Europe India Chamber of Commerce

Newsletter

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EICC to hold its 10th Annual General Body Meeting in Brussels on 29 September

The Europe India Chamber of Commerce will hold its 10th Annual Meeting on Tuesday, the 29th September on the eve of its Trade and Investment Partnership Summit 2015. The Board of Directors and the General Body meeting of the Chamber will take place in the background of several important economic developments in India. The Meeting will also discuss enlarging its membership base and improving financial position of the trade body.

The Flanders Investment and Trade has kindly agreed to host the GM and BoD Meeting followed by a cocktail. The venue of the meeting is the famous Brussels Business Club and the address is: Cercle de Lorraine – Club van Lotharingen, Place Poelaert 6, 1000 Brussels
http://www.cercledelorraine.be/en/Index.aspx

The meeting will start at 2PM instead of 3pm. EICC once again we can't thank FIT enough for the support and assistance it has been giving to our Chamber for last so many years.

All members of the Chamber and Board of Directors are invited to attend the meeting.

Friends of Europe to organise "EUROPE, INDIA AND MODI - One year on" on 16 June 2015

Friends of Europe, in association with the Europe India Chamber of Commerce (EICC) and Tata Consultancy Services (TCS) and with media partners Europe's World and Debating Asia-Europe is organising Policy Insight debate "Europe, India and Modi: One year on", which will be held on Tuesday 16 June, from 12.00 to 14.00 in Brussels.

It has almost been a year since Narendra Modi assumed the post of India's Prime Minister. During the year, his administration has taken plenty of steps – some of which have been lauded for their potential to create a positive impact from the perspective of the country while some have not been so popular. While criticising Modi, it needs to be taken into consideration that it is not entirely possible to bring about a drastic improvement in the lives of people in a country as huge as India.

Positive Steps taken by Modi Government in First Year

Following is a list of the various positive decisions and achievements of the Modi government till date:

- ***Bringing back Indians stranded in Iraq during the ISIS crisis:*** In the recent crisis surrounding the ISIS militants in Iraq there was worldwide uproar about how civilians had been held captive. The INS Mysore ship was deployed by the Indian Government led by Narendra Modi in order to bring back the Indian nurses who had been working over there.

- ***Bringing out the IB Report on NGOs:*** The IB Report has shown that protests organised by NGOs, who are financially backed by other countries, have led to an assumed loss of 2-3% to the national GDP in the last few years. Now, it is mandatory for NGOs to seek permission from the Ministry of Home Affairs before they can receive the foreign funds.

- ***Improving the railways through various reforms:*** The government has started a new website for the railways and this has helped IRCTC achieve improved levels of performance. The rail budget of 2015 also needs to be credited for the same reason as it has tried to make sure that railways is economically in a better place and has a greater impact on the national economy as a whole. Experts have also praised the way the government has tried to bring in private capital by way of partnerships.

- ***Imposing fines on Reliance:*** Narendra Modi's government recently slapped an INR 320 crore fine on Reliance Industries. Modi also said that the rules cannot be different for various people. This restored a lot of credibility to his government.

- ***Increasing height of Narmada dam:*** This was done so that people, who live in that area, have more water to drink as well as for irrigation.

- ***Health facilities for poor:*** The government has taken a major step by making X-rays, CT scans and MRIs free for the economically disadvantaged sections. This facility will be available at all government hospitals.

- ***Planting trees along national highways:*** 200 crore trees will be planted in the one lakh km area covered by the national highways of India. This is also expected to generate employment for young people. Same schemes are also being planned by the national administration and they will be implemented in the state highways and roads in various districts and villages under the MNREGA programme.

- ***Steps taken to bolster defence:*** Building roads and infrastructure in Arunachal Pradesh is a major step in this regard. Posts are also being built in this area along the border shared with China. The Karwar naval base at Karnataka has also received an extension of two billion US dollars. Government is also looking to set up a new radar station at Andaman and Nicobar Islands so that the Bay of Bengal area can be properly monitored.

