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Contents

1	News Feature <ul style="list-style-type: none">• India gains entry into elite global body 'Financial Action Task Force'• India's service sector growth at two-year high in June	Page 1-3
2	Overseas Investment <ul style="list-style-type: none">• FDI in May up 5.6% to \$2.21 bn• 3 foreign cos among 13 bid for Rs 5,700-cr mega road project• Let foreigners set up LLPs in areas open to FDI• DIPP initiates exercise for FDI tweaks in wholesale trade	Page 3-4
3	Trade News <ul style="list-style-type: none">• India commits \$ 6.7 mn to African bank• Indo-Lanka trade to grow at 8%'• Australia keen on scientific research with India• FICCI's initiatives in China	Page 4-7
4	Sectoral News <ul style="list-style-type: none">• Refineries process 7.7% more in May, crude and gas output up• Cement production will rise 10%'• Pharma business to double in 2 years, says AIOCD• Two-wheelers vroom into rural India to end June on a high• India Inc high on healthcare business opportunity• Telephone user base touches 653 m	Page 7-8
5	News Round-up <ul style="list-style-type: none">• RBI hikes repo, reverse repo rates by 25 bps	Page 9-10

News Feature

India gains entry into elite global body 'Financial Action Task Force'

India has finally become a member of the elite global body Financial Action Task Force, which would allow the country to gain easy access to real-time exchange of information on money laundering and terror financing. "We have become a member of the FATF," said a finance ministry official.

The FATF is an inter-governmental body set up by the G-7 for creating global policies and framework to combat money laundering and terror financing. Membership of this body is very select and was limited to only 33 countries and two organisations. India has become the 34th member country.

The membership makes the country a more attractive destination for foreign investments and allows easier market access for India's financial institutions in the industrialised world, besides providing information on money laundering and terror financing.

However, the entry into the FATF, which came through on June 25 plenary of the body, has not been easy for India. New Delhi has been for the past 10 years attempting to become a member of FATF.

The membership of this elite body is granted only after a very stringent evaluation process by the officials of the FATF. Assessment of India preparedness for the membership of this body, founded in 1989, began in December 2009. Prime minister Manmohan Singh had also given directions that India needed to gain membership of this body and had urged for necessary steps to meet FATF's requirements. FATF has 49 action points for member countries to act upon.

India amended the Prevention of Money Laundering Act (PMLA) in line with the FATF recommendations. Overseas payment gateways such as Visa and Master, money changers and money transfer service providers were brought under the ambit of PMLA.

Insider trading and market manipulation, human trafficking, smuggling of migrants, piracy and environmental crimes, over-invoicing and under-invoicing under customs were also made offences under the PMLA, inviting stricter punishment.

<http://economictimes.indiatimes.com/news/economy/finance/India-gains-entry-into-elite-global-body-Financial-Action-Task-Force/articleshow/6103685.cms>

India's service sector growth at two-year high in June

India's services sector expanded at its fastest clip in two years last month, led by increases in business expectations and new orders.

After dipping slightly in May, the HSBC Markit Business Activity Index, based on a survey of 400 firms, rose to 64.0 in June from 58.2 last month, pointing to a substantial rate of growth. Any figure above 50 indicates expansion.

The survey also showed that Indian services companies raised their charges for the seventh month running but that charge inflation rate was still weaker than the 20-month peak in April. The Reserve Bank of India raised its key short-term lending and borrowing rates by 25 basis points each after the market close on Friday, citing worries over inflation. The move came almost a month ahead of its scheduled review.

Official data last month showed the wholesale price index rose an annual 10.16 percent in May up from 9.59 percent in April, driven mainly by higher food and energy prices. Policymakers expect inflation to ease on better prospects for crops from good monsoon rains, but rise in fuel prices could drive it higher. The government which had been mulling a fuel price hike for a while, last month freed up state-subsidised petrol prices and raised the prices of other fuels.

