

Weekly Economic Bulletin

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News Feature

GDP poised to grow by 9.2 per cent in FY 11: CMIE

The Indian economy is poised to return to the nine per cent growth trajectory in FY 11, the Centre for Monitoring Indian Economy (CMIE) said in its monthly review in Mumbai.

"The boom in economic activities is likely to continue in the remaining three-quarters of FY 11. As a result, we project a 9.2 per cent growth in real GDP in fiscal 2010-11," the CMIE report said.

Between FY 06 and FY 08, the economy clocked an above nine per cent growth. The global liquidity crisis had derailed the growth to 6.7 per cent in FY 09 and 7.4 per cent in FY 10.

However, during the quarter ended March 2010, the economy grew by an impressive 8.6 per cent, thanks to a spurt in growth in the manufacturing sector at 16.3 per cent, mining and quarrying at 14 per cent and trade, hotel, transport and communication at 12.4 per cent.

"We project that the three broad sectors of the economy will improve their performance in FY 11. The industrial sector, including construction is projected to grow by 9.6 per cent this year, as compared to 9.2 per cent in FY 10," CMIE said.

The services sector is also projected to expand by 10 per cent in FY 11 as compared to 8.6 per cent in FY 10. The trade and transport segment will lead to this growth.

<http://economictimes.indiatimes.com/news/economy/indicators/GDP-poised-to-grow-by-92-per-cent-in-FY-11-CMIE/articleshow/6321000.cms>

Overseas Investment

Amendments to FTP to be announced on August 23

When Commerce and Industry Minister Anand Sharma announces amendments to the Foreign Trade Policy (FTP) 2009-14 on August 23, he is likely to provide additional incentives to sectors such as textiles, leather, handicrafts and carpets — the segments that have not grown fast and served the government's aam aadmi agenda.

While the broad measures of the policy will remain the same, the main focus of the amendment will be to assist the sectors that employ large number of people. Hence, the measures that will be announced in the review of FTP will pertain to mainly textiles, carpets, leather and handicrafts, which are labour-intensive sectors and require skilled manpower.

Traditionally, FTP, which was earlier called the Exim Policy, was announced on March 31. However, during his five years in Udyog Bhawan, former commerce minister, Kamal Nath missed the date every year. This year, Sharma also missed the opportunity to announce the policy in March, before the start of the new financial year.

Apart from the focus sectors, the government was expected to add more markets like Russia, Ukraine, Turkey, Nigeria and Vietnam under the Focus Market Scheme (FMS), while giving a thrust to product diversification through the Focus Product Scheme (FPS). In addition, some sectors were likely to get facilities like extension of zero-duty benefits under the Export Promotion Capital Goods (EPCG) scheme beyond the March 2011 deadline. The move was aimed at facilitating technological upgrade, officials in the Commerce Department said.

Sharma's review of FTP could also seek to extend the Duty Entitlement Passbook (DEPB) Scheme — an export incentive given by way of grant of duty credit against the export product, to promote diversification in exports — by six months beyond the December-31 expiry date. During 2009-10 the estimated revenue lost on account of various export promotion schemes, including special economic zones was estimate to be at '43,622 crore, compared to '49,053 crores in 2008-09.

<http://www.business-standard.com/india/news/amendments-to-ftp-to-be-announcedaugust-23/404546/>

Govt projects Rs 1 lakh-cr investment in food processing

The Union Ministry of Food Processing Industries has projected investments to the tune of Rs 1 lakh crore during the 12th Plan Period to increase the country's food processing capacities. While Rs 10,000 crore is expected to come from Government agencies and venture capital firms, the remaining amount would come from entrepreneurs. "The country is able to process only 10 per cent of all the food produced by it. The Government is attempting to increase this capacity by another 10 percentage points. In order to achieve this, we need investments of Rs 1 lakh crore," Mr K. Rajeswara Rao, Joint Secretary (Union Ministry of Food Processing), said.

Addressing the inaugural of national workshop on executive development programmes in food processing at National Institute for Micro, Small and Medium Enterprises (NIMSME) here on Friday, he said the country lost Rs 55,000 crore annually because of lack of sufficient food processing facilities. "If we could increase our processing capacities to 20 per cent, we could save Rs 10,000 crore. Besides, the industry gives a return of about 20 per cent to entrepreneurs," he said.

