

India's government eases foreign investment rules in retail sector of economy

India has eased key rules on foreign direct investment in multi-brand retail in an attempt to attract foreign firms as it looks to boost economic growth



Customers shop inside a V-Mart retail store

Rules governing sourcing of products, infrastructure investment and selection of cities have been relaxed. India had opened up multi-brand retail to foreign investors last year, but no foreign supermarket chain has yet entered the country. The move also triggered a series of protests in India. The previous rules made it mandatory for foreign supermarkets to source

30 percent of their products from small Indian firms.

The government has retained that requirement, but said foreign firms will be given five years in which to reach that target, giving them the option of importing goods from overseas initially. Global chains will also have to put 50 percent of their initial investment in to building back-end infrastructure such as cold

storage facilities. Foreign retailers will also be allowed to set up shop in cities with a population of less than one million, which they had been barred from earlier.

India, home to more than one billion people, is seen by many foreign investors as a key growth market, not least because of the sheer size of its population. A rise in incomes and a growing middle

class has further added to the country's appeal. As a result, when the government announced that it was opening up the multi brand retail sector to foreign firms — many had hoped that foreign companies would jump on the opportunity.

However, the conditions set by the government had prompted many chains to hold back on their plans.

Some analysts said that the move to ease some of these rules was likely to generate more interest among foreign firms. "The new rules have removed some major stumbling blocks and should encourage foreign retailers to enter India," said Devangshu Dutta, who heads retail consultancy Third Eyesight.

However, the move has also faced opposition in India. There have been concerns that the arrival of big name supermarkets may hurt the small retailers in the country. Critics have argued that given their purchasing power, and the scale of the sales, big players may be able to secure supplies at a much lower rate than the smaller shops. As a result, they may be able to sell those goods at a lower price and hurt small scale retailers. Some of India's opposition parties also have voiced their concerns against the move. Analysts said that with national elections in India due next year, foreign firms may still hold back on any potential investment amid concerns that a change in government may see derail the opening up of the sector. "Most retailers are still likely to wait for the outcome of the elections next year before they make a decision," said Mr Dutta.

EU strikes solar deal with China on tariffs

The EU has struck a deal with China that will set a minimum price for Chinese solar panels sold in Europe

Officials say it will be 56 Euro cents per watt of solar energy produced. The deal is voluntary, but Chinese firms which agree to that price will be spared from anti-dumping duties. Karel de Gucht, the EU's Trade Commissioner, said that 'we have created a window of opportunity for the European industry to recover' amid accusations of Chinese dumping practices. "Chinese imports will be sealed, at least the ones that do not have to pay anti-dumping duties. Above that they will have to pay anti-dumping duties. And of course then the European countries will have to demonstrate that they will have to compete," he said.

But European manufacturers said the deal did not go far enough and they planned to challenge the accord at the European Court of Justice. The agreement averts a potential trade war as China had raised the possibility of an anti-dumping probe into Europe's wine industry.

Shooting stars align for award

The 2013 Astronomy Photographer of the Year competition has received more outstanding pictures than ever before.

This year, the competition has received a record number of entries, more than 1,200 spectacular photographs, from enthusiastic amateurs and professional photographers around the globe. Shortlisted entries include the dazzling firework display of a Perseid meteor shower against a snowy backdrop in Wyoming; the spectacular view of the Milky Way arching over the much-loved landmark of Durdle Door on the Dorset coast; and a solitary watcher seated by his tent on the Korgfjellet Mountain in Norway watching a breath-taking Orionid meteor soar above him. The diversity of locations is not just limited to Earth. Photographers have also captured sights from across our Solar System, galaxy and beyond; from frenzied solar storms on the surface of the Sun, to clusters of hot blue stars surrounded by swirling dust, to the eddying mix of pink and red gases of the Carina Nebula, where a massive star lurks at the heart of a constellation more than 7,500 light years away.

Divers launch mission

Danish divers have launched a major operation in the Baltic Sea in a bid to avert an environmental disaster

They are trying to remove hundreds of cubic metres of fuel oil which are still on board a Chinese cargo ship which sank ten years ago. It's a dangerous mission for the specialist divers who are having to work in depths of around 70 metres to locate the fuel tanks which have corroded and are in danger of leaking.

The Baltic Sea can be very rough and the operation which depends on calm waters could take up to a month to complete. The Fu Shan Hai sank in 2003 after a collision with a Polish ship causing it to spew out 1,000 tonnes of fuel.

Greece cuts VAT on meals in order to encourage tourism



Greek crisis cuts the cost of holidays

Greece may be trapped in recession and on a drip feed of international aid, but eating out just got cheaper

The VAT sales tax on restaurant meals, take-aways

and catered food has been cut from 23 percent to 13 percent. The move by the government was intended to boost tourism, a crucial industry for the economy. The Finance Ministry expects the move to bring

down prices by an average eight percent.

Economist Panagiotis Petrakis said that this was a rare opportunity that should not be squandered, "It is crucial to the success of this meas-

ure that restaurant owners genuinely reduce their prices, as this is the first time in the last three years that we have a substantial tax reduction in Greece." "Reduced VAT" signs in both Greek and in English have popped in many eateries.

But some restaurateurs protested they had already cut as much as they can afford and they doubted the usefulness of this. Athens restaurant owner Nikos Koutouzis said, "The real issue is that most Greeks can't afford to eat out any more. It is not that they'll pay one or two Euros less on their bill because of the lower VAT. But a diner disagreed saying, "It's good for us customers, it's good for tourism. Overall, it is good for the Greek economy."