyal, who expressed full confidence of it being a success.

President Mukherjee is on a four-day state visit to Vietnam that began on September 14.

Source: Indo-Asian News Service

India, Australia ink deal on uranium exports, to boost defence ties

India and Australia on September 5 inked a long-awaited civil nuclear agreement to enable Australia to export uranium to energy-starved India and also agreed to step up their political, security and defence cooperation as visiting Australian Prime Minister Tony Abbott held talks with his counterpart Narendra Modi in New Delhi.

Abbott, the first head of state to pay a bilateral visit under the new NDA government, also brought with him two Chola period artefacts that were stolen from temples in Tamil Nadu. The return of the Nataraja and Ardhanarishwara statues from the 11th century AD were appreciated by Modi.

The Australian prime minister said the civil nuclear energy agreement was inked as "Australia trusts India to do the right things in this area as it has done the right thing in every area since its independence 70 years ago" and "that is why we are happy to trust India with a uranium treaty".

Addressing a joint media interaction with Modi after both sides inked four agreements, including in water resources and sports, Abbott said both countries would work to strengthen their trade relations and also focus on areas like energy, food and education.

Modi termed the inking of the civil nuclear agreement as "a historic milestone in our relationship" and reflection of a "new level of mutual trust and confidence" in bilateral ties.

He said the agreement would support India's efforts to fuel its growth with clean energy and minimize the carbon footprint of its growth.

Modi said he and Abbott have decided to enhance their political dialogue and increase their security and defence cooperation.

He said he has accepted Abbott's invitation to pay a bilateral visit to Australia after the G20 Summit in November, remarking that there has been no prime ministerial visit from India to Australia since 1986.

Both sides will hold their first bilateral naval exercise in 2015 and intend to enhance their exercises in the coming years, he said.

In the field of trade and investment, Modi said Abbott has assured of speedy clearances for Indian investment proposals in the pipeline. "I invited Australian investments into India, including in infrastructure and high technology areas."

He said India is concerned about the decline in bilateral trade and is committed to early conclusion of the Comprehensive Economic Cooperation Agreement (CECA).

Earlier, Abbott pledged $20 million to facilitate partnership between the two countries in the health sector during a visit to the All India Institute of Medical Sciences (AIIMS) Trauma Centre .

Abbot met Modi in the morning and finalized the civil nuclear deal.

During the meeting, he gifted a Nehru jacket made of Australian wool to Modi, who in return presented him a copy of the Gita.

Abbott called on President Pranab Mukherjee at the Rashtrapati Bhavan in the morning and said he was "determined to do whatever he can to strengthen an already deep friendship".

"Australia recognizes India's increasing importance in the world," Abbott said while describing India as an emerging democratic superpower.

Australia, which holds almost a third of the world's known uranium reserves, had banned exporting uranium to India as New Delhi is not a signatory to the Nuclear Non-Proliferation Treaty.

But the countries have been negotiating a nuclear safeguards agreement since 2012 and have held five rounds of negotiations. Ahead of his India visit, Abbott had told his parliament that he expects to ink the nuclear cooperation agreement with the Modi government.

Abbott is accompanied by a business delegation of around 30 people.

The MoU on Water Resources Management is significant as Australia has water technology expertise and has expressed keenness to contribute to the Modi government's Clean Ganga project.

Addressing a business meet in the morning, Abbott said: "Both PM Modi and I wish to be known as infrastructure PMs and the G20 will focus on mobilizing private capital to address the world's infrastructure deficit."

He said his government was streamlining student and working visa arrangements to make it easier for Indians to study and work in Australia.

Over 36,000 Indian students study in Australia, mostly in vocational institutes.

Source: Indo-Asian News Service

India keen to partner with Singapore for funds, expertise: Modi

Prime Minister Narendra Modi said India was keen to partner with Singapore as part of its effort to get funding and expertise to emerge as a global manufacturer.

Modi, who received Singapore's Emeritus Senior Minister (ESM) Goh Chok Tong, apprised him of the various initiatives taken by his government for development of smart cities and urban centres, improving the ease of doing business and cleaning of rivers.

Modi, who was invited to visit Singapore, said he looked forward to the visit at an early convenient date.

He said India's strength in terms of 3Ds - Demographic Dividend, Democracy and Demand (large domestic market) - would enable it to emerge as a global manufacturer.

He said it would be essential to enter into partnerships with the international community to access the necessary funding and expertise for the success of initiatives.

"In this context, the prime minister conveyed India's keen desire to partner with Singapore. The ESM suggested that both sides should work for entering into a strategic economic partnership," said a statement from the Prime Minister's Office.

Goh was accompanied by Minister in the Singapore Prime Minister's Office and Second Minister for Home Affairs and Trade and Industry S. Iswaran and Minister of State for National Development Desmond Lee.

The statement said Modi recalled his long personal association with Tong.

He also recalled Tong's special contribution to the development of bilateral relations.

Goh congratulated Modi on his emphatic victory in the general elections and "for presenting an ambitious vision of India's economic and social transformation".

"He encouraged the prime minister to work towards developing India as a global manufacturer through a combination of skill development, standard setting and access to the global market," the statement said.

It said the Singapore leader called upon India to engage more proactively with the Regional Comprehensive Economic Partnership initiative.

He also emphasised that a prosperous India was critical for the peace and prosperity of the entire Asian region.

Source: Indo-Asian News Service

Modi invites Britain for energy efficiency co-operation

Prime Minister Narendra Modi on August 25 said clean energy and preservation of environment were priority areas for his government and invited Britain to partner in these efforts.

Modi met British Deputy Prime Minister Nick Clegg in New Delhi and called for greater co-operation between the two countries in areas such as education, skill development, clean energy, infrastructure development, and cleaning of rivers.

Clegg conveyed Britain's strong desire to strengthen and deepen relations with India.

According to a PMO release, Clegg expressed deep appreciation "for the ambitious goal of Indian's economic and social transformation that the new government under the leadership of Prime Minister Modi had set".

Clegg, who was accompanied by British Secretary of State for Energy and Climate Change Ed Davey, conveyed Britain's desire to work together with India in realising the government's goal of economic and social transformation.

The release said Modi expressed appreciation for British Prime Minister David Cameron's personal interest and commitment to the relationship between the two countries.

Both sides also discussed international issues relating to the World Trade Organisation (WTO) and climate change.

The release said that Clegg conveyed appreciation for the work done in Gujarat in the area of clean energy and preservation of environment.

"The prime minister said this was a priority area for the government. The government plans to develop 500 model towns in India with facilities for solid waste management and waste water treatment. Further, the government wants to develop all Himalayan states as "Organic States". He also articulated his vision of creating mass participation in energy efficiency. The prime minister invited Britain to partner in these efforts," the release said.

Modi also called upon the international community to take steps to provide clean technology to developing and underdeveloped countries at affordable prices, the release said.

Responding to the invitation to him to visit Britain, Modi said he looked forward to visiting the country at the earliest.

Source: Indo-Asian News Service

India, Taiwan sign agreement for manufacturing

Furthering Prime Minister Modi's focus on domestic manufacturing, the India Electronics and Semiconductor Association (IESA) and Taipei Computer Association signed a memorandum of understanding to promote local manufacturing in the field of semiconductors and electronics.

Among the first in a series of initiatives to promote local manufacturing in the country in collaboration with countries such as Taiwan, IESA will look to capitalise on Taiwan's experience, which is a known leader in the field of manufacturing and electronics. The Association has set up a front office in Bangalore, and has visited Karnataka, Gurgaon, Noida and Ahmedabad as potential sites to build a technology hub.

"They are seeing about 200-300 acres of land, for setting up a Taiwanese hardware park. On merit they will zero in on one or two of these places," said MN Vidyashankar, president, IESA. One of Taiwan's top builders, Century Developers has shown interest in developing these sites.

Domestic production of electronics has been a focus area of the new government, which recognises that India's electronics import bill is expected to exceed $400 billion, an amount that exceeds the country's oil imports. The Minister for Communications and information technology Ravi Shankar Prasad has said time and again that the government is looking to reduce the country's dependence on imports.

The discussions to partner with Taiwan in order to boost Indian manufacturing have been going on for three or four years, and several delegations comprising of DeitY and industry bodies such as Manufacturers Association for Information technology, IESA, Indian Cellular Association (ICA) and Electronics Industries Association of India have visited Taiwan to formalise terms.

ICA signed an MoU withTaiwan Electrical and Electronic Manufacturers' Association (TEEMA) about six months ago, and is working to finalise the terms of a formal arrangement with the Institute for Information Industry (Taiwan), said ICA president Pankaj Mohindroo. His association will focus on manufacturing of mobile phones and solid state lighting or LED, he added.

IESA further said it was in advanced stages of discussions to sign an MoU with Japan, which could be finalised within a fortnight.

Source: The Economic Times

Net FDI inflows on track to top $30 bn this fiscal: Nomura

Foreign direct investment inflows to India are expected to gain further momentum and net FDI inflows to the country could cross $30 billion mark this fiscal year driven by improved investor sentiment, a Nomura report says.

According to the Japanese brokerage firm, net FDI inflows is on track to top $30 billion and this would reduce India's external sector vulnerability.

Net FDI into India rose sharply to $11.5 billion in the first four months of FY15 (April-July) from $8.4 billion over the same period in FY14, the report said.

