

Daily Economic News Summary: 11 September 2015

1. Tamil Nadu signs pacts for more than Rs 2 trillion

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

Salvaging its reputation as an investment destination, the Tamil Nadu government signed investment agreements amounting to more than Rs.2 trillion during a two-day Global Investors Meet that ended on Thursday. The state, which makes three cars a minute, has set an ambitious target to become the world's largest car manufacturing hub. *"I repeat with pride, the total amount of investments that have been finalized during the investors' meet is an unprecedented Rs.2,42,160 crore,"* chief minister J. Jayalalithaa told the valedictory event of the investors' meet in Chennai.

This was twice the investment targeted for the first edition of the event. A total of 98 memoranda of understanding were signed. Companies such as SunEdison Inc., HCL Technologies Ltd, Cognizant Technology Solutions, ITC Ltd, Adani group, MRF Ltd and Delta India Electronics were among the signatories. *"This exceeds the cumulative investment attracted by Tamil Nadu over a 20-year period from 1991 to 2011,"* Jayalalithaa said.

2. Indigo posts record profit in fiscal year 2015

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

InterGlobe Aviation Ltd, owner of India's biggest airline IndiGo, on Thursday reported a record net profit of Rs.1,304 crore for the year ended 31 March—a fourfold jump over the previous year—as it benefited from higher passenger traffic and lower jet fuel costs ahead of a planned initial share sale. The airline company—which returned a net profit of Rs.317 crore in 2013-14—notched up the increase on a 25% rise in revenue to Rs.14,320 crore from Rs.11,447 crore. Profit before tax was Rs.1,847 crore in the year, the company said in a submission to the Directorate General of Civil Aviation (DGCA), the aviation regulator.

IndiGo, which in July applied for regulatory approval to sell shares in a Rs.2,500 crore initial public offering (IPO), has been consistently profitable since 2009, a feat unrivalled in India's airline industry, which is weighed down by heavy debt and accumulated losses. IndiGo, which had a 33.8% share of domestic passenger traffic in the year ended 31 March, reported a net margin of 9.4%, according to the submission to DGCA. The airline currently operates a fleet of 97 planes and offers 648 flights a day.

3. 17,000 acres of forest land in West Godavari would be denotified to develop industries in that district.

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

Chief Minister Chandrababu Naidu said that 17,000 acres of forest land in West Godavari would be denotified to develop industries in that district. The Andhra Pradesh Government has already been lobbying the Centre to denotify 84,267.88 acres of forest land, that is, 60 per cent of the forest blocks, for development of the capital region. In addition, the State Wildlife Board has recently sent a resolution to the National Wildlife Board asking to reduce the size of the Kolleru Wildlife Sanctuary, which would free up 34,464 acres for development.

4. Growth slows, but car sales rise for 10th month

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

Car sales in India rose for the 10th month in a row in August, but the pace of growth slowed sharply to 6% year-on-year, reflecting volatility in demand in an economy that's experiencing a fragile and uneven recovery. Indian car makers sold 163,093 units last month, up from 153,781 units in August last year, according to data released by the industry body Society of Indian Automobile Manufacturers (Siam).

In July, sales of passenger cars rose 17.5% to 162,022 units, the rapid pace of growth seemingly buttressing signs of a turnaround in consumer sentiment as inflation slowed and rising optimism about job prospects prompted urban residents to spend more. Sales of passenger vehicle, including cars, utility vehicles and vans, grew 3.99% to 222,476. In the year to date, sales have grown 6.74% to 1.09 million units.

5. Saudi Aramco to open office in India for crude sales

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

The world's top oil exporter Saudi Aramco will open an office in India by the end of this year to help boost its crude sales in the world's fourth largest oil consuming nation, sources with knowledge of the matter said. India is one of the biggest markets for Saudi oil. In fact, Saudi Arabia has been the top supplier to the South Asian nation for the past 14 years starting April 2001, according to the government data.

Saudi Arabia's share in India's crude intake has, however, dropped to about 18.5 per cent in the year to March 2015 from about a quarter a decade ago, while India's refinery capacity has doubled to about 4.6 million barrels per day in the period. *"With the new office, Aramco will integrate its existing operations in India run through Aramco Overseas with the crude sales business,"* said one of the sources, adding that India was a bright spot in an otherwise sluggish global oil sector as fuel demand in the country was rising contrary to other regions.

6. LME eyes India to help boost trading and may expand into gold

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

The London Metal Exchange is looking to India to help boost slower trading volume and said it's also considering expanding into gold, silver and iron ore contracts. The world's biggest metals bourse is meeting regulators, traders and exchanges in India this week to give guidance on the metals market and talk about areas it needs to work on, chief executive officer Garry Jones said. *"We see tremendous potential,"* Jones told reporters on Thursday in Mumbai. *"In India, base metal demand continues to grow."*

By Harsha Hazarika

