



NEWS ALERT

URBAN TELEDENSITY TOPS 100% MARK ON TARIFF WAR

CLOSE on the heels of celebrating 500-million mobile customer mark, the country's cellular phone market has now crossed another major landmark: The average urban teledensity in India has crossed the 100% mark as per latest figures released by department of telecom (DoT). This implies the country's towns, cities and metros, all of which are classified as 'urban' by the government, now have as many mobile connections as that of their population.

In March '08, the country's urban teledensity was about 60%, which jumped to over 85% in March '09 and has now crossed the 100% mark. The intense price war in the telecom space over the last couple of months, which have plunged tariffs to an all-time low—even half paise per second—has resulted in record growth of 15-million plus customers signing up for mobile connections every month.

GOVT OPEN TO REWRITING DIRECT TAX CODE

FINANCE minister Pranab Mukherjee on Friday said the government will strengthen and improve the public distribution system (PDS) to protect consumers, as rising prices of essential commodities continue to push up food inflation. He also indicated the government could rewrite the new direct tax code to make it acceptable to all stakeholders.

Inflation in food articles touched 19.05% for the week ended November 28 against 10.48% a year ago. The last time inflation in food articles had crossed the 20% mark was in 1998.

WHEAT COVERAGE LOWER IN KEY STATES BARRING M.P., U.P.

Wheat sowing is trailing in key-growing States of Punjab, Haryana, Rajasthan, Maharashtra and Gujarat but rise in coverage in Madhya Pradesh, Uttar Pradesh and Bihar is helping in the overall area being better compared with last year.

According to the Agriculture Ministry's latest review of rabi season sowing, wheat has been sown on 217.28 lakh hectares (lh) compared with 216.02 lh a year ago. In Madhya Pradesh, 35.98 lh have been covered under the crop, while in Uttar Pradesh, the coverage is 74.22 lh (67.48 lh) and in Bihar, 11.36 lh (9.75lh) have been brought under the cereal.

OCTOBER INDUSTRIAL OUTPUT GROWS BY 10.3%

Significant growth in the manufacturing sector pushed the industrial output up by 10.35 per cent in October, higher from the revised growth rate of 9.6 per cent the previous month, fuelling expectations that the economy is firmly on the path of recovery. The growth rate has been marginally lower than the forecasts of around 11 per cent by econo-

mists, though most of them maintained that the positive trend in industrial growth would continue.

At the peak of recession in October 2008, the index of industrial production (IIP) rose by a mere 0.1 per cent. "The IIP figures for October (2009) are lower than the average forecast. The positive momentum, however,

has continued. It will be in the range of 9-11 per cent by the end of this financial year. The positive factor in the data is that the growth is more broad based. Low base has also been a factor," said Shubhada Rao, chief economist with Yes Bank.