"Based on the current run rate, we estimate that net FDI inflows could rise above $30 billion in FY15 (amounting to 1.4% of GDP)," Nomura said in a research note.

Citing the various factors that are likely to boost FDI inflows, Nomura said: "investor sentiment has improved, domestic confidence has revived, growth is on a recovery path and the government is focused on improving the ease of doing business."

Sectorwise, telecom, pharma and financial and business services were the largest recipients over the first three months of this fiscal year.

"In our view, the large inflow in July could be partly due to fund-raising in the e-commerce sector," it added.

According to official data, FDI flows to India surged by about 34% to $1.92 billion in June.

During April-June in this fiscal, the foreign inflows recorded a growth of 34 per cent. FDI was at $7.23 billion in April-June, 2014-15 compared to $5.39 billion in April- June 2013-14, as per the data by Department of Industrial Policy and Promotion.

In 2013-14, FDI inflows in India were $24.29 billion against $22.42 billion in 2012-13.

The government is taking more steps to boost FDI in the country. It has raised the foreign investment limit to 49% in defence manufacturing and relaxed the policy in construction sector. The government has also proposed to increase the FDI cap in insurance to 49%.

Source: Business Standard

RBI allows TD Power to raise foreign investment limit to 100%

Foreign Portfolios Investors (RFPIs) can now purchase up to 100% of TD Power Systems under the Portfolio Investment Scheme.

Earlier the limit for the foreign institutional investors (FIIs) or registered foreign portfolio investor (RFPIs) to purchase equity shares in the company was capped at was at 49%.

"...Foreign institutional investors (FIIs)/Registered Foreign Portfolios Investors (RFPIs) can now purchase up to 100% (revised from earlier limit of 49%) of the paid up capital of TD Power Systems under the Portfolio Investment Scheme," RBI said in a notification.

The hike in limit for FIIs or RFPIs to buy up to 100% paid up equity capital in the company came after passage of resolutions by it's board of directors and a special resolution by shareholders to enhance the limit for purchase of its equity shares and convertible debentures by FIIs.

The purchases could be made through primary market and through stock exchanges in the Bengaluru based AC generator maker.

Source: Press Trust of India

After FB & Google, Yahoo buys B'lore co

After Facebook and Google acquired Little Eye Labs and Impermium respectively, comes yet another acquisition of an Indian startup by a global technology major, underlining the growing innovativeness of the country's startup ecosystem.

Yahoo has bought Bangalore-based Bookpad, a startup that's barely a year old and founded by three youngsters who passed out of IIT-Guwahati over the past three years.

The precise value of the deal could not be ascertained, but sources said it's a little under $15 million (Rs 90 crore).

Bookpad's enterprise software product, DocsPad, allows users to view any document (like PDF, Word, Powerpoint), as also edit and annotate it, within a website or app. It works across devices, and does not require downloading of plug-ins or desktop software.

For Yahoo, a content provider, the technology can potentially be embedded in many of its services. IT industry body Nasscom's 10,000 Startups programme had identified Bookpad as a promising idea and the venture was incubated at the Startup Warehouse established by Nasscom and the Karnataka government in Bangalore. It was later part of the Microsoft Accelerator programme in the city.

Rajan Anandan, Google India MD and who has been a key figure in the Nasscom 10,000 Startups programme, said Bookpad is a very focused product that has got good traction with virtually no money raised.

"The acquisition by a global technology firm is a big validation for India's product ecosystem. Over the next few years, we will have many $1-billion prod uct companies as India's capability to build product companies become prevalent and proven," he said.

Yahoo had not responded to TOI's request for a comment till the time of going to print.

Bookpad's founders include Aditya Bandi, 25, Niketh Sabbineni, 24, and Ashwik Battu, 23.

Bandi graduated with a degree in design from IIT-Guwahati in 2011 and had brief stints at Microsoft, Cognizant and

Syman tec. Sabbineni graduated in computer science in 2012, and worked briefly in Amazon. The youngest, Battu, graduated as a chemical engineer just this year.

They wanted to solve a pain point they faced as students.They used to upload various document formats to the cloud, but they couldn't edit or annotate them in real time.

Bookpad's big break came when they participated in Nasscom's Innotrek, a trip to Silicon Valley earlier this year that was designed to help Indian startups to meet US technology giants and familiarize them with the startup environment there.During the trip, they met M&A consultant Rob Schram, who later helped broker the deal between Yahoo and Bookpad.

Ravi Gururaj, head of Nasscom's product council, said, "Our nurturing process is clearly working. Mynoticeperiod (another startup that's part of the Startup Warehouse) received funding from IDG, and now this. We will take this template forward." Srivatsa Krishna, IT secretary in the Karnataka govern ment, said, "Bookpad has done us proud by being acquired by Yahoo. It is disruptive technology at its best. Bangalore is inching its way up to becoming the startup capital of the world." All the six full-time Bookpad employees, including the three founders, will join Yahoo's engineering team in Bangalore. The deal includes cash, earnouts and stock options.

Currently , Bookpad supports 15 different document formats. The potential is huge considering that 2.5 billion people browse the internet and 53 billion documents are on the cloud today and the number is expected to touch 200 billion within the next two years.

Source: The Times of India

Taiwanese autopart manufacturers keen to invest in India

India may not have diplomatic ties with Taiwan, but Taiwanese automobile parts' manufacturers have shown interest in investing in India for making the country a hub for the sector to meet domestic and export demand.

"We have met several Indian companies here who are into automobile manufacturing like Bajaj, Tata, Toyota and others. The discussions have been very successful and we have been able to understand the needs of the original equipment manufacturers (OEMs)," Bennet Chen, deputy director general in Taiwan's economic affairs ministry's Department of Investment Services, told IANS here.

"We are interested in setting up joint ventures (JVs) for manufacturing automobile parts and other accessories like plastics, rubber, machinery and tools which are used in the industry."

According to Chen, who led a 21- member delegation of automobile parts manufacturers and traders to India, there has been a considerable level of appreciation and acceptance of the high-quality Taiwanese auto parts in India.

"We have received considerable acceptance and encouragement for setting up of parts supplies in India. Many (of our) auto parts dealers have also shown their interest in investing here," Chen said.

The interest shown by Taiwan-based manufacturers can be gauged from the fact that the Indian automobile market is expected to become the world's third largest by 2020, according to estimates by J.D. Power and Ernst & Young. According to these estimates, quoted in the National Electric Mobility Mission Plan 2020, India's share of the global passenger vehicle market will jump from four percent in 2010-11 to eight in 2020.

Chung Kwang Tien, representative of the Taipei Economic and Cultural Center in India (the Center operates like a diplomatic mission), said that expanding cooperation in trade and investments highlighted the potential for further cooperation between the two countries in the manufacturing sector.

"In response to Prime Minister Narendra Modi's vision of 'Come and Make in India' inviting manufacturers from across the world to invest in India and help boost India's industrial growth, Taiwanese automobile manufacturers are looking forward to exploring the possibilities of business cooperation for the Taiwanese auto parts and automobile electronics makers in India," Chung told IANS.

In 2010, India became the sixth largest automobile manufacturer, with two-wheelers and three-wheelers crossing more than 10 million units every year. Therefore, the demand for auto parts is huge.

There are almost 30 automobile manufacturing companies in India. The demand for high quality auto parts and auto electronics is increasing day by day and the Taiwanese manufacturing companies would like to contribute their share.

Taiwanese export of auto parts and automobile electronics clocked $11.2 billion in 2013, of which only $35 million was exported to India, which accounts for a meagre 0.32 percent of the total share, much lower than the US, Japan, Germany, South Korea and China.

Chen added that apart from the automobile sector, Taiwan looked towards India for cooperation in information technology enabled services (ITES), textiles, infrastructure development, construction and engineering.

"In Taiwan we have some excellent companies which have a very good track record and experience in constructing infrastructure projects abroad, apart from other areas like ITES and textiles sectors that hold immenses opportunity for cooperation between the two countries," Chen added.

Source: Indo-Asian News Service

India, Russia trade may touch $15 bn by 2015: FIEO

India's bilateral trade with Russia is expected to reach $15 billion by 2015-end on the back of initiatives taken by exporters to tap that market in the wake of sanctions imposed by EU on Russia.

Currently, the two-way commerce between the countries stood at around $10 billion.

"The sanctions imposed by the EU on Russia gives huge scope and opportunity for Indian traders in sectors, including agro-products, chemicals and textiles to capture the Russian market. We need to tap that space," Federation of Indian Export Organisations (FIEO) President Rafeeq Ahmed told PTI.

The organisation has recently organised a three-day 'India Show' here.

The US and the European Union have imposed economic sanctions on the Ukraine issue.

Ahmed said that exporters received good business orders and inquiries from Russian businesses in the exhibition, where over 100 Indian exporters showcased their products from sectors including pharmaceutical, leather, agriculture, steel and textiles.

"Our initiatives would help in pushing our bilateral trade with Russia to $15 billion by the end of 2015," he said.

Source: Press Trust of India

Spices export up 10% in Apr-July

Indian spices export , during April- July 2014 has shown a prospective trend registering an increase of 10% in quantity and 11% in rupee terms and 6% in dollar terms of value.