- ***Superb foreign policy:*** Narendra Modi has been following an exceptional foreign policy that has endeared India to countries across the world. Till date, every foreign visit undertaken by him has been highly successful. Under him, foreign policy of India has received new dimensions thanks to the levels of popularity he enjoys among people of Indian origin in other countries. Modi is highly popular in countries as diverse as Nepal, the US, Australia, Japan and Bhutan. It is expected that this scenario will help India attain the sort of international prestige it has always wanted but never really had.

- ***Encouraging economic growth and entrepreneurship:*** According to several financial experts, several steps have been taken by the Modi government to make sure that more people are encouraged to become business owners. The stock market has been performing consistently. This is an indication of the decent health of the Indian economy. Nirmala Sitharaman, the Minister of Commerce, has brought about several changes so as to remove the legal issues that hinder investments and other operations of entrepreneurs.

- ***Doing away with the Planning Commission:*** While many have criticised the way the Planning Commission was ended, many experts have also agreed that it had become a relic of late having not much use or practical purpose. The fact that people like Arvind Panagariya and Professor Bibek Debroy are being included in the Niti Ayog is refreshing and also assures people. Now the states have a greater role to play in the planning process and they also have larger slices of resources to work with.

- ***Decent and realistic budgets:*** While the 2014 budget was highly ambitious one and probably resulted from not taking proper stock of the financial situation and capabilities that had been inherited, the 2015 budget was very realistic in nature. Steps were taken to bring about economic growth – incentivising it was a major decision – and doing away with tax evasion.

- ***Dealing with the power crisis:*** Piyush Goyal, the Union Minister of Power, has been taking a number of steps to deal with supply and power issues pertaining to power distribution and generation. Nitin Gadkari has also been credited with bringing about innovative plans for ports and road transport.

- ***Other reforms:*** The Ministry of External Affairs has also done away with the second verification done by police officers when people renew their passports. The government will also set up 660 crisis centres for dealing with rape cases. These will be named Nirbhaya centres. Kisan mandis are also supposed to be set up so as to counter food inflation.

Some other steps have been taken. These include, making it mandatory to monitor 3,206 units in 17 industries that are known to be critically polluting ones and strengthening the electronic media monitoring centre.

Setbacks Faced by Modi Government in First Year

There have been several areas, however, where the Modi Government has not done as well as it would have liked. When Modi became the Prime Minister he had started a number of ambitious projects like Clean Ganga and Smart Cities programmes. Interestingly, both these plans are yet to get off the ground due to various reasons such as administrative, financial, conceptual etc. The Supreme Court has time and again pulled up the national administration for being unable to start the Clean Ganga programme.

The government has also been unable to achieve much headway in terms of modernising the railways. The super fast trains are yet to be seen and privatisation has not happened to the extent that the government would have liked. Even though provisions have been made for making it more effective, they haven't matched public expectations.

The 'Make in India' programme is also facing problems of dependency on various states. It can primarily be described as a remodelled version of import substitution. It is basically a process whereby a country addresses the imbalances between its import and export.

The Land Acquisition Bill has been a major setback for the government as well. It has caused many people, who were ardent supporters of the Modi regime, to be disillusioned with both the leader and the administration in general. The biggest issue with this bill is that it has affected the smallholders as well as the landless farmers, who are the most helpless section of the agrarian population of India. It has also given the opposition the much-needed ammunition to attack the centre. The results of the elections in Delhi have also hit the party's image hard – questions have also been raised regarding the continued efficacy of Modi that worked so spectacularly during the 2014 parliament elections.

There has been some controversy regarding some steps taken by the Modi government that have been deemed to be religiously motivated by many people. There has been an increase in attacks on religious institutions such as churches and rape cases have also increased around the country. So, evidently the law and order situation leaves a lot to be desired.

Yet another ill-advised decision was to try and curb the power of the judiciary, one that did not reap the intended dividends. Modi has also not been able to bring about many reforms in the labour market. However, experts have also stated that they may not be that easy to achieve.