<http://www.thehindubusinessline.com/2010/08/14/stories/2010081451720400.htm>

Forex reserves at \$287.356 bn as of Aug 6

India's foreign exchange reserves rose to \$287.356 billion as on August 6, from \$284.183 billion in the previous week, the Reserve Bank of India (RBI) said in its weekly statistical supplement.

Changes in foreign currency assets, expressed in dollar terms, include the effect of appreciation or depreciation of other currencies held in its reserves such as the euro, sterling and yen, RBI said.

Foreign exchange reserves include India's Reserve Tranche position in the International Monetary Fund (IMF), the RBI said.

<http://economictimes.indiatimes.com/news/economy/finance/Forex-reserves-at-287356-bn-as-of-Aug-6/articleshow/6306056.cms>

FII investment climbed after temporary effect from euro crisis

The Government said FII inflows in capital markets have rebounded, after coming under the temporary impact of the euro zone crisis, due to the strength of the Indian economy.

"The crisis in Europe affected the Indian economy temporarily through setback in portfolio flows, which soon rebounded due to the resilience of the Indian economy," Minister of State for Finance Namo Narain Meena said in a written reply in the Rajya Sabha.

Meena further said that some euro zone nations have been affected by the crisis that originated from Greece's sovereign debt troubles.

The crisis thereafter spread to other countries due to investor concerns about high fiscal deficit and public debt and the effect on the portfolios of banks, which had invested in the sovereign debt of these countries, he said.

According to data provided by market regulator SEBI, FII inflows in equity markets registered a net outflow of Rs 9,436 crore in May due to the European debt crisis. A month before, in April, these investors had put in net Rs 9,361 crore.

These inflows again rose by Rs 10,500 crore in June, around Rs 17,000 crore following month and by Rs 5,500 in the first week of August.

In fact, FIIs have parked Rs 51,185 crore in the stock markets so far this year, more than half of their record investment made in 2009.

<http://economictimes.indiatimes.com/news/economy/indicators/FII-investment-climbed-after-temporary-effect-from-euro-crisis/articleshow/6289052.cms>

Trade News

Canada, India to tie up for making films in 2011

Canada will be signing a film and new media co-production treaty with India at the 12th edition of the International Indian Film Academy Awards (IIFA) scheduled to be held in Toronto in 2011. This will help Indian filmmakers get access to the North American country's scenic locales, including British Columbia (BC).

"At some point this fiscal, we are expecting our office to be opened in Mumbai — the home for Bollywood. What we are trying to do initially is to take Bollywood filmmakers for location-scouting trips to BC," Pratap Raju, managing director (technology, research and innovation), British Columbia International Trade and Investment Representative Office told.

BC, which has the same time zone as Hollywood, is the third-largest film television centre in North America, after Los Angeles and New York.

Every year, about 300 productions, including feature films, television series (dramatic, documentary and lifestyle/reality), television projects and animated series are shot in this Canadian province. BC has more than 600 digital media companies, which generate \$2.3 billion in annual sales and employ about 16,000 people.

Raju said BC was focusing on attracting gaming and new media companies in India to set up shop, and was hoping at least three such companies to move there. There are 144 game developing companies in BC, including Electronic Arts, Rockstar Vancouver and Piranha games, together producing \$1.4 billion in annual revenues and providing 5,000 jobs.

"While Mumbai-based Nazara Technologies has already been signed up by world's leading interactive entertainment software company Electronic Arts to distribute its catalog in India, Bangladesh and Sri Lanka, Bangalore-based media and entertainment player Protein Entertainment is in advanced stages of making a big buy in the area of IP generation in BC. We are also helping an Indian investor, who earlier was a partner with Electronic Arts, to infuse funds in a BC company," he said, adding the province's internal target was to attract \$20 million investments from India, across verticals including gaming, IT, energy and clean tech, in the next two calendars.

Stating that there was a huge request and demand for visas from India to Canada despite having 140 Canadian immigration staff based out of India, especially from investor immigrants, Raju said what made BC an investor's destination was its cost-effective tax structure.

The corporate income tax in BC is 16.5 per cent, compared with 35 per cent in the rest of North America.

<http://www.business-standard.com/india/news/canada-india-to-tiefor-making-films-in-2011/404638/>

Bangladesh opens new land port in eastern frontier with India

Bangladesh opened a land port with upgraded status in its eastern Akhaura frontier with Tripura for enhanced trade connectivity with India.