Export of all major spices like pepper, chilli, ginger, turmeric, seed spices and value added products has marked an outstanding growth both in terms of value and quantity. Compared to the export target of 7,55,000 tonnes valued Rs.12304.90crores ($2000 million) for the financial year 2014-15, achievement for April-July 2014 would sum up to a total of 36% in terms of quantity and 35% in rupee and 36% in dollar terms of value.

Releasing the export performance for the period, April- July 2014, A Jayathilak, Chairman, Spices Board, said that the promising export figures for the period points to an increased demand for Indian spices in the global market. We look forward to an all-time high export record for the financial year with prominence to value added products in the export basket, he told.

Chilly and Mint continued to be the largest foreign exchange earners in the export basket. During April-July 2014, a total of 2, 71,280 tonnes of spices and spice products valued Rs.4339 crore ($721.02 Million) has been exported from the country as against 2, 46,060tones valued Rs. 3892.72 crore ($ 682.79 Million) during April-July 2013.

Pepper export improved with an increase of 10% in quantity and 41% in value, a total quantity of 6,450 tones of pepper valued Rs.332.46 crores have been exported as against 5,870 tonnes valued Rs.235.31 crores of the last year.Ginger, overcoming its slow down trends in the previous years, has marked an increase of 47% in quantity and 23% in value. A total of 6,150 tonnes of ginger valued Rs.65.66 crores have been exported against the 4,194 tonnes valued Rs.53.54 crores of the last year.

Chilly, the most demanded spice from India registered an increase of 6% in quantity and 10% in value. A total quantity of 99,000 tonnes of chilli valued Rs.938.80 crores have been exported as against 93,122 tonnes valued Rs.850.81 crores of corresponding period of the previous year.The seed spices basket had a dream run during the period with Coriander, Cumin, and Fennel manifesting high performance. During April - July 2014, a total quantity of, 16,000 tonnes of coriander valued Rs 155.05 crores were exported as against 11,412 tonnes, valued Rs 86.40 crores of the last year. It marks an increase of 40% in quantity and 79% in value. While cumin achieved an increase of 32% in quantity and 14% in value, fennel bagged an increase of 19% in terms of value. A total of 58,000 tonnes of cumin valued Rs 672.10 crores were exported compared to 43,898 tonnes valued Rs 589.02 crores of the previous year and 4,500 tonnes of fennel valued Rs 47.25 crores have been exported against the 4,447 tonnes (Rs 39.65 crores) of the last year.

During the mentioned period, a total quantity of 3,975 tonnes of spice oils and oleoresins valued Rs 543.95 crores were exported as against 3,273 tonnes valued Rs 488.42 crores of the previous year registering an increase of 21% in quantity and 11% in value. In the case of value added products, 7,050 tonnes of curry powder/paste valued Rs 133.23 crores were exported against 6,190 tonnes valued Rs 99.44 crores of the last year. The figures show an increase of 14% in quantity and 34% in value.The export of cardamom (small) and cardamom (large) had shown an increase in terms of value only.

Source: Business Standard

India signs pact with China to better trade ties, get $20billion

India signed a 5-year trade and economic cooperation agreement with China with a view to improve the trade balance and obtain $20 billion Chinese investment into the country.

The 'Five year Trade and Economic Development Plan' was signed by Commerce Minister Nirmala Sitharaman and her Chinese counterpart Gao Hucheng in presence of Prime Minister Narendra Modi and visiting President Xi Jinping.

The agreement lays down a medium term roadmap for promoting balanced and sustainable development of economic and trade relations between China and India, on the principle of equality and mutual benefit.

Among other things, it seeks to reduce bilateral trade imbalance and strengthen investment cooperation to realise $20 billion investment from China in 5 years.

Also a transparent, stable and investor friendly business environment and an enhanced cooperation between Chambers of Commerce and financial sectors of the two countries would also be covered under the pact.

The trade gap between the two countries stood at $35 billion in favour of China. The total bilateral trade was at $66.4 billion trade last year. Sitharaman and Gao also signed the minutes of the tenth session of India-China Joint Economic Group held earlier this month in Beijing.

Both sides during the Beijing meeting held detailed discussions on various issues to promote broad and deep bilateral trade and economic cooperation and agreed to undertake measures to achieve sustainable and balanced trade.

Specific measures to enhance market access to Indian products such as agricultural and pharmaceutical, and export of services were also discussed during that meeting.

Source: Press Trust of India

India's rice output, exports to climb on revival of monsoon

India's summer-sown rice output is likely to cross the previous year's level due to a pick up in monsoon rains, raising prospects for higher overseas sales in 2015 by the world's biggest exporter of the grain, trade officials said.

In June, monsoon rains were 43% lower than the 50-year average, raising concerns about output of the rice crop that guzzles a lot of water. But rains picked up in the past few weeks, narrowing the rainfall deficit to 11%.

"Overall rice production will definitely be higher than last year but it is a little early to quantify by how much," said Rajen Sundareshan, executive director of the All India Rice Exporters Association.

Indian farmers do the bulk of the rice planting in the rainy months of June and July, with harvests from October. The summer-sown variety accounts for the bulk of India's total rice output.

Farmers harvested a record 106.54 million tonnes of rice in the 2013/14 crop year, including an output of 91.69 million tonnes from the summer-sown crop.

Buoyed by attractive prices in the export market, farmers have planted more areas with aromatic basmati rice, as it needs less water and is more sturdy, said Rajeev Setia, executive director of Chaman Lal Setia Exports Ltd.

The superior variety carries a premium over non-basmati, or common grades of rice. Basmati rice accounts for a tenth of India's total rice production.

Source: Reuters

India, Bangladesh border trade to increase manifold by 2017

The border trade between India and Bangladesh through Tripura is expected to touch Rs 500 crore in the next two to three years, said a top official of the state industry.

"Target is to increase the border trade to Rs 500 crores by 2016 to 2017 and it is quite possible with coming up of new industries from Bangladesh," said P L Agrawal, Director of Industries department of Tripura, adding, "In 1994 it was zero, Rs 340 crore in 2012-13, last year in 2013-14 which was election year trade reduced to around Rs 240 crores, entire trade is import and balance of trade is in favour of Bangladesh."

He informed that according to the Business Intelligence and Statistics of Kolkata there is around Rs 10 crore worth of exports from Tripura which include mainly handicraft materials, bamboo and silk by ships through Kolkata and Mumbai port.

Agrawal assured that by next month one of the two border haats in Tripura will be operating and will increase Indo-Bangladesh official trade.

Both the countries in principle have accepted the need for opening up of more such border haats along the 4096 km border they share.

"Border haat cater to the masses on both side of the border and help people to sell products presuming that there is no border and roughly the business is expected to be around Rs 1 million per week from one centre. Border haat will be there one particular day every week. At present two border haats are coming up and two more are in the pipeline. The state government on the basis of the response is keen to increase the number. Response of Bangladesh is very positive and they are keen to open the border haats," said Agrawal.

He also informed that Bangladesh has agreed to allow India to use its river and sea port.

"There have been talks on opening of the Chittagong and Ashuganj ports and both sides are positive but bilateral issues take time as every matter has to go through clearance of both government's home and external affairs ministries," said the Director of Industries, department of Tripura adding that for better connectivity a rail link between Agartala and Akhaura is coming up and for which survey works is going on in Bangladesh to identify land for the same.

According to Agrawal, already two Bangladeshi industries have invested in Tripura and others are in the pipeline as it is the most peaceful state in the region besides its proximity to all major cities in Bangladesh and thus turning the state into a business hub and gateway to northeast India.

Source: Asian News International

Cabinet approves financial support for project exports

The Union Cabinet approved financial support to the National Export Insurance Account (NEIA) for overseas project exports by increasing the authorised corpus of the NEIA Trust to Rs.4,000 crore with the risk underwriting capacity up to 20 times the actual corpus.

The cabinet meeting was chaired by Prime Minister Narendra Modi.

An official release said the proposal will increase the capacity of the NEIA Trust to underwrite more large size projects "in difficult countries with reasonably significant Indian content".

It also said "project exports" would lead to sustained export earning income and help in creation of jobs for foreign exchange earnings.

"Budgetary support to NEIA has been Rs.956 crore. This will be augmented through further budget support," the release said.

The NEIA was set up in 2006 as a public trust by the commerce and industry ministry to promote project exports from India. The NEIA also supports project exports which have long credit period for repayment and which are beyond the underwriting capacity of the Export Credit Guarantee Corporation (ECGC).

Project Exports, in essence, connotes setting up of projects overseas as construction and/or engineering projects.

It also involves the export of engineering consultancy or other engineering services/goods complement as desired by the project owner.

Source: Indo-Asian News Service

Government targets $340 bn exports this fiscal

The new Foreign Trade Policy (FTPs) that will be effective from 2014-2019 is going to be "different" from the previous ones, minister of state (independent charge) for commerce and industry Nirmala Sitharaman.

"Whatever was the structure of earlier FTPs, it would be different from that. The new FTP will hopefully come soon. We are in process of consultations. This FTP will create a stable and strong environment," Sitharaman said during a media briefing on completion of the 100 days of the NDA government.

However, she refused to specify the date as to when the FTP will be unveiled. It was earlier planned that the policy will be launched immediately after the finance budget in July. After that it was scheduled for middle of August which also did not happen.

The government has set a target of achieving total exports worth $500 billion in this fiscal, with merchandise and services exports reaching $340 billion and $160 billion respectively.

According to commerce department officials, the policy might be released next month.