Therefore the issues under discussion will focus on: True to his reputation as a turbo-charged economic diplomat and successful deal-maker, Indian Prime Minister Narendra Modi has recently visited Germany and France and is planning a trip to Britain. Although a visit to European Union headquarters and the organisation of an EU-India summit are still pending, Modi's talks with the German and French leaders have raised hopes that India is interested in efforts to upgrade relations with Europe. India and the EU need to inject new momentum into their relations by concluding the free trade agreement under negotiation, but also expanding cooperation on security issues and between "Digital India" and "Digital Europe".

Questions addressed will include:

One year on, what is the assessment of Modi's foreign policy and economic priorities?

With EU-India trade and investment flows still at a modest €72.5 billion and 5 billion respectively, what is needed to inject new momentum into flagging EU-India relations?

In view of the stalemate in negotiations on an EU-India Free Trade Agreement, can India and the EU step up cooperation in other areas, including security and ICT?

Can Europe help the Indian leader turn his “Make in India” manufacturing campaign into reality?

What is the potential for Europe and India to work together on the government’s Digital India initiative to transform the country into a digitally-empowered society?

SPEAKERS INCLUDE:

Natarajan Chandrasekaran*, Chief Executive Officer and Managing Director, Tata Consultancy Services (TCS)

Alain Le Roy, Secretary General, European External Action Service (EEAS)

Shishir K Bajoria, Chairman Bajoria Group, India

Those interested may also wish to contact Friends of Europe official responsible of the registration at the following mail ID: **liam.farrow@friendsofeurope.org**

India, Chinese firms sign deals worth $ 22 bn during PM Modi's China visit

The Indian Prime Ministers hard-sells 'Make in India' to China's top businessmen, India, Chinese firms sign deals worth $ 22 billion. Prime Minister Narendra Modi pitched the 'Make in India’ initiative to China’s top businessmen on his visit last month, asking them to take advantage of his nation’s changed economic environment which is aimed at turning it into an export powerhouse.

Calling for a 'harmonious partnership' between India and China, Prime Minister Narendra Modi today said it was essential for economic development and political stability of Asia.

Addressing CEOs at the India-China Business Forum here, Prime Minister Modi said both India and China have potentials of growth and problems of poverty. Emphasising that these problems can be tackled together, he said, "I am personally committed to take the co-operative process forward".

Highlighting the significance of need of a sound relationship between two of Asia's major economies, he said, "Harmonious partnership between India and China is essential for economic development and political stability of the continent."

"This industrial partnership of China and India can bring about greater investment, employment and satisfaction of our people."

As many as 21 agreements were signed between Indian and Chinese firms worth $22 billion at the India-China Business Forum. Asking Chinese companies to take the "historic opportunity" to invest in India, Modi said, "We have committed ourselves for creating and improving the business environment. I can assure you that once you decide to be in India, we are confident to make you more and more comfortable."

Many Chinese companies have the possibility of investing in India to take advantage of India's potentials. The potential lies in manufacturing, processing as well as in infrastructure, he added. Highlighting the steps taken up by his government to improve ease of doing business, he said, "We are making the taxation system transparent, stable and predictable. We have removed lot of regressive taxation regimes."

South Korea extends $10-bn infrastructure credit to India

South Korea's ministry of strategy and finance and the Export-Import Bank of Korea has expressed their intention to provide $10-billion line of credit to India for mutual cooperation in infrastructure.

The credit will comprise an Economic Development Cooperation Fund of $1 billion and export credit totalling $9 billion for priority sectors, including smart cities, railways, power generation and transmission, and other sectors to be agreed. The two governments and the EXIM Banks of the two countries will hold consultations to chalk out a roadmap in order to materialise the envisioned financial support for priority sectors.

On the first day of a two-day visit to South Korea, Asia`s fourth-largest economy, in the last leg of three-nation tour of Indian Prime Minister Narendra Modi, the two countries have signed several agreements for expanding economic and strategic cooperation, including a revised agreement for avoidance of double taxation and the prevention of tax evasion with respect to incomes generated in either country.

The two countries agreed to commence negotiations for amending the India-Korea comprehensive economic partnership agreement (CEPA) by June 2016, with a view to achieving qualitative and quantitative increase of trade through an agreed roadmap. An agreement for cooperation in building cities with updated technologies, including smart grids for building of smart cities, has also been signed, in view of their crucial influence on improving the quality of residential environments and achieving sustainable economic development.

