

NEWS ALERT



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NEW PACT LETS UB SELL HEINEKEN IN INDIA

Finally burying the hatchet after a year-long dispute, United Breweries (UB) Ltd and Dutch brewer Heineken NV on Monday announced they had reached a new shareholders' agreement. Under the deal, UB will brew and market Heineken brands in India, one of the world's fastest-growing beer markets. In turn, Heineken will distribute UB's Kingfisher brands globally.

In a complex arrangement, Heineken will acquire Asia Pacific Breweries (APB) India and subsequently transfer this to UB in 2010.

INDIA, RUSSIA SIGN EX- PANDED N-PACT

Russia and India on Monday signed an agreement to expand nuclear cooperation. They also signed three military pacts.

The umbrella civilian nuclear cooperation agreement will give India the right to reprocess spent fuel, taking the pact "far beyond the 123 Agreement" signed with the US, official sources have said.



RBI PUSH FOR LOCAL AREA BANKS

THE Reserve Bank of India plans to allow more local area banks from the next financial year to provide an impetus to the government's financial inclusion drive. The finance ministry and the central bank have conducted discussions on giving licences to more such

banks, as recommended by the Raghuram Rajan committee, after putting in place an appropriate regulatory framework, said a senior finance ministry official.

Local area banks with operations in two or three contiguous districts were conceived in the 1996 Union Budget to mobilise rural savings and make them available for investment in local areas. They are expected to bridge the gaps in credit availability and enhance the institutional credit framework in rural and semi-urban areas. Although the geographical area of operation of such banks will be limited, they will be allowed to perform all functions of a scheduled commercial bank. The local area banking licences will be given out in under-banked or unbanked areas of the country. According to data available with the finance ministry there are 120 unbanked revenue blocks in the country.

CHINA TO RETAIN ACCOMMODATIVE ECONOMIC POLICY

CHINA surprised no one on Monday by concluding its key economic planning meeting with a pledge to stick to the pro-growth policies adopted more than a year ago to counter the shock of the global financial crisis. The country's top leadership left the door open for changes by saying they would enhance the flexibility of policy, but they made clear that their top priority would be the promotion of domestic consumption.

China will continue its 'proactive' fiscal policy and 'appropriately loose' monetary stance in 2010, the government said after the close of the Central Economic Work Conference. The annual meeting, chaired by President Hu Jintao and attended by top officials from central and provincial governments, echoed the ruling Communist Party's decision-making Politburo, which declared last month that China would not change the basic tone of its policy.