Shipping minister Shahjahan Khan inaugurated the upgraded Akhaura Landport saying it will pave the way for increased exports of Bangladeshi products to seven north-eastern states in India.

"This port will play a role in cutting our trade deficit with India, even if it is to only some extent, and the government will do everything that is needed to develop the export-oriented port," Khan said.

Shipping ministry officials said at least 10 trucks will carry goods within 250 yards from the zero point of the border connecting Akhaura land port with Agartala, in Tripura.

Bangladesh has 14 such land ports with India with the western Benapole being the biggest one.

The officials said Bangladesh exported around 442,955 tonnes of products and imported just 557 tonnes through the Akhaura Port in last fiscal.

The exports through the port includes fish, cement, battery, furniture, glass, plastic items, soybean oil and tiles.

Imports include bamboo, turmeric, watches, ginger, marble slabs, fish, leather, textiles, machinery and fruits.

Foreign minister Dipu Moni earlier said the proposed connectivity will link the two countries at different points, including the Akhaura-Agartala routes as proposed by India.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/Bangladesh-opens-new-land-port-in-eastern-frontier-with-India/articleshow/6307070.cms>

India-Latin America trade could touch \$30 bn by 2012

India's trade with Latin America, which increased to \$17.2 billion in 2009 from \$2.1 billion in 2000, could go up to \$30 billion by 2012, given the positive changes in the market and the favourable mindset of the country towards India.

"While, India's exports to the region have increased from \$1.2 billion in 2000 to \$7.5 billion in 2009, the target should be \$15 billion by 2012," recommends R Vishwanathan, ambassador to Argentina, Uruguay and Paraguay.

Latin America, which is a large market of 20 countries, 550 million people, \$4 trillion of GDP, \$7300 per capita income, \$692 billion of exports and \$642 billion imports-2009 figures, contributes to India's food and energy security, with its supply of edible oil and crude petroleum. It is also an important source of supply of minerals to India.

In a study "Business with Latin America" authored by Vishwanathan has suggested that just as the Preferential Trade Agreements with Mercosur and Chile have given a boost to trade, India should consider signing a PTA with Mexico.

Mercosur is becoming a global powerhouse in agriculture with its large production and surplus for exports, vast fertile land area, advanced technologies and best practices. Indian companies should acquire farmland in the region to source edible oil, pulses, sugar and biofuels.

Talking from Buenos Aires, Vishwanathan said that, "The new Latin American market has come out of the past curses of instability, unpredictability and cycles of booms and busts. The Indian businessmen need not waste time reading the history of the region and should look at the current and future scenario which is promising. The study has been sent to

ministry of external affairs, ministry of commerce all the export promotion councils and trade and industry bodies.”

In September a high level Ficci delegation will be visiting Argentina which will be followed by more visits from other industry and trade bodies over the coming months in an effort to explore avenues for expanding trade with the region, said the envoy.

As per the study Indian companies including NRI firms have invested about \$ 10 billion in the region in IT, pharmaceuticals, agro-chemicals, steel, mining, agribusiness and other sectors. More investment is expected to flow in the coming years as a number of Indian companies have shown interest in entering the region.

<http://www.financialexpress.com/news/indialatin-america-trade-could-touch-30-bn-by-2012/658685/>

Sectoral News

‘Organised retailing will scale \$637-billion level’

Dr Karthik Sridhar, Assistant Prof. in Marketing, Ashland University, Ohio, the US, has said that organised retailing has found widespread acceptance in India, which is the 5 th largest retail destination globally.

Addressing a meeting on the topic Tackling Issues in Retail Sustenance at the Kerala Management Association here, he pointed out that the growth in the sector touched \$350 billion in 2009 and is projected to reach \$637 billion by 2015.

He cited urbanisation of consumers, the increase in the disposable income of consumers and the interest of global retail giants in the Indian retail market as the reasons for the growth.

The cost involved, increased competition among organised retail chains and evolving consumer preferences are some of the challenges faced by retail outlets.

Brand distinction, consumer identification and promotions are the few other points he touched upon to ensure retail sustenance. Bureau Mr V. Sathyanarayanan, President, KMA, welcomed the audience and introduced the Chief Guest. Mr P.Premchand, Honorary Secretary, KMA, proposed vote of thanks.

<http://www.thehindubusinessline.com/2010/08/12/stories/2010081252332100.htm>

Auto sales at record 1,237,461 units in july

New launches and penetration ensure surge across segments

On the back of strong demand for passenger cars and two-wheelers, the Indian automobile industry posted its highest monthly sales at 1,237,461 units last month. The previous high was 1,226,944 units in March.