In the steel sector, the countries agreed to encourage the steel industry of both countries to develop mutually beneficial projects. There was no reference to the POSCO's project in India that has so far failed to take off. Indian and Korean companies will cooperate in shipbuilding, including in the construction of vessels such as LNG carriers, even as the Indian government discussed partnership with Koreato modernise the Indian shipbuilding industry. The governments of both countries decided to provide support for facilitating private sector discussion on ways to cooperate in this area.

A joint working group that includes the government and private sectors of the two countries will be established to facilitate cooperation in the shipbuilding sector. Besides, the two countries will look for cooperation in the field of stable maritime transport, possible joint business projects in the area of shipping and logistics, and promotion of employment of both countries' seafarers. It has also been decided to expedite the necessary procedures for mutual export of fresh fruits and horticultural products. The two countries reviewed the progress made in establishment of the Korean industrial park in Rajasthan and agreed to facilitate participation of Korean small and medium enterprises to benefit from 'Make in India' initiative. They agreed on the desirability of establishing more offices of both countries' respective trade agencies, including Korea Trade Promotion Corporation (KOTRA), to facilitate trade, investment and industrial cooperation between the two countries.

The first meeting of the Korea-India CEO Forum, which will be held in Seoul on 19 May, will play a significant role to boost exchanges and dialogues between enterprises of the two countries, enhance mutual investment and further pragmatic bilateral business cooperation. An India-Korea Joint Working Group will be set up in the field of electronics hardware manufacturing to enhance co-operation and facilitate business collaboration through joint ventures and technology transfer on a commercial basis between Indian and Korean electronics manufacturing companies, and the creation of a business friendly environment in this field.

On his first visit to Seoul since taking office a year ago, Modi was to meet President Park Geun-Hye to discuss issues ranging from diplomacy and the economy to the security situation on the Korean peninsula. The prime minister will also be meeting with business leaders from South Korea`s largest conglomerates, including Hyundai, Samsung and LG. All three manufacturing giants operate plants in India where they enjoy sizeable shares of the vast consumer market for cars, smartphones and home appliances. Modi is looking to secure promises of bigger investments as part of his "Make In India" initiative, aimed at fostering the nation`s relatively weak manufacturing sector.

India's 2014-15 GDP growth pegged lower at 7.3%

India's national income in terms of real gross national product (GDP) increased by 7.3 per cent in the financial year 2014-15 ended 31 March 2015, as per revised estimates, against the earlier estimate of 7.4 per cent.

GDP at constant (2011-12) prices is now estimated at Rs10,644,000 crore (against Rs10,657,000 crore estimated earlier (on 9 February 2015), showing a growth rate of 7.3 per cent against 7.4 per cent estimated earlier. This is based on the first revised estimates of GDP for the year 2013-14 of Rs9,921,000 crore, released on 30 January 2015, based on the new data series, an official release stated.

Real gross value added (GVA) at basic constant prices (2011-12) in the year 2014-15 is now estimated at Rs9,827,000 crore against Rs9,858,000 crore estimated earlier (on 9 February 2015), showing a growth rate of 7.2 per cent against 7.5 per cent estimated earlier.

The sectors which registered growth rates of over 7.0 per cent included trade, hotels, transport, communication and services related to broadcasting, financial services, real estate, professional services, electricity, gas, water supply and other utility services, public administration, defence and other services as also manufacturing.

Growth rates in the agriculture, forestry and fishing, mining and quarrying and construction are estimated at 0.2 per cent, 2.4 per cent and 4.8 per cent, respectively.

In the agriculture sector, the third advance estimates of crop production released by the ministry of agriculture showed downward revision as compared to their second advance estimates in food grain production (251.12 million tonnes from 257.07million tonnes) for the year 2014-15, showing a decline of 2.3 per cent compared to second advance estimates and a decline of 5.4 per cent compared to the final estimates of 2013-14.