<http://economictimes.indiatimes.com/news/economy/indicators/Indias-service-sector-growth-at-two-year-high-in-June/articleshow/6129865.cms>

Overseas Investment

FDI in May up 5.6% to \$2.21 bn

India's foreign direct investment in May this year rose by 5.6 per cent to \$2.21 billion, reversing the decline in the previous two months.

The FDI inflows in May 2009 were \$2.09 billion. "Quick estimates indicate the foreign fund inflows in May were up by 5.6 per cent," an official said.

The inflows in the first two months of 2010-11 were, however, down by about one per cent at \$4.39 billion.

The FDI in April was \$2.21 billion, down 5.1 per cent year-on-year. In March, the inflows had contracted by about 38 per cent.

Crisil Chief Economist D K Joshi said the inflows are likely to remain healthy but there could be some volatility given the global scenario, particularly the European events.

"India remains a strong magnet due to its economic growth," he said.

The government has been taking measures to streamline the procedures for foreign investors.

The Department of Industrial Policy and Promotion had initiated a concept paper proposing a hike in FDI cap of 26 per cent in the defence sector.

Similar papers are expected on sectors like multi-brand retail, agriculture and pharmaceutical, sources said.

<http://economictimes.indiatimes.com/news/economy/indicators/FDI-in-May-up-56-to-221-bn/articleshow/6111162.cms>

3 foreign cos among 13 bid for Rs 5,700-cr mega road project

Thirteen companies, including one each from Britain, France and Australia, have bid for the country's first Rs 5,700-crore mega road project covering Rajasthan and Gujarat.

The 570-km highway project from Kishangarh near Jaipur in Rajasthan to Ahmedabad in Gujarat through Udaipur, is the first among the nine projects, conceived by the the National Highways Authority of India (NHAI), for which bids were invited in May.

"The bid for the construction of the Kishangarh-Udaipur- Ahmedabad mega road project is under evaluation. We have received 13 bids for that project, including from reputed international players like the Britain's Balfour Beatty," NHAI Chairman Brijeshwar Singh said.

Elaborating, he said, by thumb rule, construction of a km of a national highway of this type would cost around Rs 10 crore and hence the project size could be around Rs 5,700 crore.

Australian firm Leighton, Britain's Balfour Beatty and Vinci of France in consortium with Hindustan Construction Company (HCC) have submitted their bids for the project.

Last year, Minister for Road Transport and Highways Kamal Nath had announced that the Ministry would invite bids for construction of nine mega road projects, entailing an investment of around Rs 5,000 crore each.

The NHAI is speeding up the process of awarding these road projects to successful bidders. "These projects are a steady evolution and we are looking at speedy award of these projects," Singh said.

The government has set a target for constructing 35,000 km of highways in the next five years under the National Highways Development Programme, which will require an estimated investment of about USD 60 billion. Of this, USD 40 billion will come from the private sector.

The country at present has a network of 71,000 km of National Highways.

<http://economictimes.indiatimes.com/news/economy/infrastructure/3-foreign-cos-among-13-bid-for-Rs-5700-cr-mega-road-project/articleshow/6127412.cms>

Let foreigners set up LLPs in areas open to FDI

The finance ministry has pitched for allowing foreigners to set up Limited Liability Partnerships (LLPs) in all the sectors open to foreign direct investment.

The ministry has written to the department of industrial policy and promotion, or DIPP, government body that frames foreign investment policy, to expeditiously take up the issue. "Allowing foreign direct investment in LLPs in line with the sectoral limits will encourage foreign investment and not complicate the current regulatory regime," said a finance ministry official.

The policy regime for limited liability partnerships, a form of business structure that combines features of partnership and limited liability company, is not yet settled though this new form of business organisation was allowed about a year ago.

“The existing FDI policy framework encapsulates only the corporate form of entity,” says Akash Gupta, executive director, PwC. The finance ministry’s thrust for a speedier decision comes after the Foreign Investment Promotion Board, the key government body that approved foreign investment proposals, received applications to set up LLPs with foreign partners.