According to data released by the Society of Indian Automobile Manufacturers (SIAM) today, sales grew 31.5 per cent in July compared to 941,070 units sold during the corresponding period last year.

Vishnu Mathur, director general, SIAM, informed: "The growth was mainly due to good growth in the passenger car segment, scooters and mopeds, as new model launches, penetration into rural markets and availability of finances continue to boost sales."

Passenger car sales registered a rise of around 40 per cent at 158,764 units last month from the 115,084 sold in July 2009.

While market leader Maruti Suzuki's domestic sales grew by 26.8 per cent to 76,111 units in July, Hyundai Motor India recorded a growth of 24.2 per cent at 28,811 units. Tata Motors' rose by 69.3 per cent to 24,613 units.

Mathur said total two-wheeler sales in July, at 938,514 units, were an all-time high, surpassing the previous record of 936,555 in May.

Sales were up 30.4 per cent over the 719,656 units in July 2009.

Motorcycle sales during July went up by 30.1 per cent to 710,621 units, compared to 546,233 units in the year-ago period. Hero Honda, largest in the segment, posted a growth rate of 13.96 per cent in July sales, at 389,795 units. Bajaj Auto saw sales rise by 76 per cent to 192,138 units and Chennai-based TVS Motor Company by 37.5 per cent to 43,888 units.

Honda Motorcycle & Scooter India (HMSI) saw its bike sales jumping by 43.3 per cent to 55,540 units. In the scooter segment, sales jumped by 35.65 per cent to 167,195 units against 123,259 units in the year-ago period.

Growth in commercial vehicles was likewise, with sales last month up by 37 per cent to 51,481 units from 37,580 units in the year-ago period. Light commercial vehicle sales surged 25.3 per cent in July to 26,912 units from 21,481 units.

Medium and heavy commercial vehicle sales increased by 52.6 per cent to 24,569 units, compared to 16,099 in the same month last year.

Sales numbers for three-wheelers were up 25.4 per cent at 45,373 units, compared to 36,171 during July.

<http://www.business-standard.com/india/news/auto-sales-at-record-1237461-units-in-july/404083/>

TCS top IT exporter of FY10; Genpact leads BPO pack

Tata Consultancy Services maintained its pole position in the list of top IT services exporters for 2009-10 (in revenue terms), while Infosys Technologies and Wipro held on to the second and third slot, respectively.

According to ranking by Nasscom, HCL Technologies and Tech Mahindra finished fourth and fifth respectively – there was no change in the pecking order of these five tech vendors when compared to previous year's (2008-09) rankings.

The BPO exporters ranking saw quite a bit of a re-shuffle among players but Genpact continued its lead. In another ranking, TCS, Infosys, Wipro, Cognizant and HCL Tech, in that particular order, were the top five employers for 2009-10.

Nasscom has also kept its annual target for the current fiscal unchanged, and accordingly IT and BPO exports are forecast to grow by 13-15 per cent and the domestic IT and BPO revenue at 15-17 per cent during FY11. "The Indian IT and BPO industry is expected to exceed \$70 billion in FY11," a Nasscom statement said.

Fuelling the market would be offerings such as platform BPO, analytics, finance and accounting, remote infrastructure management, application development and maintenance and cloud services. Also there is good news on the employment front — the industry headcount addition is expected to double this year to touch 200,000 new employees, leading to a 2.5 million direct employment.

Meanwhile, the ranking of top IT Services exporters for FY10 saw MphasiS Ltd claw its way up one slot (from the previous year) to take over the sixth position, even as Patni Computer Systems slipped to the seventh position. Aricent Technologies, CSC India and L&T Infotech completed the list of top-10 vendors in this category.

The list does not include Mahindra Satyam whose revised audited revenue is yet to be released; the list also excludes those companies which have their headquarters overseas, with a significant India-centric delivery capability but have not shared their India-centric revenue figures, for the purpose of rankings.

In the case of BPO companies, while Genpact was the top exporter for 2009-10, TCS BPO occupied the second position (leaping from its last year's fifth position). WNS Global Services, which had ranked second in FY09 list slipped to the third slot in FY10. Wipro BPO and Aegis were ranked as fourth and fifth largest BPO exporters for the year.

