

NEWS ALERT



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GOVT SET TO STUB FDI IN TOBACCO

THE government is all set to accept the recommendations of a ministerial group and ban foreign direct investment (FDI) in tobacco, dealing a blow to the plans of international tobacco firms that have long eyed a bigger presence in the Indian market. The move, which forms part of a Cabinet note prepared by the department of industrial policy and promotion (Dipp) that frames the country's foreign investment rules, could notably affect Japan Tobacco International's (JTIL) proposal to raise stake in its Indian venture to 74% from 50% now. Dipp has prepared the note containing the inter-ministerial group's decision for the Cabinet Committee on Economic Affairs (CCEA), the government's highest decision-making body on economic issues.

A decision to ban FDI will draw a line under a long-running issue that has seen hectic lobbying from domestic and foreign players, and will be a victory for the health ministry.

YOU WILL HAVE TO WAIT A YEAR MORE FOR 3G

THE government on Monday said it will stick to its January 2010 schedule for the auction of wireless 3G spectrum, but allot the airwaves only in August, further delaying the rollout of a service that has been hanging fire for over two years now.

Mobile phone firms seemed pleased with the decision because the airwaves will be given simultaneously to all four successful bidders and allow them more time to muster the resources required to roll out their networks. Furthermore, they will be required to pay only a quarter of the bid amount this fiscal and the rest when the spectrum is allotted, telecom minister A Raja told ET after a meeting of an inter-ministerial panel on the issue. Under an earlier plan, telcos were required to pay the entire amount within 15 days of the completion of the auction.

Mr Raja also said the government has decided to stay with the plan of auctioning four slots of radio bandwidth, in addition to the one already allotted to stateowned telcos BSNL & MTNL.

INDIA INC CALLS FOR LAND-USE REFORM



In the Indian reform story, policies on land have been the least reformed, said Ratan Tata on Monday. The chairman of the Tata group, whose company Tata Motors had to shift the production base for its Nano small car from Singur in West Bengal to Sanand in Gujarat following crippling protests over land acquisition for the project, said political leaders must strike a balance in deciding whether land is needed for agriculture or for industry.

Speaking at the TiE Entrepreneurial Summit 2009, Tata said, "Land is a hot issue and it is going to impact projects." Tata said land reforms would create more jobs and take India to the next level of growth. "Given that India wants to create job opportunities for not-so-educated people, it has to be in the non-technology sectors like manufacturing, where we need a lot of land," he said.