



# NEWS ALERT

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## AT 7.9%, FISCAL DEFICIT IS SPLIT WIDE OPEN

The country's fiscal deficit at the end of the first half of the current fiscal year (April-September) stood at a high 7.9% of the nominal GDP compared to 4.4% in the corresponding period last year. Unless the government divests stake in public sector enterprises, containing the deficit at Budget targets may be difficult. Finance minister Pranab Mukherjee had estimated the full-year fiscal deficit in Budget 2009 presented in July at 6.8%, assuming the nominal GDP would be Rs 58,56,569 crore. A sharp pickup in economic activity will not help bridge the gap as tax collections remain depressed.

Expectedly, the rise in fiscal deficit was due to a sharp decline in government's tax revenues during the period even while its total expenditure, which included payment of arrears of the Sixth Pay Commission award, climbed nearly 29%, year-on-year.

## RBI TO LET EXPATS ENJOY ENTIRE FRUITS OF LABOUR

Foreign nationals working in India can now take their entire post-tax salaries home, following a change in rules to this effect by the Reserve Bank of India (RBI). Indian citizens employed by foreign companies abroad but on deputation to India will also benefit from this move.

This will benefit sectors such as aviation, telecom and infrastructure, which employ a large number of expats, making it easier for them to attract talent from abroad. Earlier, expats could take only 75% of their salaries abroad.

## ABG SHIPYARD EXITS GREAT OFFSHORE RACE

India's largest private shipbuilder, ABG Shipyard, which was locked in a six-month battle with rival Bharati Shipyard to buy a controlling stake in offshore drilling firm Great Offshore Ltd, has exited the race, selling its 8.27% stake in Great Offshore in the open market. In the bargain, ABG netted a gain of Rs 50 crore and left Bharati the sole contender for Great Offshore.

## MARUTI GEARS UP TO DEFEND 50% MKT SHARE

MARUTI Suzuki plans to increase its production capacity by up to 75% over the next five years in a bid to hold on to its 50% market share in the country's lucrative passenger car market.

"Depending on how the car market performs, we would like to reach 1.5-1.75 million units a year by 2015," said Mr Shinzo Nakanishi, MD of India's largest carmaker. "That should help us keep the 50% share of the market we now have because the total car industry will, by then, be around three million units strong," he added.

## GENERAL MOTORS CEO FRITZ HENDERSON DEPARTS IN SHAKE-UP BY BOARD