Nasscom placed Firstsource Solutions and Infosys BPO in the sixth and the seventh slot, respectively, followed by Aditya Birla Minacs and HCL BPO. EXL was placed 10th in this list.

<http://www.thehindubusinessline.com/2010/08/13/stories/2010081352170700.htm>

Carpet exports grow over 6 per cent in July

India's carpet exports grew by over six per cent to \$53 million in July against a year ago period, on demand from new markets like Russia and Dubai.

In July 2009, the carpet exports stood at \$49 million, according to Carpet Export Promotion Council (CEPC).

To reduce their dependence on traditional markets like the US and Europe, the exporters are now exploring new markets.

"We are diversifying into emerging markets like Dubai, Brazil, Russia and Australia to reduce dependence on western markets", CEPC Chairman OP Garg said.

He added, the demand from African countries is also growing.

The council expects the carpet exports to grow by 25 per cent to \$650 million in 2010-11 compared to the last fiscal.

"From the past three months we have been able to maintain a growth rate of 25 per cent. We are sure that the trend will continue", Garg said.

Among categories, which have registered maximum growth are handmade woollen tufted carpets, which grew by 8.33 per cent followed by handmade woollen carpets 7.11 per cent and synthetic carpets 1.16 per cent.

The US and EU together account for nearly 70 per cent of the country's total carpet exports.

Carpet exports, which started declining since October 2008, had managed to turn positive in November 2009, registering a growth of 18 per cent. The sector employs 2.5 million people.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/Carpet-exports-grow-over-6-per-cent-in-July/articleshow/6305150.cms>

Spices exports seen up 10-15%: AISEF chairman

Spices export may rise 10-15 per cent in the financial year to March on increasing demand and deepening overseas market, All India Spices Exporters Forum (AISEF) chairman said.

"I expect a good rise in the export demand of chilli and turmeric in the coming months, while all other spices are also likely to perform well. We expect a rise of 10-15 per cent in the current financial year" said Philip Kuruvilla, chairman, All India Spices Exporters Forum (AISEF), a leading trade body.

In 2009-10, the export of spices from India stood at 502,750 tonnes, up 7 per cent in terms of volume against 470,520 tonnes last year, Spices Board data showed. The spices industry expects export earnings to grow ten fold to \$ 10 billion by 2025 as India is looked as a quality supplier to the world and has the potential to grow various spices because of its rich biodiversity.

"With an aim to boost exports we are focusing on creating an exportable surplus and enhancing the quality of domestic produce," added Kuruvilla.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/Spices-exports-seen-up-10-15-AISEF-chairman/articleshow/6304330.cms>

India allows upto 200,000 tonne sugar for exports

India has allowed export of 150,000 tonnes to 200,000 tonnes of sugar that was imported by millers but could not be shifted out of the port due to a shortage of railway wagons, Agriculture Minister Sharad Pawar said.

"We had requested the railways to give priority to fertilisers to help farmers in planting. But mills started complaining that sugar at the port was getting spoilt," Pawar told reporters. He said India's ban on export of sugar and wheat would continue, at least for the time being.

Earlier this week, sources said the world's top consumer and second-largest sugar producer might export 320,000 tonnes of the sweetener to Pakistan, its first shipment to the neighbouring country in two years, as local output was set to rise after higher cane planting and good monsoon rains.

Indian millers had asked the government to allow exports of about 750,000 tonnes of imported sugar, which has piled up at a key port due to a shortage of railway wagons.

India had imported large quantities of sugar last year and the beginning of 2010 as local output had fallen sharply after last year's drought.

This year, monsoon rainfall has improved significantly and India's sugar output in 2010/11 is likely to rise to about 25 million tonnes from 18.8 million tonnes in the year to September 2010.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/India-allows-upto-200000-tonne-sugar-for-exports/articleshow/6299939.cms>

Engineering sector sees robust order flow in Q1

The Indian engineering sector is geared for growth. Several macro trends indicate accelerated order intake and execution this fiscal and the 2012 fiscal.

The growth will be led by a pick-up in capital expenditure in the power sector. Revenue growth is also seeing a recovery for engineering procurement construction (EPC) companies, after the sluggishness in the first nine months of fiscal 2010.

Experts say that for the quarter-ended June 2010, engineering major L&T sprang a positive surprise on margins and order flow guidance. Fueled by 63% year-on-year growth in order intake of Rs 15,626 crore during the quarter, L&T has an order backlog of Rs 107,800 crore. This provides it an earnings potential for three years. The management has guided for 25% year-on-year increase in order inflow, to end this fiscal with a backlog of Rs 140,000 crore.

