

Power Sector Attracts Rs.1.9 lac crore. Investments for the first half of 2008, according to AIM.

Out of whopping capex announcements worth Rs. 10,50,951 crore made in the first six months of calendar 2008, power sector attracted the maximum number of investment announcements totaling to Rs.1,95,913 crore between January to June 2008, according to AIM.

According to ASSOCHAM Investment Meter (AIM), on `Sector-Wise Investments for first six Months of Calendar year 2008, the top five sectors, i.e. power, real estate, steel, retail and telecom saw capex plans worth Rs. 6,33, 906 crore during the period of study”.

“The investments in power sector proves the priority of the policy makers to ensure assured supplies of quality power to domestic and industrial end-users a few year with corporates lining up huge investments plans” Mr. Sajjan Jindal, President ASSOCHAM said.

The course of the economy over the past six months has been shaped by the whopping capex plans made by the industry majors investing in various sectors and various parts of the country.

The study on **“India Inc. Investing... A Mid Year Report”** the rising income levels and growing middle class has also generated massive demand in the real estate sector in the recent past. The sector ranked second in terms of the flow of funds at a whopping Rs. 1,51,084 crore for the next two to five years. The sector contributed a share of 14.38 per cent in the total announcements made by the real estate companies like Omaxe Ltd., Uppal Group Developers, Mahindra World City etc.

Steel sector with investment announcements worth Rs. 1,08,609 crore accounted for nearly 10.33 per cent of the total capex planned in the first half of 2008. The sector attracted investments from steel majors like Vedanta Resources, Tata Steel, Bushan Steel, JSW Steel etc.

With the Retail sector growing at an estimated 25 per cent, corporate retailers and real estate developers announced investment plans worth Rs. 89,200 crore for the period January-June 2008 contributing a share of 8.24 per cent in the total capex plans. The corporate retailers and real estate developers like Reliance Retail, Parsvanath Developers, Videocon Industries Ltd. have lined up investments to cater to the need of the burgeoning demand of the retail sector.

Falling tariffs rates and aggressive marketing by the major telecom players have contributed to the growth of the Telecom sector. The sector with a share of 8.48 per cent in total investment announcements attracted Rs. 89,100 crore by major telecom players like Reliance Communication, Aircel, Quippo Telecom Infrastructure etc.

Industries in the Oil & Gas sector announced capex plans totaling to Rs. 88,790 crore for the first six months of 2008 over the next two to five years; mainly for setting up refineries, expansion of pipeline to increase the oil production by companies like Hindujas and ONGC, Reliance Industries, OIC etc.

With a number of automobile companies announcing substantial capacity expansion as well as investments in R&D, the Automobile sector attracted investments announcements worth Rs. 49,529 crore for the next two to eight years. The investments made by the automobiles majors included Tata Motors, Maruti Suzuki Ltd, fiat India, Mahindra & Mahindra.

India's IT sector with its skilled and low cost workforce has planted the country on a global business map. The companies in the sector have lined up Rs. 39,654 crore capex plans for the period Jan-June 2008 for expansion, up-gradation and setting up IT parks, software development centres, software delivery centres over the next two to ten years.

In order to meet the rising domestic consumption needs and at the same time strive for global competitiveness, companies in the Construction and manufacturing sector announced capex worth Rs. 36,790 crore for the next two to five years for expansion of metals, electricity generation operations and setting up facilities for aluminum smelter and captive power plant, setting up factory for carbon black.

India's Ports & shipping sector with a share of 2.84 per cent in capex announcements ranked tenth in terms of top ten sectors attracting investments from the Indian companies. The sector announced investment plan worth Rs. 30,690 crore by major companies like Essar Shipping Ports, Jindal Saw (JSL), Shipping Corporation of India, JSW Infrastructure for the development of ports, setting up ship building and repair hub, deep water port etc.

The other prominent sectors that saw investments announcements during the period of study (Jan-June 2008) were energy (Rs. 28,100 crore), cement (Rs. 26,762 crore), hospitality (Rs. 23,340 crore), logistics (Rs. 23,200 crore), aviation (Rs. 20,890 crore), metals & mining (Rs. 8,500 crore), engineering (Rs. 7,435 crore), consumer durables (Rs. 6,000 crore), pharmaceuticals (Rs. 4,475 crore) and education (Rs. 2,796 crore).