

Daily Economic Newsletter: 6 July 2015

1. PM Narendra Modi's Russia, Central Asia visit to boost energy, trade ties

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

Prime Minister Narendra Modi's forthcoming visit from July 6-13 to Russia as also five Central Asian countries is expected to boost strategic and economic ties with the region, said India Inc.

"Consequent to India increasing FDI up to 49 per cent in the defence production, its economic relations with Russia are expected to see a dramatic change with the Prime Minister's visit to the CIS countries giving an extra push to strategic ties with the region," industry body Assocham said.

With focus on enhancing strategic, economic and energy ties, Modi is scheduled to travel from July 6 to 13 to five Central Asian countries and Russia where he will attend the summits of BRICS and Shanghai Cooperation Organisation (SCO). The Prime Minister's visit will start with Uzbekistan from where he will go to Kazakhstan on July 7. He will then travel to Russia on July 8, before moving to Turkmenistan on July 10, Kyrgyzstan on July 11 and Tajikistan on July 12.

2. State run refiners turn sights to Latin America

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

Reliance Industries Ltd (RIL) may soon face competition from state-run companies such as Indian Oil Corp. Ltd (IOC) that plan to source heavy crude from Latin America, refine it in India, and ship the product back to those markets, making money on the margin—a model successfully followed by billionaire Mukesh Ambani-controlled RIL.

India, the world's fourth-largest energy consumer, is recalibrating its crude sourcing strategy and wants to become a preferred refining hub. The country has been Asia's largest refined product exporter since August 2009. India is a net exporter of petroleum products and imported 189.43 million tonnes (mt) of crude oil in 2014-15. It exported 16.05 mt of petrol, 2.55 mt of diesel and other products such as jet fuel, lubricants and naphtha.

The move, which oil minister Dharmendra Pradhan said in a 16 June interview would improve the profitability of Indian refiners, comes at a time when IOC plans to fully operationalize its 15 million tonne per annum (mtpa) Paradip refinery. Built at a cost

of Rs.34,555 crore, this is among the most advanced refineries in the world and can process heavy crude oil with a high sulphur content.

3. Auto component sector to grow 8-10% in current fiscal: ACMA

Source: **Business Standard** ([Link](#))

Banking on revival of commercial vehicle segment, the auto component industry body ACMA expects the sector to grow by up to 10 per cent in the current fiscal. The industry, which is expected to touch USD 100 billion in turnover by 2020, grew by 11 per cent to Rs 2.34 lakh crore (USD 38.5 billion) in the 2014-15 financial year.

"We expect the commercial vehicle segment to grow in the range of 8 per cent this fiscal. With the growth coming back in this vertical we expect auto component industry to grow by 8-10 per in current financial year," Automotive Component Manufacturers Association (ACMA) President Ramesh Suri told reporters.

4. StayWell to invest over Rs 158 crore in hospitality business in 5 years: Simon Wan, CEO

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

Australia-based StayWell Hospitality Group will invest up to \$25 million (Rs. 158 crore) in the Indian hospitality business over the next five years, according to its managing director and CEO, Simon Wan. The group, which has two properties in Jaipur and Gurgaon under management contract, plans to grow its India business to 50 hotels by 2020, both through acquisitions and management contract. Stay-Well owns the brands Leisure Inn and Park Regis.

"India is one of the major economies and the most important market which will drive growth in the next 10-20 years, as it has the largest youth population in the world under 30 years," Wan told ET, adding that the group is open to investing in hotel projects, apart from growing through management contracts.

5. US based Blumberg Grain plans to invest \$250 million in India

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

US-based food storage technology provider Blumberg Grain is planning to enter the Indian market by investing about \$250 million over next five years for setting up plant to manufacture components for scientific warehouses.

Senior officials of Blumberg Grain, a division of global investment firm Blumberg Capital Partners, are currently visiting India to scout for land to establish manufacturing facility and also explore markets to sell its products.

It is keen to work with state governments and the private sector to upgrade agricultural supply chain in India through the creation of modern food storage and warehousing systems. *"We want to be part of Indian agriculture story. There is lot of opportunity because of post-harvest losses,"* said Blumberg Grain-West Africa CEO David Blumberg.

6. ComMin takes steps to boost pharma exports; sets up committee

Source: **Business Standard** ([Link](#))

Government has taken several measures, including setting up of an inter-departmental committee to look into export-related issues and awareness programmes in emerging markets like Africa, to boost pharmaceutical exports. Pharmaceutical sector has huge potential in terms of increasing exports, the Commerce Ministry is taking many measures to boost overseas shipments, a ministry official said.

The official said an inter-ministerial committee to resolve export-related issues has been set up. Besides, the ministry has prepared a 'guidance document on pharma procurement' to help authorities in Africa, Latin America and South Asia in their purchasing programmes.

7. Digital India: Focus on bringing Indic content, SMEs online in India says Google

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

Engaged in various initiatives under the government's 'Digital India' campaign, global tech giant Google is focusing on key areas like bringing more Indic language content online and helping 20 million small and medium enterprises set up Internet presence by 2017. Though India is now the second-largest Internet market in the world, there is still a great deal of work to be done, Google VP and Managing Director, South East Asia and India, Rajan Anandan told PTI.

By Harsha Hazarika