Sitharaman said that the new FTP would include strategy, goals, road maps and timeframe for increasing exports. She also highlighted certain steps that the government has undertaken in order to reduce transaction costs through simplification of documents and procedures.

"We are a trade deficit country. There are several products where imports need to be appraised. We will see that the trade deficit level does not cross beyond a manageable limit," said commerce secretary Rajeev Kher.

The FTP is also expected to include measures for services exports, which reached $151.50 billion in the last fiscal while exports reached $314.40 billion in 2013-14.

In an effort to increase the country's manufacturing capacity, Sitharaman said that the government is looking to remove hurdles in order to ensure smooth operation of the special economic zones (SEZ).

SEZ contribute to about 25 per cent of the country's total exports. According to the minister a decision on minimum alternate tax (MAT) and Dividend Distribution Tax (DDT) will be announced soon to provide relief to the SEZ units and developers.

To help developers earn faster returns, the government is also mulling the option of dual usage. This means SEZs will be used for manufacturing as well as for exporting purposes. There will be clear demarcation on processing and non-processing zones with clear indication of incentives, said Kher.

On the issue of relaxing import duties on gold, Sitharaman said there are no immediate plans to reduce the duties.

Source: Business Standard

Govt relaxes onion import norms

The government on September 1 relaxed norms for import of the kitchen staple till November to boost domestic supply and check rates.

As per official data, onion prices are at present stable in the range of Rs 20-30 kg in most places. Onion is availabe at Rs 30 per kg in Delhi, Rs 32 per kg in Mumbai and Rs 25 per kg in Chennai and Kolkata.

"Ministry of Agriculture has decided, in light of public concern over high prices of onion in the market, to allow derogation from the conditions of fumigation and endorsement on PSC as per the Plant Quarantine Order, 2003 for onion imports up to 30th November, 2014 on the following conditions," an official stastement said.

The government has allowed fumigation of consignments of imported onions after arrival at Indian port through an accredited agency and has also waived off the four times penal fees on account of non-compliance of the fumigation norms.

"The consignment would be inspected thoroughly by quarantine officials and released only if found free from pests and diseases of concern to India.

An Agriculure Ministry official said that the import norms for onion have been relaxed to facilitate smooth shipment of the commodity during the period of supply crunch.

Last month, the government had reduced the minimum export price of onion to USD 300 per tonne in view of softening of prices and increased availability of the vegetable in the domestic market.

Onion production is estimated to have risen to 192 lakh tonnes (LT) during 2013-14 crop year (July-June), from 168 LT in 2012-13. Exports meanwhile fell to 13.58 LT last fiscal from 18.22 LT in 2012-13.

The domestic demand during the lean period from June to November is met through stored rabi (winter) and fresh kharif (summer) produce.

Source: Press Trust of India

Fish and fish products export grew 3-fold in 5 years

Buoyed by the introduction of an exotic shrimp variety, the volume of fish and fish product exports grew more than three-fold in the five-year period between 2009-10 and 2013-14.

"During 2013-14 the volume of fish and fish products exported was 9,83,756 tonnes worth Rs.30,213.26 crore as compared to 2009-10 (6,78,436 tonnes; Rs.10,048.53 crore)," an official release said here.

"This was due to L. Vannamei (also known as whiteleg shrimp), an exotic shrimp variety, introduced in 2009 which accounted for nearly Rs.20,000 crore of export, in 2013-14," it added.

The shrimp variety was introduced as per the guidelines framed for coastal aquaculture by the Department of Animal Husbandry, Dairying and Fisheries.

Union Minister of Agriculture Radha Mohan Singh released the 'Handbook on Fisheries Statistics-2014' - 12th edition - published by the department of animal husbandry, dairying and fisheries.

India is currently the second largest producer of fish. It is also world No.2 in aquaculture production as well as in inland capture fisheries

The total fish production during 2013-14 (provisional) is registered at 9.58 million tonnes, with a contribution of 6.14 million tonnes from inland sector and 3.44 million tonnes from marine sector.

The average growth in fish production during 2013-14 stands at 5.9 percent, which has been mainly due to 7.3 percent growth in inland aquaculture and the remaining 3.7 percent growth from marine sectors.

The fisheries sector is a source of livelihood for over 14.49 million people engaged fully, partially or in subsidiary activities related to the sector. Besides, an equal population is engaged in ancillary activities in fisheries and aquaculture.

Source: Indo-Asian News Service

Textiles Ministry to launch venture capital fund with SIDBI

Aiming to provide support to start-ups, Textiles Ministry will launch Tex-Venture Capital Fund with a minimum corpus of Rs 35 crore in association with Small Industries Development Bank of India (SIDBI).

"The primary objective of the fund will be to make early and growth stage investments in small enterprises. These will be innovative enterprises in new and emerging fields in textiles industry, including powerloom sector and allied products & services."

"Textiles Ministry and SIDBI are the initial contributors to the fund which is expected to commence with a minimum corpus of Rs 35 crore while the targeted fund size is Rs 80 crore," SIDBI Deputy Managing Director N K Maini told PTI.

SIDBI is the fund's sponsor and each investment will be limited to Rs 3 crore. The funds will commence operation shortly, Maini added.

Textiles Minister Santosh Gangwar, who was here to chair the state textiles ministers' conference, said: "To provide equity to start-up entrepreneurs, we shall be launching a Tex-Venture Capital Fund in association with SIDBI. The fund shall be started with an initial capital of Rs 35 crore and scaled up further."

The Ministry also announced a new scheme to help the textile industry by providing environment-friendly processing technology.

The Integrated Processing Development Scheme (IPDS) would set up new processing parks as well as support upgradation of existing processing clusters specifically in the area of water and waste water management.

Under the scheme, the central government will provide financial support up to 50% of the project cost with a maximum ceiling of Rs 75 crore in case of Zero Liquid Discharge (ZLD) units and Rs 10 crore in case of Common Effluent Treatment Plant (CETP).

States will provide 25 per cent of the project cost and the remaining will be mobilised by the SPV.

Source: Business Standard

Centre to revive five PSUs

The government said it had begun the process of reviving five ailing PSUs and is working on one-time settlement, involving voluntary retirement scheme entailing a cost of Rs.1,000 crore for employees of six state-run units not capable of revival.

"Out of 11 sick PSUs, the process for reviving five has started and these shall be revived. However, the remaining six units, which cannot be revived, we have decided on making a one-time settlement proposal of VRS for the employees of these units.

"The state-run units, which have been identified by the government for revival, include HMT Machine Tools; Heavy Engineering Corporation; NEPA; Nagaland Paper & Pulp Co; and Triveni Structurals," Union Heavy Industries & Public Enterprises Minister Anant Geete said.

Mr. Geete said the government was working on a one-time settlement proposal for six terminally ill PSUs, which could not be revived, to eliminate higher recurring expenditure.

"Since last several years, we have been paying salaries to all the employees sick PSUs. We have spent Rs.3,000 crore till now on that. Instead of spending more thousand crores on that, it will be better that we spend once and for all. We are making a proposal for one-time settlement costing around Rs.1,000 crore for employees of six PSUs not capable of revival."

"The six companies which cannot be revived are: Hindustan Photo Films; HMT Bearings; HMT Watches; HMT Chinar Watches; Tungabhadra Steel Products Ltd; and Hindustan Cables. These six companies have employee strength of 3,603," the Minister said at a press conference to mark the 100 days of the NDA government here.

Mr. Geete also informed that as per the recommendations of the Board for Reconstruction of Public Sector Enterprises (BRPSE), the government/holding companies have approved revival of 48 out of 58 central public sector enterprises (CPSEs) and closure of four out of six CPSEs.

Source: The Hindu

Government to spend Rs.33,000 crore on broadband in 3 years

The government is planning to spend around Rs.33,000 crore in the next three years on its broadband projects, Telecom Secretary Rakesh Garg said in New Delhi.

The projects are National Optic Fibre Network (NOFN) and Government Users Network (GUN).

"Government will spend Rs.33,000 crore in the next three years in these projects," Garg said.

He was speaking at the 10th national summit on "E-governance & Digital India: Minimum Government, Maximum Governance", organised by the Associated Chambers of Commerce and Industry of India (ASSOCHAM).

The government has already approved Rs.21,000 crore for the NOFN programme that aims to connect 2.5 lakh gram panchayats by 2017 through broadband connectivity.

Source: Indo-Asian News Service

Nepal, India approve charter of 6,720 MW Pancheshwar projec

In a very significant development in the power cooperation sector, Nepal and India have agreed to develop the much touted bi-national Pancheshwar Multipurpose Project and endorsed the charter for the Pancheshwar Development Authority (PDA).

With the signing of the charter for the PDA, the two sides have renewed hopes of the 17-year-long bilateral project being implemeted. The project has an installed capacity of 6,720 MW and is expected to be a boon for development of Nepal and northern India. The multi- billion-dollar project's costing will be revised after a cost analysis later.

The two-day meeting that ended in Kathmandu late September 23 endorsed the PDA charter, signed by Nepal's energy eecretary Rajendra Kishore Chetteri and India's water resources Secretary Alok Rawat.

This project will be a unique example of Nepal-India relations and cooperation, Rawat said.

Both sides now have to come up with downstream benefits in accordance to the Mahakali Treaty signed in 1996 between Nepal and India. Pancheshwar is a key part of the Mahakali Treaty.