<http://economictimes.indiatimes.com/news/economy/policy/Let-foreigners-set-up-LLPs-in-areas-open-to-FDI/articleshow/6129208.cms>

DIPP initiates exercise for FDI tweaks in wholesale trade

Even as the government is drafting a discussion paper on foreign investment in retail trade, the department of industrial policy & promotion (DIPP) has initiated an exercise to tweak the foreign direct investment policy for wholesale trading.

Responding to apprehensions raised by major players like the Sunil Mittal-led Bharti Group, which has a joint venture with Wal-Mart, the DIPP has sought the views of the finance ministry and the department of consumer affairs for amendments to the guidelines for FDI in this segment.

“Department of Consumer Affairs and Department of Economic Affairs are requested to kindly provide comments/views on the representations (from the industry players) to this Department at the earliest so that necessary clarification/amendments may be notified by the Department,” says a communication from the DIPP.

The move is significant since the government is keen to attract FDI in wholesale trading, also known as cash & carry trading, to spruce up the country’s distribution network and logistics, including cold chains for perishables.

The highlight of the FDI policy review for wholesale trading revolves around the 25% cap imposed on sales to group companies, imposed through the FDI guidelines which came into effect in April.

A number of players, including Bharti Ventures Ltd and Marubeni Corporation of Japan, have approached the government seeking clarifications on the guidelines, highly-placed government sources said on condition of anonymity.

The DIPP has now initiated a review of the guidelines by seeking the views of the department of economic affairs in the finance ministry and the department of consumer affairs.

Earlier this year, the finance ministry had proposed that trading between group companies should be allowed only to the tune of 25% of the turnover of the company which has a FDI component. Since the finance ministry felt that the retail trading policy would be vitiated in

the absence of such a ceiling, it was incorporated in the guidelines for FDI in wholesale trade.

The issue is likely to be discussed soon and a formal meeting could be called if necessary, sources said.

Interestingly, the move comes at a time when the government is planning to come out with a discussion paper on FDI in retail.

There have been allegations in the past that the bar on FDI in retail was being bypassed through several windows including wholesale trading, franchisees and test marketing. Therefore, the government has also specified a definition for wholesale trading – clearly stating that direct sale to consumers is not allowed.

A number of multinationals like Metro, Wal-Mart and Marubeni are engaged in wholesale trading operations in India. The government is trying to encourage more investment in back-end operations like cold chains in order to cut down post-harvest waste of agri commodities.

<http://economictimes.indiatimes.com/news/economy/policy/DIPP-initiates-exercise-for-FDI-tweaks-in-wholesale-trade/articleshow/6117071.cms>

Trade News

India commits \$ 6.7 mn to African bank

India has agreed to donate \$ 6.7 mn to the African Development Bank (AfDB) to conduct studies on the development projects in the continent.

"India has committed a support of \$ 6.7 million to the African Development Bank for the study of development projects in Africa," a senior finance ministry official told media.

The funding support will take effect from January 1, 2011 and will extend over a period of three years.

The Tunis-based AfDB said the donation will enable the regional development bank to conduct studies in the transport sector, particularly in the field of railways.

"There is also the field of telecommunications, higher education and private sector development," AfDB vice president Aloysius Ordu said in a statement.

The signing of the protocol between AfDB and the Indian government in Abidjan recently, aims both to strengthen South-South relations and to diversify the funding partners of the bank.

Ordu said India can be of critical support in AfDB's efforts to help African countries attain development as it has achieved significant progress in the field of economic growth and democratic governance in the recent decades.

Joint secretary at the Finance Ministry Anup Pujari, who initiated the agreement on India's behalf, said it has helped in strengthening the relation between India and Africa.

"Several areas of intervention are identified, but the allocation of funds will be left to the discretion of the AfDB, which may be used depending on the needs and priorities," Pujari said.