According to the second advance estimate of horticulture crops, production of fruits and vegetables recorded growth of 2.1 per cent. Accordingly, production in the agriculture, forestry and fishing sector in 2014-15 has shown a lower growth rate of 0.2 per cent, as against the growth rate of 1.1 per cent in the advance estimates.

Among industry groups, production in the mining sector recorded growth of 1.4 per cent during 2014-15 against an estimated growth rate of 1.3 per cent in the advance estimates. Production of coal and crude oil recorded growth rates of 8.2 per cent and (-)0.9 per cent in whole year of 2014-15 as compared to growth rates of 9.1 per cent and (-) 0.9 per cent during April-December 2014. The growth of 'mining and quarrying' is now estimated at 2.4 per cent against the advance estimate of 2.3 per cent.

The manufacturing sector recorded a growth rate of 2.3 per cent during the whole of 2014-15, against the estimated growth rate of 1.6 per cent in the advance estimates. Due to this change, manufacturing sector growth is now estimated at 7.1 per cents against the advance estimate growth of 6.8 per cent.

The key indicators of construction sector, namely, cement and consumption of finished steel recorded growth rates of 5.6 per cent and 3.1 per cent, respectively, in 2014-15 against 7.9 per cent and 1.5 per cent, respectively, during April-December 2014. Consequently, the growth of the sector is revised to 4.8 per cent against 4.5 per cent in the advance estimates.

In the service sector, 'trade, hotels, transport, communication and services related to broadcasting sectors' recorded a growth of 10.7 per cent in 2014-15 against 8.4 per cent in the advance estimate released in February 2015.

Sale of commercial vehicles, cargo handled at major sea ports, cargo handled by the civil aviation and passengers handled by the civil aviation recorded growth rates of (-) 2.8 per cent, 4.7 per cent, 7.0 per cent and 12.2 per cent, respectively, during April-March of 2014-15 against (-) 5.7 per cent, 5.0 per cent, 8.1 per cent, 10.6 per cent in the advance estimates.

Sales tax collection during 2014-15 recorded growth of 9.3 per cent.

The net tone per km and passenger kilometers in the railways sector has shown growth of 5.2 and 2.7 per cent, respectively, during 2014-15 against 5.8 and 2.7 per cent in the advance estimates.

Further, private corporate sector recorded significant growth in the trade and communication sector during 2014-15.

The financial, real estate and professional services sector has shown a growth rate of 11.5 per cent during 2014-15 compared to growth rate of 13.7 per cent in the advance estimates.

The key indicators of banking, namely, aggregate bank deposits and bank credits have shown growth of 10.9 per cent and 9.2 per cent, respectively as of 31 March 2015.

The sector public administration, defence and other services has shown a growth rate of 7.2 per cent in the provisional estimates, as against the growth rate of 9.0 per cent in the advance estimates, mainly due to fall in total expenditure of central government than anticipated.

The central government revenue expenditure net of interest payments showed an increase of 8.5 per cent during April-December 2014-15, which was used for estimation in the advance estimates, whereas during April-2014-March 2015, the central government's revenue expenditure net of interest payments showed an increase of only 5.6 per cent.

India's Economic Growth to Surpass China's in 2015-16: UN Report

India's economic growth is projected to surpass that of China's, with the GDP expected to zoom by 7.7 per cent in 2016, according to a UN report which said India will help accelerate economic growth in South Asia.

The mid-year update of the UN World Economic Situation and Prospects (WESP), released today, said India's economy is projected to grow by 7.6 per cent this year and 7.7 per cent in 2016, overtaking China.

China is projected to grow by 7 per cent in 2015 and 6.8 per cent next year.

The report termed South Asia's economic outlook as "largely favourable" since most economies are expected to experience a strengthening of growth in 2015-16 on the back of stronger domestic consumption and investment, and a pick-up in exports.

The region's GDP is projected to grow by 6.7 per cent in 2015 and 6.9 per cent in 2016, up from an estimated 6.3 per cent in 2014--a significant revision of the previous forecast.

"This revision mostly reflects a higher growth trajectory in India," it said.

It said the growth prospects for Iran and Pakistan have also improved moderately, although for both countries significant uncertainties remain.

