

## Daily Economic News Summary: 28 July 2015

### 1. Axis Bank signs \$200 mn loan deal with ADB

Source: **The Hindu Business Line** ([Link](#))

Axis Bank has signed a \$200-million 7-year bilateral loan deal with the Asian Development Bank (ADB), headquartered in the Philippines. The deal will help bolster Axis Bank's efforts to improve farm efficiency by extending customised and affordable agriculture credit to farmers. The bank would effectively leverage its extensive semi-urban and rural branch network to deliver agriculture credit.

In a statement, Sidharth Rath, President & Head Treasury and Transaction Banking, Axis Bank, said, *"This commitment from Asian Development Bank will help the bank in strengthening its rural lending and microfinance initiatives, which the bank regards as an integral component of its overall strategy."*

### 2. Consumer confidence in India rises to 4-year high: Nielsen

Source: **NDTV** ([Link](#))

India continued to lead the global consumer confidence index, with the score in the second quarter of 2015 reaching the same level as in 2011, says a report. According to global information and insights provider Nielsen, in the second quarter of 2015, India's consumer confidence score rose to 131 followed by Philippines (122) and Indonesia (120).

However, half of respondents (50 per cent) felt that India is still in economic recession, up six points from last quarter (44 per cent in the first quarter of 2015) but three in five (61 per cent) indicate that India will be out of the recession over the next 12 months. As per the survey, four in five (81 per cent) urban Indian respondents indicated the highest level of optimism globally on job prospects in the next 12 months.

*"The optimistic trend in consumer sentiment continues, and this quarter reflects the highest levels since 2011. While this is positive news, discretionary spending levels are yet to see a huge transformation,"* Nielsen India region president Piyush Mathur said in a statement.

### **3. Law firms explore merger option with foreign players for growth**

Source: **Economic Times** ([Link](#))

With the Bar Council of India having come around to accepting the entry of foreign law firms into the country as proposed by the government recently, medium-size firms have spotted an opportunity. Firms that were talking of expanding their own brands are increasingly considering alternatives. Meanwhile, the split in India's top law firms seems like the harbinger of a wave of consolidation.

The breakup of Amarchand and Mangaldas and Suresh A Shroff & Co. has got smaller firms thinking, said in-house lawyers at prominent business houses. Several firms have pitched themselves to prospective clients with the promise of growth, possibly through inorganic means and bringing these two themes together.

*"If a good foreign law firm seeks a tie-up, even with the possibility of merging, if and when regulations allow it, law firms like ours will not shy away from exploring it,"* said Ramesh Vaidyanathan, who founded Advaya Legal after quitting his job as general counsel at Mumbai International Airport.

### **4. Barring 4 states, Maharashtra, AP, Telangana and Karnataka, summer crops prospect good so far: IMD**

Source: **Economic Times** ([Link](#))

Prospects of summer crops like rice, pulses and oilseeds are "good" in most parts of the country, barring some interior parts of Maharashtra, Andhra Pradesh, Telangana and Karnataka, said the IMD chief. More than 50 per cent of the sowing of summer crops has been completed so far in this kharif season and farmers have taken up pulses, oilseeds and coarse cereals in a big way, as per the latest data of the Agriculture Ministry.

Sowing of kharif crops begins with the onset of southwest monsoon from June. So far, there has been 4 per cent deficit rains in the country, while in July alone the rainfall deficiency was about 17 per cent, as per the Met Department. *"The situation is not good in central Maharashtra, Marathwada, Rayalseema region of Andhra Pradesh, some districts of Telangana and north interior Karnataka. These areas have received lower rains and there are concerns about crop prospect,"* India Meteorological Department (IMD) Director General Laxman Singh Rathore told PTI.

## **5. Petroleum ministry to train Indian workforce for West Asian oilfields**

Source: **Live Mint** ([Link](#))

The ministry of petroleum and natural gas, headed by Dharmendra Pradhan, has decided to join the government's skill development initiative. The ministry is working towards improving the skill set of the Indian labour force employed in West Asia's oil and gas industry operations.

The strategy comes in the backdrop of India's dependence on imports to meet its energy needs. Of the 189.43 million tonnes (mt) per annum of crude oil sourced by India last year, 109.76 mt came from West Asia.

*"If we skill the people here and then send them to do jobs in the petroleum sector, their remittances will increase further. We are taking a very big initiative of skill development in the petroleum sector. Indians are going to the Gulf from Kerala, Tamil Nadu, Andhra Pradesh, Uttar Pradesh, Bihar, Orissa, Jharkhand...Migration is happening...Before they go, they become skilled,"* said oil minister Pradhan in a 16 June interview to *Mint* .

According to the government, while less than 4% of the Indian workforce is skilled, in China the proportion is 47%, in Germany 74%, in Japan 80% and in South Korea 96%. India is adding nearly 12 million people to the job market every year and more than 65% of its population is below the age of 35.

## **6. Yusuffali MA seals \$171 million hotel deal at London's old Scotland Yard**

Source: **Live Mint** ([Link](#))

Indian businessman Yusuffali M.A. has agreed a £110 million (\$171 million) deal to develop a luxury hotel on the site of the original Scotland Yard Police Station in London, as foreign buyers bet on the resilience of Britain's prime property market.

Ali, one of India's wealthiest entrepreneurs and head of Abu Dhabi-based retail and hospitality conglomerate Lulu Group International, has signed up Galliard Homes to complete the project at the former home of the Metropolitan Police Force in London's Whitehall.

*"London undoubtedly is one of the most happening locations in the world, especially from the tourism point of view, and we have been actively evaluating investment opportunities that both grow our footprint and contribute to the further development of London,"* Yusuffali M.A. said in an emailed statement on Monday.

Twenty14 Holdings is the newly launched hospitality arm of LuLu, focusing on acquisition and management of assets around the globe. The entity has more than 1 billion dirhams (\$272 million) of assets in the Middle East, the UK and India.

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