It is the second donation of its kind. The earlier grant was of USD 3.3 million, AfDB said.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/India-commits--67-mn-to-African-bank/articleshow/6127245.cms>

Indo-Lanka trade to grow at 8%'

The bilateral trade between India and Sri Lanka is estimated to grow at over eight per cent in 2010. The trade between the two countries stood at \$3,267 million in 2008 and has been growing at five-to-six per cent over the last few years, according to Mr Prasad Kariyawasam, Sri Lankan High Commissioner.

"Trade between the two countries was growing at a healthy rate till last year when we witnessed a slowdown due to the global financial crisis. However, this year we are hopeful of posting a growth of about eight per cent," Mr Kariyawasam said while speaking at a meeting on enhancing Indo-Sri Lankan business co-operation organised by the Bengal National Chamber of Commerce and Industry.

Sri Lankan Government is looking at attracting medium- and small-scale companies from India to invest in their country, he said. The total cumulative investments from India were at about \$347 million till 2008.

"Our strategy is to attract small and medium sized companies in sectors such as apparel, electrical accessories, rubber products, industrial chemicals and gems and jewellery among others," he added.

<http://www.thehindubusinessline.com/2010/06/30/stories/2010063053471901.htm>

Australia keen on scientific research with India

Australian scientists will work with their Indian counterparts on cutting-edge research in fields ranging from agriculture to health.

Australia's Innovation Minister, Senator Kim Carr, announced that the Australian Government would provide A\$2.7 million (Rs 11 crore) for nine joint projects through the fourth round of the Indo-Australian Science and Technology Fund, a component of the Australia-India Strategic Research Fund (AISRF). India's Department of Science and Technology will provide matching funding.

"These projects will further strengthen what is a very important bilateral relationship between Australia and India. India is a leader in science and technology and an important partner for Australian scientists," Senator Carr said.

Projects

The projects being undertaken include development of a cancer targeting system using the latest advances in nanotechnology to deliver anti-cancer agents directly to the cancer site, use of adsorption engineering to produce low-cost, high-efficiency water-free biogas and development of social media technologies for rural and remote communities with limited access to broadband internet. Other projects focus on earth systems science, astronomy and astrophysics, and renewable energy.

With a total Australian commitment of A\$65 million (Rs 260 crore), matched by the Government of India, the AISRF is Australia's largest fund dedicated to bilateral collaboration in science with any country. It is also one of India's largest sources of support for international collaboration in science.

<http://www.thehindubusinessline.com/2010/06/30/stories/2010063053471900.htm>

FICCI's initiatives in China

FICCI & CCPIT set up the India-China Joint Business Council in 1985 - an institutional arrangement to enhance bilateral economic & commercial relations. Annual meetings were held, to strengthen bilateral commercial relations. Till now twelve meetings of the JBC have been held so far.

BOAO Forum for Asia (BFA)

FICCI is the Initial member (Corporate founder member) of the BOAO Forum for Asia (BFA) and FICCI representatives participate actively in the annual meetings of the forum. BFA has established itself as an effective forum for deliberations of Asia-Pacific and global issues. A special India-China session was also coordinated by FICCI during BOAO Forum Annual Conference 2010 which was attended by several leading industrialists including FICCI president, Mr. Rajan Bharti Mittal. The session was also addressed by the Minister of Environment and Forests, Mr. Jairam Ramesh.

India-China-Russia Trilateral Conference

The conference was established as a follow-up to the deliberations of the foreign ministers of India, China and Russia that aimed at giving an economic, trade and business content to the ongoing process of strengthening the political relations amongst the three countries. Conference is held once in two years. It was FICCI that coordinated the Indian business delegation to Changchun, China during the last meeting in September 2009.

India-China Joint Economic Group(JEG) Meeting

FICCI coordinated India-China Business Forum Meeting during the recent visit of Mr. Anand Sharma, minister of commerce and industry. In the meeting FICCI also highlighted the issues faced by Indian industry while doing business with China.

