



"India is a market with unique taste, products and cultures and it's critically important that we don't just bring a global model into India, but tailor the global model for the Indian customer and the Indian farmer because at our core we are also an agricultural company."
Indra Nooyi, Chairman & CEO PepsiCo

NEWS ALERT

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ALMOST AN EIGHTH WONDER

INDIA'S economy gave yet another indication of its rapidly improving health, prompting greater ambition from policymakers still chary of withdrawing the stimulus medicine responsible for the recovery.

Gross domestic product (GDP) expanded by a surprisingly strong 7.9% during the July-September second quarter, its fastest pace in a year and a half. The growth was driven largely by a pickup in manufacturing, increased government expenditure, robust investments and modest growth in farm output despite the drought, data released on Monday show.

"I am hopeful that if this trend continues, we will have higher GDP growth than anticipated. I hope it will be around 7%," finance minister Pranab Mukherjee said.

The economy had expanded 6.1% in the first quarter. The growth in the first half of the year is now a respectable 7% as against 7.8% during the same period a year ago. In the fiscal year ended March 2009, the economy grew by 6.7%, its weakest in six years and way below rates of 9% or more in the previous three years.

DUBAI WON'T BACK WORLD DEBT

THE Dubai government disclaimed responsibility for the debts of Dubai World on Monday, dealing a blow to creditors' assumptions that the Arab emirate would guarantee the conglomerate's liabilities. "Creditors need to take part of the responsibility for their decision to lend to the companies," said Abdulrahman al-Saleh, director general of Dubai's department of finance. "They think Dubai World is part of the government, which is not correct."

United Arab Emirates stocks plunged on Monday as investors waited for clarity on Dubai's request for a delay until May 2010 on repaying billions of dollars in debt issued by Dubai World and its Nakheel unit, developer of three distinctive palmshaped islands in the emirate.

BANKERS EXPECT HIKE IN CRR

Even as the financial markets reacted positively to the higher-than-expected GDP data, bankers say this could lead to a hike in the Cash Reserve Ratio or in interest rates by the Reserve Bank of India sooner than expected.

RELIANCE VALUE RETAIL CEO QUILTS

The CEO of Reliance Value Retail, which includes Reliance Fresh, Reliance Super and Reliance Mart, K Radhakrishnan, has put in his papers. He has set up an entrepreneurial venture, Aligned Business Partners, with two former colleagues.

World AIDS Day

**Think
Positive.**

Send across your feedbacks to Shilpa Saini at shilpa.saini@jimsindia.org