The project, to be developed on the Mahakali river on the Nepal-India border, is expected to generate 6,720 MW of power, and irrigate 93,000 hectares of land in Nepal and 1.6 million hectares on the Indian side.

The charter came into effect from September 23 itself, said Chetteri after the meeting.

The regulation provides much-needed impetus to the implementation of the project, envisaged by the Mahakali Treaty signed 18 years ago.

According to the agreement, the share of water and energy will be equally divided between both countries.

Acording to Nepali officials, the charter has guidelines for the functioning of the authority, formation of the governing body as well as the executive committee.

Once the authority becomes functional, work on finalising a detailed project report, financial closure and construction will be undertaken.

"We've made the treaty functional," said Chetteri. "The authority will work as per the terms of reference (ToRs) that the two countries exchanged in August."

Nepal and India exchanged the ToRs during Indian Prime Minister Narendra Modi's visit to Kathmandu in August.

The governing body of seven members from each country will be co-chaired by the energy secretary of Nepal and the water resource secretary of India. A chief executive officer will head the executive committee.

The CEO will be appointed every three years on rotational basis between Nepal and India. Both the countries have agreed to appoint the first CEO from Nepal. As provided by the charter, when the CEO is from Nepal, an additional CEO and finance director will be from India, and vice versa.

The meeting decided that the first CEO would be appointed by the government, not from free competition as agreed earlier.

"The idea is to ensure that someone with experience of the Pancheshwar project leads the authority in order to ensure its timely completion," said Keshav Dhwoj Adhikary, joint secretary in Nepal's energy ministry.

The meeting agreed to assign Wapcos Ltd. from India to upgrade data for the integration of detailed project reports prepared separately by Nepal and India.

"There is a need to recheck data available in Nepal and India," said Rawat.

He said the cost and benefits of the project could be analysed once the detailed project report (DPR) was finalised. Officials of both the countries said they were hopeful of completing the DPR in the next six to 12 months.

Source: Indo-Asian News Service

Road sector set for big changes in 2 years: Gadkari

In a bid to boost infrastructure development, the government plans to build 30 km of roads a day, remove hurdles facing Rs 1.5 lakh crore projects and bring a new Motor Vehicles bill, Road Transport and Highways Minister Nitin Gadkari said.

Also on the anvil is an overseas arm of highway builder NHAI (National Highways Authority of India), to bid and construct roads overseas and formation of National Highways & Infrastructure Development Company, primarily dedicated for implementing highways projects along borders.

"In two years time Road Transport and Highways Sector will undergo revolutionary changes. Transport and Shipping sectors will contribute at least 2 per cent increase in the country's GDP in two years span," Gadkari said addressing the media on completion of 100 days.

Listing out achievements of his Ministry, he said the draft of the new Motor Vehicles Bill was ready for stakeholders comments and it would be his endeavour to introduce the same in the upcoming Parliament session.

It has been designed and framed in sync with the best practices of six advanced nations and would reduce drastically road accidents in the country which accounted for 5 lakh accidents and 1.5 lakh related deaths annually, he said.

On road projects, Gadkari said, "We inherited a legacy where 189 projects worth Rs 1.5 lakh crore were stuck on account of regulatory hurdles including environment and forest clearances, most of which have been removed and are rolled out."

Also issues pertaining to 24 of the 42 projects on public- private partnership (PPP) mode were removed. In addition, golden handshake with developers were made in 34 projects worth Rs 38,573 crore as the builders had backed out and "we will bid out these on EPC (engineering, procurement and construction), he said.

Gadkari said he was chairing the Infrastructure Group, appointed by the Prime Minister and most of the issues involving delays in forest and environment clearances, defence and railway objects have been removed with Environment and Forest Minister Prakash Javadekar recently clearing 33 of 54 stuck projects.

Also, 350 projects concerning rail over bridges stuck for over two years can now be online tracked, he said adding, "to avoid delays in projects, the government, henceforth, would not award any project withough acquiring 80 per cent of the required land."

"The Ministry has reached out to state governments seeking their support, besides MPs in in ten states have been told about delays in projects in their concerned constituencies," he said.

He said work was underway on projects worth Rs 28,000 crore in Jammu & Kashmir and Rs 10,141 crore in North East besides seven road packages worth Rs 12,500 crore have been cleared for work on new highway alignment in the Uttarakhand to make its roads away from rivers.

Source: Press Trust of India

Govt to help MSMEs access bank loans at cheaper rates: Mishra

The MSME Ministry is in talks with public sector banks to extend loans to micro, small and medium enterprises at base rate to help the sector access vast capital from financial institutions at lower costs, Union Minister Kalraj Mishra said.

Besides, he said the government plans to open 500 district-level incubation centres across the country to train youth to become entrepreneurs and revitalise the micro, small and medium enterprises (MSME) sector.

"We have drawn up an ambitious plan to open Incubation Centres in 500 districts across the country from the viewpoint of livelihood.

"We will also open 100 high-technology incubation centres. We want to instill confidence among unemployed youth so that they can become independent," Mishra said on the sidelines of a PHD Chamber event .

The Minister also said the government will revise the definition of MSMEs to provide for a higher capital ceiling, and the new policy should be out in a month's time.

"We are drafting the new revised MSME policy. It should be out within a month's time. Under the new policy, we will redefine the MSMEs and introduce a new capital limit. At present it is Rs 25 lakh, Rs 5 crore and Rs 10 crore.

"If your turnover exceeds that you are excluded from the ambit of MSMEs and you have to open another company to avail loan and facilities," he said.

Besides, the Minister launched an App called the PHD-MSME App. The App has been developed with the help of students of Delhi University.

The App provides solutions to budding entrepreneurs and existing MSME entrepreneurs of different dimensions like marketing, finance, training and capacity building, different government schemes and opportunities.

He further said the MSME Ministry is working on setting up of a Credit Guarantee Trust Fund to extend liberal packages to MSME sector and inputs have already been incorporated in the new draft MSME Policy.

As per stipulation of the new policy, the general procedures as well as procurement procedures would be vastly simplified and all clearances for setting up of micro and small businesses would be accorded online within a fixed period of 15 days, assured the Minister.

Source: Press Trust of India

Centre to frame modified jute policy aimed at diversification

The Centre will soon come up with a modified policy for the jute industry, aimed at the diversification of products with possibility of bulk usage.

Working on the directive of the PMO, the Union Textile Ministry has been working with the National Institute of Design (NID) since last June for creating more and more acceptable designs for the diversification of jute products, National Jute Board (NJB) Chief Finance Officer N Sengupta told PTI.

"We are holding meetings and hopefully within a couple of months' time we will be able to come up with a modified policy," Sengupta said.

He said that Textile Ministry Secretary S K Panda, along with Joint secretary, Jute Commissioner and other stakeholders, would meet at the NJB's board meeting on September 19 in Kolkata where a discussion in this regard was highly possible.

Elaborating on what the NID was trying to do in regard to the diversification of the jute products, the Jute Board official said: "It can be a new type of fabric or it can be a composite. The NID knows the market very well. They have many ideas and may come out with something new using the plasma technology."

Sengupta said, "We have to find out the areas where diversification can be done and then we need to place it in the market... We have to make the products marketable," he stated.

The new policies would also help attract new entrepreneurs and also employment opportunities would increase, Sengupta said.

"Not only new employment avenues but new products will also come up. Farmers will be benefited and overall the money cycle will be improved. We are very hopeful about the success," he stated.

Source: Press Trust of India

Indian auto industry can touch $300 bn mark by 2026

Revenues of the Indian auto industry can rise 5-fold to hit the $300 billion mark, and volumes can log in over 3-fold increase to around 76 million units by 2026, according to a report.

As per the Vision 2026, prepared by ICRA Management Consulting Services (IMaCS) as an input for the Automotive Mission Plan (AMP) 2026, passenger vehicle sales will grow to 13.4 million units per annum from 3.1 million in FY14.

It said commercial vehicle sales will rise to 3.9 million units from 0.7 million in FY14; of two-wheelers, to 55.5 million units from 16.9 million, and of three wheelers to 3 million units from 0.8 million units.

It is estimated that the Indian auto industry will grow to 75.8 million units by FY 2026 as compared to 21.5 million units in FY14.

"Vision 2026 will enable the Indian auto industry to contribute around 13 percent to GDP, generation of additional 100 million jobs and attract more than $80 billion in investments," it said.

According to it, vehicle export revenues are expected to touch $40 billion by 2026 from $8 billion in FY14, while the component exports are expected to rise to $74 billion over $10 billion in FY14.

As per the document, over the next 10 years there will be a shift in global trend with 75 percent of incremental demand expected to come from BRICS and emerging economies.

It also expects the proportions of A and B segments (compact cars) to rise sharply in the next decade. It further anticipates India to be among the top three automotive markets in the world.

The document also lists various factors like creation of infrastructure, human resources and incentivisation as the enablers to achieve the targets under the Vision 2026 plan.

The AMP 2026 is under formulation but the economic slowdown in the last three years that resulted in a demand slump is expected to force the Indian auto industry to miss by up to 25 percent of the targets set in AMP 2016.

The auto industry had set an ambitious target under the AMP 2006-2016 to take its annual turnover to $145 billion with special emphasis on export of small cars, MUVs, two and three wheelers and auto components.

