

GCC largest source of remittance to India in 2013: Doha Bank CEO

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THE Gulf Cooperation Council (GCC) states remained the largest source of remittances to India in 2013 accounting for 35 percent of the total remitted amount of \$71 billion, Doha Bank Group CEO R Seetharaman said at the Airtel and The Economic Times Global Business Summit held in New Delhi recently.

Seetharaman said, "India currently attracts more remittances than FDI and hence the remittances should be channelised into various infrastructure projects through investment schemes."

Highlighting the trends concerning Foreign Direct Investment (FDI) in India, Seetharaman said, "FDI inflows into India from April



Doha Bank Group CEO R Seetharaman speaks at a business summit in New Delhi recently.

to October in 2014 surged by 26 percent to \$17.34 billion when compared to same period in the previous year. Power sector attracted \$486 million and construction development attracted \$645 million.

"India had attracted \$28

billion FDI in 2013. India's 2014 budget opened up the railway infrastructure segment for foreign direct investment. In a boost to cash-starved real estate industry, the government relaxed rules for FDI in the construction sector. India needs to

attract more FDI in its infrastructure and require strong regulatory framework where laws and contracts are to be properly enforced," he said.

Seetharaman said, "A single window system can reduce the delay and make the life easy for any entrepreneur including a foreign entrepreneur. Open the bidding stage to as many investors as possible. It's important that the process is transparent and favouritism to be avoided.

"The government has already pitched India's story in Japan and China and more such efforts to be pursued. India needs to further develop its debt market with further measures. In public private partnership (PPP) projects, India should develop sector specific regulatory mechanism and bring more traction to power projects."

to be lower in 2015," Damak said.

The US Federal Reserve appears on track to start increasing its benchmark interest rate in the second quarter of 2015, which may reduce liquidity in global capital markets, including emerging markets.

Another obstacle for sukuk could come from the drop in oil prices, which could reduce economic growth and ultimately financing needs in core sukuk markets, especially if prices decrease further.

The Standard & Poor's also updated its criteria for rating sukuk on Monday.

The criteria explain how S&P rate sukuk with contractual commitments from the sponsor. Such sukuk are rated at the same level as the sponsor's rating, if the terms of the sukuk meet key conditions set out in the methodology.

The updated criteria also identify more clearly cases where sukuk could entail additional risks compared with conventional bonds, and explain how these risks affect sukuk ratings.