Besides, FICCI recently initiated a lecture series on 'Doing business with China' by eminent speakers.

The organization also arranged the Joint Study Group (JSG) of the Government of India with China. FICCI-KPMG paper was also presented on 'Global financial meltdown-Turning crisis into opportunity through enhanced cooperation between India and China'. In yet another development FICCI recently organized a business luncheon meeting with Mr. Hui Liangyu, Vice Premier of PRC, in New Delhi.

<http://economictimes.indiatimes.com/news/economy/foreign-trade/FICCI-initiatives-in-China/articleshow/6103564.cms>

Sectoral News

Refineries process 7.7% more in May, crude and gas output up

In May, the domestic refiners processed 7.7 per cent more crude oil at 13.753 million tonnes (or 3.252 million barrels a day) year-on-year, as most operated at higher capacity to meet the growing demand.

According to a data released by the Petroleum Ministry, the 17 public sector refineries processed 6.7 per cent more crude oil during the month at 9.37 million tonne year-on-year. The private refiners – Reliance and Essar Oil Ltd – processed 10 per cent more crude at 4.383 million tonne in May.

The 17 PSU and two private sector refineries (data of Reliance Industries' second refinery at Jamnagar is not available) in May operated at 104.2 per cent capacity.

Reliance, in its first refinery, processed 3.125 million tonnes of crude oil — higher than the planned target of 2.740 million tonnes. The crude throughput of Indian Oil Corporation (Guwahati, Haldia, Bongaigaon, Barauni, Digboi, Mathura, and Panipat), Bharat Petroleum Corporation (Mumbai and Kochi), Hindustan Petroleum Corporation (Visakhapatnam), and Essar Oil's Vadinar refineries have also exceeded their planned production target during the month under review, the data showed.

Higher production from onshore fields including Cairn India's Rajasthan block continued to push up the domestic crude oil output in May. The crude oil product in May was up 5.8 per cent at 2.945 million tonne (or 696,350 barrels a day) year-on-year.

According to a data released by the Petroleum Ministry, the production from onshore fields in May was up 15 per cent to 1.099 million tonne. The production from Oil and Natural Gas Corporation's (ONGC) fields fell 1.9 per cent to 2.024 million tonne. ONGC's Mumbai offshore fields output fell by 2 per cent at 1.401 million tonnes.

The country's natural gas production rose by 34.4 per cent in May at 4.585 billion cubic metre.

<http://www.thehindubusinessline.com/2010/06/29/stories/2010062952420400.htm>

Cement production will rise 10%

Cement production this fiscal year looks set to see a 10 per cent rise, slightly higher than normal, and may touch 300 million tonnes.

The growth rate may prevail for the next three to five years, Mr Sumit Banerjee, Managing Director of cements major ACC Ltd, said.

Housing, infrastructure projects and the nascent trend of concrete roads would continue to accelerate the consumption of cement.

The country produced nearly 270 million tonnes last year and about 230 million tonnes the year before. The domestic sector is put at Rs 1 lakh crore.

The cement industry is pushing for increased use of cement in highway and road construction. Indian roads, at 3.3 million km, are the second largest network in the world.

The Ministry of Road Transport and Highways has planned to invest \$354 billion in road infrastructure by 2012.

At a seminar on concrete roads organised by CII and State Public works Department, Mr Banerjee, the Chairman of CII's Cement Industry Division, said concrete roads make financial and logical sense over the traditional bitumen, which is imported.

The industry said using cement in roads would bring 4 per cent cost saving over bitumen.

<http://www.thehindubusinessline.com/2010/07/01/stories/2010070152000300.htm>

Pharma business to double in 2 years, says AIOCD

All India Organisation of Chemists and Druggists (AIOCD) has projected a growth of over hundred per cent for the pharmaceutical industries in the country over the next two years.