AMP 2006-2016, announced in 2006, had set a goal for India to become the "destination of choice in the world for the design and manufacture of automobiles and auto components with output reaching a level of $145 billion accounting for more than 10 percent of GDP and providing additional employment to 25 million people by 2016".

Source: Press Trust of India

South Africa shows interest in India's agriculture, food processing sectors

Aiming to boost bilateral trade between the two countries, South Africa evinced interest in food processing and agriculture sectors in India.

In the first ever 'South Africa Week', the country showcased the technologies related to food processing and agriculture sector.

The weeklong seminar commenced in Mumbai from September 9-10, 2014 and then moved to Gurgaon on September 11-12, 2014.

South Africa's agriculture minister Senzeni Zokwana in a statement said, "A number of significant leaders from the trade, business and academic fraternity having turned up and partaken in the mutual discussions, we are looking forward to fulfil our agenda to create lucrative business and investment opportunities with India."

Zokwana also added that he will make this an annual event.

Business seminars in both cities are being held with technocrats, leaders of business organisations, resident commissioners of the 29 Indian states, FMCG managers from top supermarkets, hotel groups and also the representatives of key importers.

South Africa Week is expected to further promote bilateral trade among the two nations.

South Africa has advanced agriculture and food processing sectors due to the use of sustainable technologies, especially in supply, cold chain management and infrastructure development.

The South African delegation also included farmers who exchanged ideas to ensure that both countries benefit from the event.

Source: Press Trust of India

India's drug industry to touch $48 billion by 2018

India's drugs and pharmaceuticals industry is likely to post total sales of Rs.2.91 trillion ($47.88 billion) by 2018, with an average yearly growth of at least 14%, aided by a rapidly growing domestic market and the newly emerging export opportunity as patents of at least a dozen blockbuster drugs in the US expire in the next three years.

"During 2014-2016, about $92 billion worth patented drugs are expected to go off patent in the US as compared with $65 billion during 2010-12," says an industry analysis report released by Care Ratings, India's second largest credit rating agency. The domestic drugs industry, which is valued at Rs.1.6 trillion at present, according to Care Ratings, is also expected to grow in the local market with aggressive rural penetration by drug makers, increased government spending on health and growing health awareness among people.

The large number of drugs going off-patent in the US presents opportunities for local generic drug makers including Sun Pharmaceutical Industries Ltd, Lupin Ltd, Dr Reddy's Laboratories Ltd and Cipla Ltd among others. Some of the important drugs whose patent will expire this year include Teva Pharmaceutical industries Ltd's multiple sclerosis brand Capaxone, which had sales of $4.3 billion in 2013, AstraZeneca SA's hyperacidity drug Nexium, which had sales of $3.9 billion, and Boehringer Ingelheim's cardiac drug Micardis, which had sales of $2.2 billion. Anticipating the opportunity, Indian drug makers are building a strong pipeline of products to be sold in the US and have been filing abbreviated new drug applications (ANDA) to the US Food and Drug Administration (FDA), seeking approval for generic drugs.

They can file ANDAs five years before the patent expiry date. ANDA is a process where generic drug makers seek approval for marketing the copycat version of patented drugs in the US, typically when the patent expires. Once the generic copies hit the market, the prices of these drugs fall, benefiting patients. Therefore, the government also encourages such filings. The US law allows a six-month exclusivity in the market to generic companies that file ANDAs first.

During 2013, Indian companies secured approvals for 39% of the total 400 ANDAs filed. This is significantly higher than in 2012 when 37% of 476 such applications got approvals, according to the report. The domestic market will also see a significant growth in sales on the back of increasing affluence, changing lifestyles resulting in higher incidence of lifestyle-related diseases, increasing government expenditure on healthcare through schemes like the Central Government Health Scheme (CGHS), National Programme for Healthcare of the Elderly (NPHCE), Rashtriya Arogya Nidhi (RAN) and Janani Suraksha Yojana (JSY) in the next three years, according to Care analysis.

Domestic consumption of drugs, which has grown on an average of 11% in the last five years, currently accounts for about 47% of the total local production, while 53% goes to export markets. The yearly average growth of drug exports in this period was 19%, which was also primarily driven by increasing demand for generics on the back of patent expiries of several high-value drugs such as Pfizer Inc.'s cardiac drug Lipitor, Roche's Boniva, and GlaxoSmithKline Plc's Combivir among others, according to Care Ratings report.

India exports pharmaceutical products to more than 200 countries. But US, being the world's largest generic drugs market, is the largest export market. However, the Care report also highlights risks of the increased regulatory concerns in the US market, which may hamper the revenue prediction for the industry.

The US FDA has pulled up several major Indian drug exporters including Ranbaxy Laboratories Ltd, Sun Pharma and Wockhardt Ltd for non-compliance with quality standards in the local manufacturing units. Sun Pharma, the largest exporter of drugs to the US, had to stop exports from one of its manufacturing units in Gujarat in February and has been again put on alert as the US regulator has initiated a surprise inspection at another key unit in the state this week.

Source: Mint

India to be third largest steel maker by next year

India would become the third largest steel maker, with an installed capacity exceeding 110 million tonnes per annum (mtpa) by next year when the ongoing expansion projects of SAIL and some private steel makers come on stream. This is in line with the Narendra Modi-led NDA government's target of achieving steel-making capacity of 300 mtpa to make India the second largest producer of steel in the world by 2025, overtaking US, Japan and European Union.

With the economy coming out of its worst slowdown in years, all major steel makers such as Tata Steel, JSW and SAIL have made detailed presentations to the government to add an additional 100 mtpa of steel-making capacity with an investment of over Rs 6 lakh crore ($100 billion) in just over 10 years.

India's current steel production capacity stands at 96 mtpa and produces 81 mtpa of finished steel and 72 mtpa of finished products.

A CEO of a private sector steel firm told TOI, "The government invited us for discussions on capacity expansions to reach 300 mtpa by 2025. We have shared our expansion plans with them. The ministry promised to remove the bottlenecks."

This includes a Rs 1.50-lakh-crore investment by state-owned SAIL alone, which would enable it ramp up capacity to 50 mtpa by 2025 and emerge as India's largest steel maker.

In the private sector, Sajjan Jindal-led JSW Steel plans to invest Rs 1.32 lakh crore to ramp up its steel-making capacity to 40 mtpa to be India's largest private sector steel manufacturer.

Similar investments are lined up by his brother Naveen Jindal's firm, Jindal Steel and Power (JSPL), to reach a capacity of 30 mtpa.

Source: The Times of India

NTPC looks ahead to PM's US visit for its geo-thermal project

State-owned power major NTPC is looking at Prime Minister Narendra Modi's proposed visit to the United States to harness its plan for the country's first eco-thermal project.

"We may need to send a team to the US to identify agencies for collaboration. But this will be taken at the government level after the Prime Minister's visit to the US. At present the geo-thermal project is at an exploratory stage and the DPR 9 detailed project report is being prepared," Roy Choudhury said on the sidelines The Bengal Chamber of Commerce organised environment and energy conclave in Kolkata.

NTPC had earlier signed a MoU with the Chhattisgarh Renewable Energy Development Agency to set up the project at Tattapani. This was followed by an MoU with the Geological Survey of India for preparation of a detailed project report.

"We hope there will be discussion on this during PM's visit to US. This may pave the way for any possible tie-up for technolgical assistance with any US firm in this field," he added.

On the renewable energy front, NTPC is also giving a thrust to its solar portfolio.

"We have already invited tender for 1,000 MW. We are talking to states like Madhya Pradesh, Andhra Pradesh and Rajasthan, who are keen on developing solar energy parks," Roy Choudhury said. NTPC plans to set up 3,000 MW of solar power project over the next three to four years.

Source: Business Standard

Chinese e-vehicle makers plan industrial park near Sanand

Soon Chinese electric vehicle (EV) makers may call Sanand their home. A group of around 15 companies from China are planning to set up an industrial park near Sanand with an investment of around $ 100 million.

A delegation comprising seven electric vehicle manufacturing companies today visited Sanand. Jagat Shah, chief executive officer of Ahmedabad based international trade consulting firm Global Network, informed that the companies in the delegation are Green Field Motor Co. Ltd, VOCH Group Ltd, YueHua Control Group Ltd, Zhuji Yongcheng Auto Co. Ltd, Wenzhou Jinpi Machinery Manufacturing Co. Ltd & JBON Control Industry.

He added, “Earlier in June, a delegation of around four companies had visited Gujarat and had also held a meeting with state government representatives. Another delegation is expected to visit around September 20. In all, around 15 companies are expected to invest close to $100 million over the next two years to set up an industrial park near Sanand.”

The Chinese vehicle makers are looking for a land parcel of around 200 acres in and around Sanand. However, a plot is yet to be finalised. “The companies are open to getting land allotted by the government or can also go for private buying,” Shah explained. China India Trade and Investment Centre (CITIC), Ahmedabad is hosting the delegation.

The delegation members are manufacturers of electrical cars, two-wheelers,three- wheelers and four-wheelers for road cleaning, city sanitary car, ambulance car, police cars etc.

Shah further informed that the Chinese EV makers are also looking for joint venture partners in Gujarat. The chairman of the China Electrical Car Association & Wenzhou Electrical Car Association are also with the delegation. “They also visited the Tata Motors Nano plant today during their visit to Sanand,” he added.