"The target is achievable, based on huge ordering planned in roads, power, BTG bulk tender, infrastructure, fertilizer and defense sectors in which L&T has a large market share and superior execution capabilities," says Chirag Muchhala, an analyst with Jaypee Research.

Another player, Crompton Greaves' consolidated order intake grew 35% year-on-year in the quarter. Order backlog grew 8% y-o-y to Rs 6,800 crore. Its standalone order intake rose 53% y-o-y. Going ahead, the management is confident of maintaining consolidated margins at 14% for the full year. It has guided growth of 15% in the domestic market and 5% growth in the international markets. Similarly, Pune-based Thermax also reported strong numbers, both in terms of top line and bottom line. Experts say that strong growth in fresh orders last fiscal helped the company grow 49% year-on-year in revenues.

An Edelweiss report said Thermax continued to witness strong traction in orders, with new order growth at 72% year-on-year, to Rs 1,730 crore. This was led by a large order of Rs 580 crore for the combined cycle gas project. Orders from the energy segment stood at Rs 1,530 crore for the quarter. Environment segment orders were at Rs 210 crore.

On longer execution period, as the company takes on large size boilers and EPC contracts, MS Unnikrishnan, MD, company, said: "We are not taking too many large orders. There is a mix of small and medium orders along with the large orders to mitigate the risk."

<http://www.financialexpress.com/news/engineering-sector-sees-robust-order-flow-in-q1/658190/>

News Round-Up

Total investment in infra projects higher at 53%: RBI study

Total investment in infrastructure projects was higher at 53 per cent of the cost of all projects in FY10 as against 45 per cent in FY09, according to a study on corporate investments by the Reserve Bank of India.

At Rs 2,95,805 crore, the total investment in the infrastructure sector, including power and telecom, represented more than half of the cost of all projects.

In FY09, total investment in the infrastructure sector was 45 per cent (or Rs 1,49,940 crore).

Led by rise in large-sized projects, the total envisaged cost of projects sanctioned assistance by banks/ financial institutions in 2009-10 at Rs 5,56,011 crore surpassed the previous high of Rs 3,33,039 crore in 2008-09.

Referring to the recent improvement in business sentiments on the back of improved outlook on demand conditions, the study said this indicates that investment in 2010-11 can be maintained around previous year's level given the continued thrust on infrastructure by the government.

Revival in demand

“Outlook for demand continues to be a significant factor driving investment intentions....With industrial output exhibiting strong acceleration, particularly in recent months, there has been a significant revival in credit demand. With inventory cycle turning and order books picking up, the business sentiments have also improved,” said the study.

In FY10, the top five sectors that attracted robust investments include power (Rs 1,68,326 crore), telecom (Rs 1,17,689 crore), metal and metal products (Rs 1,12,732 crore), construction (Rs 47,636 crore) and mining and quarrying (Rs 14,009 crore).

Investment in the infrastructure sector in recent years was largely led by high value projects in power and telecom.

In each of the last three years, the share of expenditure pertaining to power projects in the total cost of all projects was at around 30 per cent. This reflects the predominance of investment intentions in the power sector. At the same time, the investment intentions in telecom projects appear to have re-emerged with their share rising to 10.2 per cent in 2008-09 and 21.2 per cent in 2009-10, the study said.

Corporates continued making fresh investment in metals and metal product sector with aggregate share in total project expenditure increasing to 20.3 per cent followed by projects in construction (8.5 per cent) and cement (3 per cent). The share of each of the remaining industry groups including food products, sugar, textiles, paper and paper products, coke and petroleum products, and hotels and restaurants, was less than 3 per cent.

The maximum number of projects sanctioned assistance in FY10 belonged to metal and metal products at 146 followed by infrastructure at 121 and textile at 82.

Investment intentions

While 66 per cent (or Rs 3,65,920 crore) of aggregate investment intentions were into 515 new projects, 26 per cent (or Rs 1,44,218 crore) of aggregate investment intentions were into 250 proposed investments for the purpose of expansion and modernisation.

Continued thrust on public-private partnership, according to the study, is a positive for stimulating investment, especially in power, telecom and construction projects given the growing demand in these sectors.

<http://www.thehindubusinessline.com/2010/08/16/stories/2010081650481200.htm>