



NEWS ALERT

India Can Become 3rd Largest Economy by 2012: PwC

The US financial crisis may have expedited a shift in global economic power. According to a report by global consultancy firm PricewaterhouseCoopers (PwC), India could become the world's third largest economy by purchasing power parity (PPP), overtaking Japan 2012.

This would be almost 20 years ahead of Goldman Sachs' projection of 2032 in its BRIC (Brazil, Russia, India, China) report.



- **Indian investment created 4,000 jobs in UK in 2009:** Prince Michael of Kent said on Friday that Indian investments helped create 4,000 jobs in the UK last year and both nations need to co-operate more to facilitate business growth.
- **Core sector output for December up 6%:** India's core sector, which comprises six key infrastructure industries, grew 6 per cent in December, compared with 5.3 per cent growth in the previous month. The growth, signifying a recovery in industrial manufacturing, was primarily led by an increase in the production of finished steel, cement and electricity last month.
- **US bank curbs may hit fund raising by PEs:** Fund-raising may become tough for Indian private equity (PE) players if US President Barack Obama's proposal to curb the role of commercial banks in hedge and PE funds is implemented. But the move could help Indian funds take part in more deals, market players said.

GLOBAL RECOVERY STRONGER THAN EXPECTED: IMF

The world economy is still fragile but the recovery from the financial crisis has been significantly faster than the International Monetary Fund expected, the head of the institution said.

In his first news conference of the year in Washington, IMF Managing Director Dominique Strauss-Kahn said the IMF would unveil more upbeat growth forecasts in an update of the fund's World Economic Outlook later this month. The IMF in October forecast global growth would resume and hit 3.1 per cent in 2010 after contracting in 2009. Advanced economies were still being propped up by government spending while private demand remained weak, making the recovery fragile, he said. Strauss-Kahn said the world was in the midst of a jobs crisis, with the worst yet to come, as he urged governments to take the situation seriously and shift part of their 2010 stimulus packages toward supporting employment.