“The people are increasingly becoming health conscious and the sell of all types of medicines, particularly anti-biotic, will zoom up in the coming years. We expect the business to double by 2012”, said the president of the AIOCD, JS Shinde.

Shinde was here to attend a meeting of chemists and druggists association of Ganjam and Gajapati districts. The pharmaceutical industry is currently growing at the rate of 12 percent, but this will accelerate soon. The sell of all types of medicines in the country, which now stands at Rs 45,000 crore, will reach around Rs 90,000 by 2012, Shinde said.

This faster growth is projected despite the government decision to sell generic medicines at cheaper price through different outlets.

Stating that the pharmaceutical industry in the country is a fast growing industry, Shinde said, its prospects are bright, despite the fact that more and more multinational companies are entering the Indian market. “However, the Indian drug manufacturers have to compete with the multi-nationals by maintaining quality”, he said.

<http://www.business-standard.com/india/news/pharma-business-to-double-in-2-years-says-aiocd/399927/>

Two-wheelers vroom into rural India to end June on a high

Growth in spending in rural areas on the back of a promising monsoon season has resulted in double-digit increase in sales of Hero Honda, TVS, Honda Motorcycles, Yamaha and Mahindra 2 Wheelers for the month of June.

India's largest two-wheeler maker, Hero Honda Motors, reported sales of 426,454 units, a 16.6 per cent growth as compared to 365,734 units in the same month a year earlier.

Hero Honda, which makes the Splendour and Passion brands, is followed by Bajaj Auto. About half of Hero's sales came from rural India. Says Anil Dua, senior vice president (marketing and sales), "The 16 per cent growth in June is very encouraging, coming as it does on the back of the high base of our sales last year."

Chennai-based TVS Motor Company posted an increase of 33 per cent in domestic sales of its two-wheeler range, while also logging its highest-ever three-wheeler sales in a month.

The company, which also makes the Scooty brand of automatic scooters, sold 139,905 units of two-wheelers during the month as compared to 105,361 units sold in the same month a year earlier, a statement said.

Motorcycle sales recorded growth of 44 per cent during the month, of 66,452 units as against 46,048 units in the month last year. Sales of scooters grew by 42 per cent to 36,742 units, as compared to 25,945 units a year earlier. Three-wheeler sales increased to 3,003 units in the same month, as compared to just 810 units sold in the same month a year ago.

Mahindra 2 Wheelers, the latest company to join the market, posted sales of 10,017 units in June, a growth of 329 per cent as against 2,333 units in the month last year.

The company has three automatic scooters, the Duro, Rodeo and Flyte. It would enter the high-volume motorcycle segment before the end of this year.

India Yamaha Motor, subsidiary of Yamaha Motor Corporation, recorded an 18 per cent rise in domestic sales of its motorcycle range to 21,157 units in June, compared to 17,878 units posted in the same month a year earlier.

<http://www.business-standard.com/india/news/two-wheelers-vroom-into-rural-india-to-end-june-onhigh/400127/>

India Inc high on healthcare business opportunity

The Ambani brothers have done it and so have a host of leading corporate houses. India Inc's love affair with the health care business has just begun to blossom

Mukesh Ambani is going to set up one of the best world-class hospitals in India at Sir Harkisondas Nurrotumdas Hospital (HNH), under his Reliance Foundation. "This new facility, fully integrated with technology and high-quality diagnostics, is expected to be functional within the next two years", Ambani told shareholders two weeks ago.

His younger brother, Anil Ambani has already ventured into the health care space by setting up the Kokilaben Dhirubhai Ambani Hospital and Research Institute in Mumbai, a 750-bed tertiary care hospital with one of the largest health care infrastructure facilities in the country.

Anil Ambani's Reliance Health is now planning to step up its presence in the health care space in a big way. Others who are eyeing the business potential of health care in India include names like the Hindujas, Sahara Group, Emami, Apollo Tyres and the Panacea Group.