Across South Asia, the expansion is expected to be driven by buoyant household consumption and a gradual recovery in investment.

Private sector demand will be underpinned by a more benign macroeconomic environment, including considerably lower inflation.

In 2015, global consumer price inflation is expected to average 2.5 per cent, the lowest level since 2009.

With oil prices expected to recover slowly and global activity projected to pick up, average inflation is forecast to accelerate to 3 per cent in 2016.

Average inflation in the region is also projected to fall to its lowest level in almost a decade, following the recent decline in oil and food prices.

As a result, monetary policy has become more expansionary in several countries, notably in India and Pakistan, it said.

However, despite the improved outlook, South Asia's economies face, to varying degrees, long-standing development challenges including energy shortages, infrastructure deficits and political and social unrest.

The global economy will continue to grow at a modest pace.

The UN report said growth of world gross product is projected to accelerate slightly from 2.6 per cent in 2014 to 2.8 per cent in 2015.

In 2016, global growth is forecast to improve to 3.1 per cent but there are still considerable downside risks to the baseline forecast, related to the upcoming move towards monetary policy normalisation in the US, ongoing uncertainties in the euro area, potential spillovers from geopolitical conflicts and persistent vulnerabilities in emerging economies.

The overall subdued performance of the world economy since the global financial crisis has raised concerns of a "new normal" of lower growth, especially in view of a broad-based weakness in investment.

In the United States, the economic recovery remains on track and the short-term outlook is relatively favourable, it said.

Following strong expansions in the second and third quarter of 2014, growth has, however, slowed noticeably.

The weak performance in early 2015 can be attributed to less investment in the energy sector, disturbances to international cargo shipping and bad weather.

Growth is expected to pick up over the next quarters and reach 2.8 per cent in 2015, before decelerating slightly to 2.7 per cent in 2016.

Japan's GDP is projected to grow by 1.2 per cent in 2015 and 1.0 per cent in 2016.

In 2014, the Japanese economy suffered from the consumption tax rate hike and fell into recession by mid-year.

The report added that Geopolitical tensions and conflicts constitute a significant downside risk to the economic outlook.

In several countries such as Ukraine, Syria, Iraq and Yemen, military conflicts have taken a heavy human toll and led to widespread destruction.

While the negative economic impact has so far been limited to the subregional level, the risks lie in possible spillover effects of any regional conflict to the global level.

Potential transmission channels include trade, commodity prices and financial asset prices.

Geopolitical conflicts, especially in Africa and Western Asia, also remain risk factors for the global oil market, it said.

Government relaxes FDI norms for NRIs, PIOs, OCIs

The Union Cabinet recently approved a relaxation of policy on investment proposals from Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs), treating them at par with Non-Resident Indians (NRIs) in this regard.

NRIs are Indian citizens; the other two are not. “The decision that NRI includes OCI cardholders as well as PIO cardholders is meant to align the Foreign Direct Investment (FDI) policy with the government's stated policy to provide PIOs and OCIs parity with NRIs in (the) economic, financial and educational fields,” was the official statement after the meeting, chaired by Prime Minister Narendra Modi.

The government also approved an amendment to Schedule 4 of the Foreign Exchange Management Act (Fema) Regulations, that NRI investments would be “deemed to be domestic investment made by residents”.

“The measure is expected to result in increased investments across sectors and greater inflow of foreign exchange remittance, leading to economic growth of the country…This will enable investments by NRIs, OCI cardholders and PIO cardholders under Schedule 4 on a non-repatriation basis, across sectors, without being subjected to any of the conditions associated to foreign investment,” the Cabinet said.

The proposal to tap NRIs for investments came from the department of industrial policy and promotion (DIPP), to augment inflow of foreign capital in key sectors.

Last year, the government had formed a committee to look into the possibility of treating non-repatriable NRI funds as domestic investment. This was to push the 'Make in India' campaign. The idea is to encourage NRIs owning business ventures abroad to put money here, too, by giving them domestic investment treatment.

