

India's GDP growth to rebound to 10% in FY 2021-22

According to the Asian Development Bank (ADB), India's gross domestic product (GDP) is forecast to grow 10% in fiscal year 2021-22, driven by a surge in domestic demand and exports. This forecast assumes a relatively limited economic impact from the pandemic going forward due to an accelerated vaccination campaign and better preparedness among businesses, households, and the health care sector. ADB's country director for India, Takeo Konishi said that, "The government's vaccination drive, its new fiscal stimulus package, and initiatives to free more resources for infrastructure development, along with measures to strengthen health-related interventions, are helping speed up recovery." India's economy is projected to rebound in the last three quarters of FY2021, as there have been improvements in electronic waybills, mobility data, and the purchasing managers' index. Moreover, India's GDP in the first quarter of FY2021 rebounded 20.1% from a year earlier, even as the second wave of the pandemic curbed economic activity.

Tata, Airbus sign INR 200 billion contract to manufacture military aircraft

On September 24, 2021, India's Defence Ministry signed a deal with Airbus Defence and Space of Spain

for nearly INR 200 billion to procure 56 C-295 medium transport aircraft which will replace the ageing Avro-748 planes of the Indian Air Force. This deal marks the first instance of a military aircraft being manufactured by a private company in India.

Under the deal, 16 aircraft will be delivered in a flyaway condition by Airbus Defence and Space of Spain within 48 months of signing the contract, and the remaining 40 planes will be manufactured in India by a consortium of Airbus Defence and Space of Spain, and Tata Advanced Systems Limited (TASL) within 10 years of signing the contract. The Chairman of Tata Trusts, Ratan Tata, said that the deal would "create a domestic supply chain capability to international standards, which has never been undertaken before."

EU adopts cooperation strategy in Indo-Pacific, investment negotiations with India to begin soon.

The European Commission and the High Representative on September 16, 2021 adopted a Joint Communication on the EU Strategy for cooperation in the Indo-Pacific. In an official statement, the Commission stated that the EU is stepping up its strategic engagement with the Indo-Pacific region, as the region is increasing in strategic importance for Europe. The implementation of the EU Strategy will

include: Completing EU trade negotiations with Australia, Indonesia and New Zealand; and, resuming trade negotiations and starting investment negotiations with India. Additionally, the EU strategy also includes stepping up implementation of the connectivity partnerships with Japan and India.

COVID-19 UPDATE FROM INDIA

India has been witnessing a steady decline in daily Coronavirus infections, mainly due to the increasing pace of vaccination across the country. So far, India has administered around 900 million doses of the Covid-19 vaccine (which equates to about 70% of the total population). In addition to this, India's National Technical Advisory Group on Immunisation (NTAGI) said that the rollout of Zydus Cadila's indigenously developed and manufactured Covid-19 vaccine is likely to take 2 more weeks. With the consistently declining case count, most Indian states are in the process of opening up travel and business activities at a rapid pace.

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