Source: Business Standard

Modi launches 'Make in India' campaign, portal and logo

Prime Minister Narendra Modi launched 'Make in India' campaign to put India prominently on the global manufacturing map and, in turn, facilitate the inflow of new technology and capital, while creating millions of jobs.

The ambitious scheme, that also puts in place the logistics and systems to address in a timely manner queries of potential investors, was unveiled along with a logo, a portal and brochures on 25 identified growth sectors before Who's Who of the corporate world from India and abroad at the Vigyan Bhavan conference complex in New Delhi.

The event was watched live in several cities in India and abroad via video conferencing.

Laying out the red carpet before investors, the prime minister said: "After what we have done and what I hear from you, I don't think I need to assure you any further on 'Make in India'." He hoped industry across the globe will take his invite seriously.

He said he was saddened in the past to see scores of Indians leaving the country to seek opportunities elsewhere. People have lost faith in Indian manufacturing and themselves. "We do not want any industrialist being forced to leave India," he said.

"A trust was broken -- that when a policy will be changed, when will the CBI (Central Bureau of Investigation) come. This is what I heard from all you. The biggest issue is trust. Why don't we trust each other? I want to change that."

The prime minister said for him the term FDI for the domestic industry did not expand to "foreign direct investment" but "first develop India". "We have to create opportunities of employment. If the poor get jobs the purchasing power of families will increase."

Pointing to campaign logo, he said: "This is the step of a Lion... Make in India."

Ahead of the launch of the campaign, Commerce Minister Nirmala Sitharaman said a number of steps had already been taken by the Modi government to make it easier to do business in India along with the removal or relaxation of foreign equity caps in several areas.

"The processes of applying for licences has been made online, it is 24/7. The validity of such licences has also been extended to three years," Sitharaman said, adding several norms and procedures have also being changed to make it easier to do business in India.

"Make in India is not a slogan but a mission to be accomplished with a single-minded commitment."

At the event some top industrialists and executives, among the 500 who had gathered here, were also invited to make short speeches.

"This programme offers a unique and timely opportunity to make India truly global," Tata Sons chairman Cyrus Mistry said, adding, countries attain high standards with a vibrant industrial economy and the biggest challenge is to create jobs for millions of youth.

Kenichi Ayukawa, managing director of Maruti Suzuki India, said his Japanese group was among the first to invest in India and remains committed to the country. He said he was sure India will eventually become one of the most competitive economies. "Today we commit ourselves to the 'Make in India' movement that was given to us by our beloved prime minister," Reliance Industries chairman Mukesh Ambani said. He said the main task before the industry in India was to achieve global competitiveness.

The other speakers included Wipro's Azim Premji, Aditya Birla Group's Kumar Mangalam Birla, ICICI Bank's Chanda Kochhar, Lockheed Martin's Phil Shaw, and ITC's Y.C. Deveshwar.

Source: Indo-Asian News service

India at Mars doorstep, creates history

India on September 24 created space history by becoming the first country in the world to enter Mars' orbit in its debut attempt. Prime Minister Narendra Modi hailed the event as "achieving the near impossible" and called for challenging the next frontier.

India's Mars Orbiter Mission (MOM) traversed over 650 million km distance through deep space for over nine months to reach the Red Planet's orbit.

"The spacecraft (Orbiter) successfully entered the Martian orbit at 7.55 a.m. and is located at about 515 km from its surface...," a senior space official told IANS at the mission control centre here.

Radars at the earth stations of NASA at Goldstone in the US, Madrid in Spain, Canberra in Australia and India's own deep space network at Baylalu near Bangalore received the radio signals from the Orbiter, confirming its insertion into the Mars orbit.

Prime Minister Narendra Modi, who witnessed the event from an Indian Space Research Organisation (ISRO) facility in Bangalore, heartily congratulated the ISRO scientists and said that the successful Mars mission "must become a base for challenging the next frontier".

The success "will go down as landmark in history", said a visibly delighted Modi.

India's Mars mission is "a shining symbol of what we are capable of as a nation" and we have gone beyond boundaries of human enterprise and imagination, he added.

The prime minister said that the MOM was built "indigenously, in a pan-Indian effort" and added that India is the only country to have succeeded in its very first attempt.

"With today's spectacular success, ISRO joins an elite group of only three other agencies worldwide to have successfully reached the Red Planet," he added amidst applause.

Modi, wearing a red coloured jacket, said that the "odds were stacked against us".

"Of the 51 missions attempted across the world so far, a mere 21 had succeeded. But we have prevailed," he said.

He went on: "Travelling an incredible distance, of over 650 million or 65 crore km, we have gone beyond boundaries of human enterprise and imagination."

The success of the Mars mission has made India join the elite club of the US, Europe and Russia, which reached the second smallest planet of our solar system after initial failures.

The state-run ISRO became the fourth international space agency after National Aeronautics and Space Administration (NASA) of the US, Russian Federal Space Agency (RFSA) and European Space Agency to have undertaken successful missions to Mars.

India also became the first Asian country to have entered the Mars sphere of influence (gravity) Tuesday, as a similar mission by China failed in 2011.

The success of the mission to Mars will "inspire our scientists to make even greater strides", said President Pranab Mukherjee who described it as a "historic achievement".

Vice President Hamid Ansari expressed confidence that "our scientists will continue to scale greater heights and win more laurels for the country in the field of space exploration in the future".

The final orbiting exercise began in the early hours of Wednesday at 4.17 a.m. when the spacecraft switched over to the medium gain antenna to emit and receive radio signals.

After rotating the Orbiter towards Mars at 6.57 a.m., the main engine was ignited at 7.17 a.m. for enabling the spacecraft enter its orbit from the sun orbit, where it cruised for over nine months and 24 days during its voyage to Mars from the Earth.

During the crucial operation, when a solar eclipse occurred on Mars from 7.12 a.m., the 440 Newton liquid apogee motor (LAM) of the main engine started its burn at 7.30 a.m. and lasted for 24 minutes till 7.54 a.m. to swing the spacecraft into the Martian orbit.

The speed of the spacecraft was also reduced by 2.14 metres per second from 22.2 km per second for entering the Martian orbit from the sun orbit.

The five scientific instruments onboard the 475-kg (dry mass) Orbiter will study Mars' surface, its mineral composition and scan its atmosphere for methane gas in search of life-sustaining elements.

The Rs.450-crore ($70 million) ambitious mission was launched Nov 5, 2013, on board a polar rocket from spaceport Sriharikota off Bay of Bengal, about 80 km northeast of Chennai.

As the fourth planet away from sun, Mars is the second smallest celestial body in the solar system. Named after Roman god of war, it is also known as the Red Planet due to the presence of iron oxide in abundance on its surface, giving it a reddish appearance.

Though both the Earth and Mars have equal period of revolution around their axis, Mars takes 24 hours and 37 minutes to complete a revolution. The Earth takes 365 days to orbit the Sun while Mars 687 days to move around sun.

Source: Indo-Asian News Service

SEBI notifies norms for REIT, InvIT regulations

Market regulator Securities and Exchange Board of India (SEBI) on September 26 notified the regulations on real estate and infrastructure investment trusts-REIT and InvIT.

The move enables the cash-strapped real estate and infrastructure sectors raise capital by liquidating their assets through these globally-popular financial instruments.

Last month, SEBI's board had cleared the regulations governing REIT and InVIT.

In the final norms, which were notified today, the markets regulator has allowed foreign investor to invest in these instruments subject to the Reserve Bank of India guidelines.

The norms also allow REIT to have multiple sponsors but the minimum networth of each has to be Rs 20 crore and the cumulative networth of the sponsors cannot be less than Rs 100 crore.

Market experts say even after notification of the REIT norms, it will take anywhere between 6 and 12 months for the launch of the first REIT.

Source: Business Standard

India Inc welcomes Modi's 'Make in India' campaign

Reliance Industries chairman Mukesh Ambani, committing himself to PM Narendra Modi's 'Make In India' project, on September 25 said the long term GDP growth potential of India is eight to ten percent and that India is poised on high growth trajectory.

Ambani said 'Make in India'is a coinage typical of "narendra bhai modiji". It is about present and future, and not past as described by "made in India".

"You have inspired the whole india to dream and do", Ambani said.

Referring to the Mars orbiter success, he said the cost of the project comes to an amazing rs 7 per km, less than travelling in an autorickshaw.

The PMs interactions with Japan and China and now anticipation of the US visit has created a positive environment, according to ambani.

RILs Rs 80000 crore investment will come to fruition in next 12 to 15 months, he said, adding the group will create over hundred thousand jobs in that period.

Speaking at the event, ICICI MD & CEO Chanda Kocchar said that the government needs to focus on the ease of doing business. They have to be simple, quick and transparent.

Tata Group Chairman Cyrus Mistry emphasised that the biggest challenge for India is to create employment for over 12 million people entering the workforce. Appreciating the Modi government, Mistry said that in the last few months, govt has taken decisions to skill improvement, reversing inverted tax structures and GST.

Source: Business Standard

RBI suggests norms for reforming PSBs

The central bank has recommended to the government certain norms for reforming public sector banks (PSBs).

“Based on various committees, including the P. J. Nayak Committee recommendations, we have made certain suggestions to the government such as segregation of the chairman and managing director posts and a separate committee for appointment of directors on the board of PSU banks,” said R. Gandhi, Deputy Governor, Reserve Bank of India (RBI), on the sidelines of the banking conclave organised by FICCI and the Indian Banks’ Association (IBA).

