

Daily Economic News Summary: 14 December 2015

1. India-Af-Pak gas pipeline gets a start

Source: **Times of India** ([Link](#))

Vice President Hamid Ansari, Pakistan PM Nawaz Sharif and leaders from Turkmenistan and Afghanistan broke the ground for the ambitious \$7.6 billion TAPI pipeline project which will provide energy-hungry India gas to run its power plants. “We must recognize the forces of violence can no longer be allowed to threaten the quest for economic development and security of our people”, Ansari, who flew down to Mary, 311 km from the capital Ashgabat, which was part of the old Silk Route, said. The 1800 KM pipeline can carry 90 million standard cubic metres of gas a day for a 30 year period. India and Pakistan will get 38 mmscmd each.

2. 10k-Mw clean energy projects for sale

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

The government's plan to attract investment in renewable energy seems to be headed for a success with old ventures - around 10,000 Mw solar and wind projects - scouting for fresh funding of up to \$3 billion. Close to a dozen companies are looking for fresh funding, preferably equity in projects that are either under construction or have been constructed. The companies are hopeful of enticing interest of global private equity firms.

Consolidation is likely to hit the sector with projects awarded under the first phase of the National Solar Mission in 2010-2012 seeing change of ownership, said market experts. Most small wind power players have also put their projects on sale. With the government aiming to add 175,000 Mw capacity by 2022, there is renewed interest in the clean energy market. According to sources, solar players on the block are Greenko, SunEdison, Sky Power, Reliance CleanGen, NSL Power, Tata Power Renewable, Azure Power, IL&FS, etc. Similarly, wind power projects hoping for equity are Inox Wind, Orient Green Power, ReNew Power and others.

Companies are scouting for funds to acquire or win more projects as there is a dearth of capital in the market. *"In the next 12 to 18 months, the industry is expecting close to 10,000 Mw of renewable power projects to be constructed. Fresh projects, especially solar, are already lined up during the same period. With rates going down, major players hope to be financially prepared,"* said an executive of a top financial consultancy.

3. Infosys plans to invest in Silicon Valley fund to track innovative startups

Source: **Times of India** ([Link](#))

Infosys is taking yet another major step to engage with innovative startups. The \$9-billion IT firm is planning to partner with Silicon Valley's storied venture capital firm 500 Startups by investing in one of its funds. The Dave McClure-backed VC fund, with over \$200 million in assets under management, is floating its fourth global flagship fund, Fund IV, and sources said Infosys is in advanced talks to invest in it. An email to 500 Startups remained unanswered, while Infosys said it doesn't comment on speculation.

500 Startups' current portfolio includes US financial management platform Credit Karma, San Francisco-based cloud communication company Twilio and South East Asia's taxi-hailing app GrabTaxi. It has seen some good exits. Its portfolio firms, 3D printing company Makerbot Industries and social media marketing company Wildfire were acquired by Stratasys for \$400 million and Google for \$300 million, respectively.

4. India Inc's M&A deals at \$31 Bn in Jan-Nov: Grant Thornton

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

Corporate India signed merger and acquisition (M&A) deals worth \$31.16 billion in the first eleven months of this year, while transactions in November were valued at \$3 billion, says a Grant Thornton report. According to the assurance, tax and advisory firm, the January-November deal tally remained subdued with transactions worth \$31.16 billion this year, while in the corresponding period last year it stood at \$34.62 billion.

There were 47 M&A transactions worth \$2.97 billion in November this year, witnessing a massive plunge of 58 per cent over the corresponding period last year, when deals worth \$7.11 billion were announced. The deal momentum is likely to see an uptrend in the coming months on account of easing inflationary pressures and good growth numbers. *"With inflation in control and GDP growth being revised to now end higher than anticipated, all necessary ingredients seem to be in place, for growth in deal activity as well,"* Grant Thornton India LLP Partner Prashant Mehra said. *"The recent FDI norms and the much awaited GST will perhaps be a game changer and will further accelerate the deal activity from an inbound investment, domestic M&A and PE perspective,"* Mehra said.

5. Packaged food market to touch \$50 BN by 2017: Study

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

Country's packaged food market is set to witness a quantum jump to \$50 billion by 2017 from \$32 billion at present due to increasing popularity of ready-to-eat items, says a survey. *"There has been a major shift in food habits in the metropolitan cities. About 79 per cent of households prefer to have instant food due to steep rise in dual income level, standard of living and convenience,"* said a survey by industry body Assocham. The poll highlighted that 76 per cent parents, mostly both working, with children under five-years in the big cities, are serving easy-to-prepare meals at least 10-12 times per month in some form or the other. *"The consumption of packaged food is much higher in the urban areas, especially metros, where life is fast-paced, attracting lot more companies to launch new types of products and variants,"* Assocham Secretary General D S Rawat said.

The paper also pointed out that there is a large divide between urban, semi-urban and rural consumers. Urban areas account for 80 per cent of the demand for all packaged food. The survey noted that about 76 per cent nuclear families feel they have less time to spend in the kitchen, while nearly 79 per cent bachelors prefer convenience food. It is in this background that home delivery business model for cooked food has grown multi-fold, it said. The main categories of packaged food are bakery products, canned/dried processed food, frozen processed food, ready-to-eat meals, dairy products, diet snacks, processed meat, health products and drinks.

6. India optimistic about hiring plans for first quarter of 2016

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

India is among 42 countries that are most optimistic about hiring plans for the first three months of 2016 with multiple sectors expected to drive recruitment activities, says a survey. The quarterly Manpower Employment Outlook Survey released today said Indian employers expect the vigorous hiring pace to continue during the January-March period. India's net employment outlook for the first quarter of 2016 stood at 42 per cent, the highest among 42 nations that were surveyed. *"Hiring intentions remain optimistic for the upcoming quarter and outlook remain positive in all sectors and regions,"* Manpower said, adding that employers from the northern and western region report strongest job prospects for the quarter ahead.

The findings are based on a survey of 5,065 employers across the country. *"As the Indian economy keeps up its escalating growth trajectory, the job market also looks very positive,"* A. G. Rao, Group Managing Director at ManpowerGroup India, said. *"Employer hiring intentions*

remain positive, primarily driven by transportation and utilities, wholesale and retail trade, finance, insurance and real estate and public administration and education sectors,” he noted.

According to him, Indian market continues to grow, with strong confidence bolstered by high levels of investment. When it comes to hiring outlook for the next three months, India is followed by Taiwan (29 per cent), Japan (23 per cent), Turkey (19 per cent) and United States (17 per cent). Globally, Manpower Group interviewed more than 58,000 employers spread across 42 countries and territories.

By Harsha Hazarika