Presently, under Schedule 4 of Fema, investments by NRIs are made on a non-repatriation basis, though it has not been provided that these are domestic investments. In the FDI policy, the definition of NRIs as including PIOs and OCIs is not mentioned.

Between April 2014 and February 2015, the FDI equity inflow was $28.8 billion, a rise of nearly 39 per cent over the same period in 2013-14.

The government has tried to liberalise the FDI regime. In its year in power, the FDI limit in the defence sector has been raised to 49 per cent, up to 100 per cent has been permitted in railways and norms pertaining to FDI in construction development were liberalised. That in medical devices were exempted from the sectoral restrictions for pharmaceuticals. And, FDI in the insurance and pension sectors have been permitted up to 49 per cent.

A DIFFERENT ROAD

- Now, NRI investments would be deemed to be domestic investment made by residents
- Cabinet says this will increase investments across sectors and lead to greater inflow of forex remittance
- Currently, investments by NRIs are made on a non-repatriation basis; it has not been provided that these are domestic investments
- The proposal to tap NRIs for investments came from the Department of Industrial Policy and Promotion
- Last year, govt had set up a panel to consider treating non-repatriable NRI funds as domestic investment

K V Kamath named head of BRICS Bank

Eminent banker K V Kamath has been appointed as head of the US $50 billion New Development Bank being set up by the five emerging economies of BRICS grouping.

Kamath will have a five year term of the bank, which is likely to be operationalised within one year, Finance Secretary Rajiv Mehrishi said.

Kamath is the Chairman of the India's largest private sector bank ICICI.

After serving at ICICI for more than a decade, Kamath had moved to Asian Development Bank, Manila, in the Private Sector department in 1988. His principal work experience at ADB was in various projects in China, India, Indonesia, Bangladesh and other emerging nations.

In February this year, Union Cabinet cleared the creation of the proposed 5-nation BRICS bank that will mobilise resources for infrastructure projects and provide short-term liquidity to emerging economies in case of payment crisis.

The proposal was approved at the Cabinet meeting, chaired by Prime Minister Narendra Modi.

Heads of the five nation BRICS group -- Brazil, Russia, India, China and South Africa -- decided last year to create a development bank as well as a reserve fund to finance infrastructure projects and to head off future economic crises.

The bank, aimed at funding infrastructure projects in developing nations, will be headquartered in Shanghai, and India will preside over its operations for the first six years, followed by five-year terms for Brazil and then Russia.

India will hold the Presidency of the USD 100-billion New Development Bank for the first six years. The Bank will be based in Shanghai, China's financial hub.

PIOs in US cross $100,000 median income

Indian-Americans have long been recognized by US agencies and socio-political cognoscenti as America's best-educated and wealthiest ethnic group. However, a snapshot released by the US Census Bureau this week reveals that the median household income for Indian-Americans has crossed the $100,000 per annum milestone, the highest for any ethnic group, including white, native-born Americans. In fact, the groundbreaking figure was crossed almost two years ago in 2013 but came to light only recently when the US Census Bureau put it out as part of the Asian/Pacific American Heritage Month which is celebrated in May. According to the bureau, the median income of households headed by the Asian population in 2013 was $72,472, much higher then than national median income of around $51,000.

But even among Asian-Americans, Indian-Americans racked it up at $100,547, almost double the national median income, and significantly more than even white, non-Hispanic Americans whose median income is approximately $57,000. Indian-Americans also out-earned other South Asian groups such as Pakistani-Americans ($63,000) and Bangladeshi-Americans ($51,000).

Previously, the census bureau's "American Community Survey in 2010" had put the Indian-American median family income at $86,135.

In contrast to the high-earning groups, the median income of Black-American households was $33,321 and that of Hispanic households was $39,005.

Though the census report did not address the religious angle, other surveys have long indicated that Jewish-Americans come closest to Indian-Americans in terms of income and education. According to a US Religious Landscape Study by Pew Forum on Religion & Public Life in 2008, 46% of Jews reported family incomes of over $100,000 compared to 19% of all Americans, with the next highest group being Hindus at 43%.

And while 27% of Americans have had college or postgraduate education, 59% of American Jews have it, the second highest of any religious group after American Hindus.