On recent reports about the government looking to pare its stake in public sector banks below 51 per cent following recommendations of the P. J. Nayak Committee (to review governance of boards of banks in India), Mr. Gandhi said the government had to take a view on how much they wanted to invest in these banks.

He also said that final guidelines for giving universal banking licences on-tap would be issued in the current financial year. “We are working towards issuing guidelines for full-service banks on-tap. I cannot give you a timeline, but it will be in this financial year,” said Mr. Gandhi. Earlier, the RBI had issued draft guidelines for payment and small banks and is in the process of finalising the norms for the same.

“Now the public comments (on small and payment banks) have been received and we are factoring them in. Soon we will come out with final guidelines on these two,” Mr. Gandhi added.

On the liquidity coverage ratio norms, he said banks as of now were in compliance with the norms and would be able to achieve the target.

Source: The Hindu

SEBI relaxes related-party transaction rules

The Securities and Exchange Board of India (SEBI) relaxed its proposed corporate governance norms by bringing related-party transaction norms in line with the Companies Act, exempting smaller firms from complying with the new law and extending the deadline for listed firms to appoint women directors.

In April, SEBI had announced an overhaul of corporate governance norms for listed companies in an effort to improve transparency in their transactions and give minority shareholders a bigger say in management decisions. The new rules take effect from 1 October.

However, in a circular the capital market regulator said it has received representations from market participants, including companies and industry associations, highlighting certain practical difficulties in ensuring compliance and seeking clarifications on certain provisions.

Taking industry representations into account, SEBI has made adjustments to clauses linked to related-party transactions, bringing them in line with the new Companies Act. Among the changes made by SEBI is a change in the definition of a related party.

A party will be considered a "related party" only if it falls under the definition of "related party" under the Companies Act or the accounting standards. Under the original proposal, SEBI's definition of related party was much broader than what was prescribed by the Companies Act. "The definition of 'related party' is narrower under the Companies Act compared to what was proposed by SEBI in its original norms and hence this will be a substantial relief," said Mehul Modi, senior director at Deloitte Touche Tohmatsu India Pvt. Ltd. SEBI has also eased the benchmarks used to define "material related party transactions", bringing them in line with the Companies Act.

Under the listing agreement, all material related party transactions have to be approved by a majority of minority shareholders in order to ensure that business decisions taken by promoters or majority shareholders are not detrimental to the interests of small shareholders. According to the new norms, material transactions will be defined as those that account for more than 10% of the annual consolidated turnover of an entity. The original provisions had set the cut-off at 5% of the annual stand-alone turnover or 20% of the stand-alone net worth.

Importantly, SEBI has exempted related-party transactions between a company and its wholly owned subsidiary from minority shareholder approval. "A wholly owned subsidiary is basically an extended arm of the company. It would have been a procedural nightmare for companies to get approval for each such transaction," said Modi.

Companies can also now seek an omnibus approval from their audit committees for transactions that are in line with the company's approved related-party transaction policy. Such an omnibus approval would be valid for up to one year and for transactions of up to Rs.1 crore. SEBI has also said that the new corporate governance norms will not be applicable to companies having paid up equity share capital not exceeding Rs.10 crore and net worth not exceeding Rs.25 crore.

The deadline for listed firms to appoint at least one woman director on their board has been extended from 1 October 2014 to 1 April 2015. As many as 755 out of a total 1,469 NSE-listed companies or 51% of the companies were still to appoint a woman director as on 31 August, according to data from Indianboards.com, operated by corporate database provider Prime Database.

Further, SEBI has clarified that the rule which says that independent directors can be appointed for a maximum of 10 years (two tenures of five years each) will only be applicable from 1 April. This will provide considerable breathing room to companies that have been struggling to find qualified independent directors.

"The norms on tenure of independent directors will not have much impact even if they are applicable from 1 April 2014, because the new law is prospective in nature. So, for directors who have completed 10 years it does not mean much," said Prithvi Haldea, chairman and managing director, Prime Database, a New-Delhi based primary market tracking firm.

Haldea added that transparency cannot be assured by tweaking the tenure of directors and changing the gender proportion of boards. "In my opinion, corporate governance is such a thing which can be changed only by way of better disclosures, establishing improved value systems among promoters and imposing adequate and substantive penalties on defaulters," said Haldea.

Source: Press Trust of India

Inflation dips to near 5-year low

Wholesale price inflation tumbled to an almost five-year low of 3.74% in August as food items witnessed moderate increases and petrol turned cheaper, showed official data on September 15.

The decline in global crude oil price — which helped the monthly price increases in diesel to come to an end — analysts said, could help inflation to moderate further in the next few months, although potential impact of rough weather and late sowing on summer crops continued to pose some risk. This, however, may not be enough to convince the Reserve Bank of India to ease key policy rates any time soon, as it is more focussed on retail inflation, which it wants to contain at 6% by January 2016.

Retail inflation eased to 7.8% in August against 7.96% in July, but was still higher than the record low of 7.46% in May. The government also revised up the headline WPI inflation for June to 5.66% from 5.43% announced earlier.

Some analysts viewed the drop in WPI with caution, as the sharp fall in primary food inflation to 5.15% last month, compared with 8.43% a month before, came off a favourable base (it was as high as 19.2% in August last year). The month-on-month build-up of inflation was lower in August than in July.

Moreover, core WPI inflation (non-food manufactured) fell to 3.5% in August (a seven-month low), compared with 3.6% a month before.

Nine out of 11 sub-sectors that constitute the core WPI index witnessed a month-on-month uptick in August, highlighting that producers retain some pricing power, said Aditi Nayar, senior economist at ICRA.

Wholesale price inflation in manufactured products fell slightly to 3.45% in August against 3.67% a month before. Fuel and power inflation in August eased to 4.54% compared with 7.4% in July, mainly because of a sharp fall in inflation in petrol to -0.15% from 5.9% in July.

Source: The Financial Express

FICCI projects economy will grow at 5.6 percent

India's GDP will grow at 5.6 percent during 2014-15 and economic activity is expected to continue with this momentum in the second half of the current fiscal, FICCI said on September 14.

"The new government guided by the objective of restoring growth and governance has given very positive policy signals in its first 100 days. We see the confidence amongst investors slowly returning and hope that going ahead, the momentum on implementation front will build up," said the Federation of Indian Chambers of Commerce and Industry's (FICCI) latest Economic Outlook Survey.

While agricultural growth is expected to remain steady despite a delay in monsoon, the industrial sector is expected to grow by 4.7 percent in 2014-15 fiscal.

This is 1.6 percentage points more than the growth estimate in the previous survey round conducted in June 2014, the chamber said.

Retail inflation is expected at 7.8 percent this fiscal, in sync with the Reserve Bank of India's (RBI) target indicated earlier this year.

The economists who participated in the survey also felt that the RBI will consider a cut in policy rates only in the first quarter of the next calendar year.

The RBI will wait and watch until there were definite signs of inflationary pressure abating, they said.

The minimum and maximum range for GDP growth in the current fiscal is indicated at 5.3 and 6 percent respectively, as against 5.3 estimated in the previous round, reflecting optimism, FICCI said.

The projection by the economists regarding exports and the current account deficit (CAD) reflected no imminent risks. The CAD to GDP ratio for the fiscal was projected at 1.9 percent.

The economists also identified some priority areas for the government like developing a world-class infrastructure, ensuring uninterrupted power supply, resolving labour issues and minimising procedural hassles and fast-tracking approvals.

Source: Indo-Asian News Service

Centre set to revise GDP measurement next year

The Centre will soon revise the way it measures the gross domestic product to reflect under-represented and informal economic sectors, two government sources said, in an initiative that is expected to show the economy is larger than previously thought.

The government usually revises the method of calculating national accounts and other macro data every five years, bringing in a newer base year and adjusting for changes in the economy.

The new government of Prime Minister Narendra Modi, which is committed to raising economic growth and slashing the fiscal deficit, plans to adjust the measurement early in 2015, a senior official at the Ministry of Statistics said.

"We plan to release GDP data based on the 2011-12 base year by early next year, that could theoretically revise up the growth estimates,'' the official said, requesting anonymity as he was not authorised to speak to media.

The Ministry now takes 2004-05 as the base. India's informal economy and service sector accounts for over three-fifths of its $1.8 trillion economy. But precise data are unavailable for these segments, and the government relies on surveys and samples to calculate their growth.

This is combined with actual output numbers for mainstream industry to produce the GDP data.

In March, 2010, when the government last revised the national accounts, annual economic growth estimates were upwardly adjusted by 0.8 to 1.7 percentage points for four years, allowing the previous government to take credit for the country's highest-ever stretch of economic growth.

Pronob Sen, former chief statistician and current chair of the National Statistics Commission, said the planned adjustment would likely reveal that the Asia's third-largest economy is bigger than previously reckoned in absolute numbers.

Sen predicts that the country's economy, which grew by a stronger-than-expected 5.7 per cent in the quarter ending in June, will grow 6 per cent this fiscal year even without the planned revision.

The 2010 revision almost doubled the estimated contribution to the economy made by coaching and tuition and gave substantially more weight to the construction, trade and hotel industries.

The importance ofbeauty salons, communication and railways declined.

Source: The Hindu

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