



Dear Member


In the latest study of the RBI on the outlook for corporate investments, Andhra Pradesh ranked second in the country after Gujarat with a total investment amounting to Rs.25,173 crore in 2006-07, surpassing Maharashtra and Tamil Nadu. With 105 projects during the year investment in the state has doubled compared to the previous year 2005-06. This was possible due to pro-active support extended to the industries. Power tariff was slashed twice in the last 3 years.

Confederation of Indian Industry (CII) in its recent study of April,2007, pointed out that Andhra Pradesh has the best performance in the manufacturing sector with a growth rate of 10-15 per cent among the Southern states during October 2006-March 2007.

According to the report "Doing Business in South Asia 2007" released by the World Bank and its private sector arm – International Finance Corporation, Hyderabad is the country's best city on the ease of doing business in India. The report was based on a set of regulatory indicators related to business start-up, operation, trade, payment of taxes and closure by measuring the time and cost associated with various government requirements. For example, in Hyderabad, it only takes 35 days to register property compared to New Delhi, where it takes almost 4 times as long 138 days, or to Kolkata, where it takes almost 5 times as long 155 days.

RBI announced Mid-term Review of Annual Policy for 2007-08 on 30.10.2007. The significant domestic developments are – real gross domestic product during the first quarter of 2007-08 is 9.3 percent as against 9.6 percent in the corresponding quarter a year ago; the year-on year wholesale price index(wpi) inflation eased from its peak of 6.4 percent on April 7,2006 to 3.1 percent by October 13,2007; the average price of the Indian 'basket' of international crude has increased to US\$ 80.0 per barrel as on October 23,2007 from US \$ 72.1 per barrel in July-September,2007; the year-on-year inflation for industrial workers showed a sharp increase to 7.3 percent in August 2007 as against 6.3 percent a year ago; the year-on-year growth in money supply was higher a year at 21.8 percent on October 12,2007 than 18.9 percent a year ago; the year-on-year in total resource flow from scheduled commercial banks (SCBs) to the Commercial sector was 22.1 percent, over and above the growth of 28.0 percent a year ago; bank's holdings of government and other approved securities increased to 30.0 percent of their net demand and time liabilities (NDTL) as on October 12,2007 from 28.0 percent end March,2007. On external sector India's foreign exchange reserves increased by US\$ 62.0 billion during 2007-08 and stood at US\$ 261.1 billion on October 19,2007.

I thank you all for your cooperation.



Atluri Subba Rao