They have enough reasons for doing so. A study conducted by Ficci and Ernst & Young suggests that by the end of 2025, India will need as many as 1.75 million additional beds and the public sector is expected to contribute only 15–20 per cent to the \$86-billion investment required. At present, India has only 860 hospital beds per million population against a world average of 2,600 per million population.

So the Subrato Roy-led Sahara Group, which has a couple of hospitals already, is stepping on the gas. The group is planning to set up a 1,500-bed multi super-specialty, tertiary care hospital at Aamby Valley City, a 200-bed multi-specialty tertiary care hospital at Gorakhpur in Uttar Pradesh and 30-bed multi-specialty secondary care hospitals across all the 217 Sahara City Homes Townships. Of these 217 hospitals, the first phase comprises 88 townships of which the first nine hospitals will soon come up at Ahmadabad, Aurangabad, Coimbatore, Indore, Gwalior, Jaipur, Lucknow, Nagpur and Solapur.

This will require an investment of about Rs 3,000 crore-4,000 crore.

<http://www.business-standard.com/india/news/india-inc-highhealthcare-business-opportunity/399773/>

Telephone user base touches 653 m

The number of telephone subscribers in India increased to 653.92 million at the end of May-2010 from 638.05 million in April-2010, registering a growth rate of 2.49 per cent. With this, the overall tele-density in India reaches 55.38 per cent. The wireless segment subscriber base (GSM, CDMA & FWP) increased from 601.22 million in April-2010 to 617.53 million at the end of May 2010, registering a growth of 2.71 per cent. Wireless tele-density stands at 52.30 per cent. The wire line subscriber base declined from 36.83 million in April-2010 to 36.39 million at the end of May-2010. BSNL/MTNL, two PSU operators, hold 84.32 per cent of the wire line market share. The overall wire line tele-density is 3.08 per cent. The total broadband subscriber base has increased from 9 million in April-2010 to 9.24 million in May 2010, a growth of 2.67 per cent.

<http://www.thehindubusinessline.com/2010/06/29/stories/2010062953260700.htm>

News Round-Up

RBI hikes repo, reverse repo rates by 25 bps

The Reserve Bank of India (RBI) raised key short-term policy rates by 25 basis points, in an unscheduled announcement, to tame doubled-digit inflation, but bankers said this wouldn't lead to any hike in interest rates for now.

The increase in rates comes ahead of the July 27 policy review by the apex bank, which feels that money supply in the system has started easing in contrast to the crunch felt just a fortnight ago when corporate demand for funds shot up.

RBI's decision to increase the short-term rates at which it lends (repo) and borrows (reverse repo) money from commercial banks, however, may not have any immediate impact on the interest rates which home and car loan seekers and corporate borrowers pay, say bankers.

Hike in repo and reverse repo by 25 basis points to 5.50 per cent and 4 per cent, respectively, "should contain inflation and anchor inflationary expectations going forward, while not hurting the recovery process", said the RBI.

Wholesale prices-based inflation crossed double digits (10.16 per cent provisionally) in May, but as per final figures the rate of price rise has been 11 per cent or more since February. Food inflation eased to 12.92 per cent in the third week of June from above 16 per cent.

Justifying its mid-course action, the RBI said, "The developments on the inflation front, however, raise several concerns...Food price inflation and consumer price inflation remain at elevated levels. There has been some moderation in food price inflation, but the price index of food articles continues to increase."

RBI had earlier increased the repo and reverse-repo rates by 25 basis points in April.

On the impact of hike in key rates on interest rates, State Bank of India (SBI) Chairman O P Bhatt said, "RBI's move may not impact interest rate till July 27...RBI's (move will) not impact base rate of SBI."

The bank would think of some decision only after the monetary policy review on July 27, said the chief of SBI, which this week pegged the base rate, the minimum lending rate, at 7.5 per cent.

<http://www.business-standard.com/india/news/rbi-hikes-repo-reverse-repo-rates-by-25-bps/100128/on>