

## Daily Economic News Summary: 14 January 2016

### 1. Chinese mobile players see big opportunity in India

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

Chinese mobile phone and component makers firms are likely to invest \$2-3 billion over the next two years in India, said Pankaj Mohindroo, chairman of the fast track task force (FTTF) set up by the government to build an ecosystem for handset manufacturing in India. FTTF was formed by the department of electronics and information technology under Mohindroo, who is president of industry lobby Indian Cellular Association, in 2014. It is aiming at production of 500 million mobile phones and employment for about 1.5 million by 2019.

At the first China-India Mobile Phone and Component Manufacturing Summit organized by the mobile phone industry body in association with Smart World (Shoujibao), a Chinese mobile industry service platform, some 100 representatives from about 80 Chinese mobile phone and component companies took part. The companies such as Techno, Gionee, Coolpad, Holitech, Wingtech, Camera King, Galaxy Core, Poxiao, Vivo and Sprocomm showed their interest in tapping the existing and emerging opportunities in the smartphone industry in India. Following Prime Minister Narendra Modi's visit to China in May last year, industry bodies in India and China had been in talks for creating a platform to strengthen cooperation to promote mobile manufacturing and create a component ecosystem in India. This is crucial for Chinese mobile companies as India has become one of their key markets at a time when their own market is reaching saturation. By 2017, India is expected to overtake the US to be the second largest smartphone market globally, according to research firm IDC.

### 2. Shipping Ministry will float tenders to develop three major ports: Nitin Gadkari

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

He added that to reduce the cost of logistics in transport of cargo and increase waterways transport, India will also have to upgrade its ports to increase passenger and cargo traffic through waterways. *"The government is working on modernization, mechanization and computerization of the entire port sector to make it competitive and competent to cater to the demands of modern economy,"* Gadkari said. He pointed out that for the first time in the history of independent India, all 12 major ports and three government-owned organizations—Shipping Corporation of India Ltd (SCI), Dredging Corporation of India Ltd (DCI), and Cochin Shipyard Ltd—had registered a cumulative net profit of Rs.6,000 crore. This profit, he said, will be invested in modernization and mechanization of ports.

Gadkari said he had also asked the finance department of the shipping ministry to buy the most modern equipment for deployment in ports and make India's coastal shipping development- and employment-oriented and efficient. An international consultant commissioned by the government to suggest improvements in the port sector had made around 120 suggestions of which the government was already implementing 28, he said. The government had also hired McKinsey & Co. to study the 12 major ports, SCI, DCI and Cochin Shipyard; the report is likely to be submitted in about a month, Gadkari said. The minister made a strong pitch for the private sectors to consider tying up with the government through a public-private partnership (PPP) in the coastal shipping sector.

### **3. Wind energy companies grab solar contracts in India's auctions**

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

Two wind energy companies in India have bagged solar projects worth a more than a quarter of the total capacity on offer from the country's largest auction to date. Wind power producer Mytrah Energy Ltd. won a contract for 327 megawatts of solar capacity in the southern state of Telangana, which issued a tender in April 2015 for as much as 2,000 megawatts. Suzlon Energy Ltd., the nation's biggest wind turbine maker, won its first ever solar contract with a successful bid for 210 megawatts in Telangana.

The efforts of India's wind companies to diversify reflects Prime Minister Narendra Modi's ambition to install 100 gigawatts of solar power across India by 2022 at an estimated cost of \$100 billion. Current solar capacity in the country is just over 4 gigawatts. "We are also working on integrated renewable energy solutions by combining wind and solar projects at a single location," Suzlon Group's chairman Tulsi Tanti said in the statement. Mytrah will sign power purchase agreements with the state power utility Southern Power Distribution Co. of Telangana Ltd. by the middle of next month.

### **4. Saint-Gobain to invest Rs 1000 crore in Chennai facility**

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

Glass maker Saint-Gobain Glass India Ltd will invest Rs.1,000 crore to set up a new float glass unit and a coating unit at its Sriperumbudur facility near Chennai. "*We are seeing traction in value-added glasses in tier II cities – Trichy, Salem, Tirupur and Erode -- compared with the saturated metros Chennai, Hyderabad and Delhi,*" said B. Santhanam, president and managing director – flat glass (South Asia, Malaysia and Egypt), at the company. The new float glass unit will be the third one in its Sriperumbudur facility and the largest in India. The new facilities will

raise the production of glass to 2,500 tonnes from 1,500 tonnes a day. These facilities are expected to be completed in 24 to 27 months and go on stream by early 2018.

## **5. Foxconn plans to make India hub for Africa, West Asia**

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

Taiwanese electronics major Foxconn intends to make India a key global manufacturing hub for servicing markets across Africa and West Asia, which may result in an inflow of billions of dollars. Foxconn, which has already started making phones and televisions in India as part of its contract manufacturing business, intends to widen the engagement with the market. *"The idea is to boost manufacturing, employment and investments in India,"* Foxconn India country head & MD Josh Foulger told TOI.

The world's largest electronics major is making products for companies such as Sony, Xiaomi, Gionee and Microsoft at its India units and has plans to grow the number of locations where it is present. Currently, it has operations at Sri City in Andhra Pradesh, Sriperumbudur in Tamil Nadu and Navi Mumbai in Maharashtra. Foxconn chairman Terry Gou had last year committed a \$5-billion investment in Maharashtra, and Foulger said the operations would be expanded further. *"We intend to have a pan-India footprint in order to best support the Indian market,"* he said.

Exports will become a key strategy for the company as it builds scale. *"It makes business sense. This is an industry of scale and China has become competitive due to the large exports from the country."* Africa and West Asia can be serviced from India. *"These are huge markets and are logistically cheaper than supplying from China,"* Foulger said.

## **6. Under-Armour, US No.2 sportswear brand, to enter India**

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

In what may accelerate competition for Adidas and Nike, Under Armour, the second largest sportswear brand in America, is planning to enter India. A relatively new entrant in the category, Baltimore-based Under Armour created a major upset when it overtook German sporting goods maker Adidas in the US, the world's largest sportswear market in 2014.

## 7. Boost for India's quest for tapping ocean energy sources

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

The Union Cabinet today gave the nod for India becoming a member country of International Energy Agency - Ocean Energy Systems (IEA-OES), a move that will give access to advanced R&D teams and technologies across the world and help tap ocean renewable energy resources. As per the decision of the meeting of the cabinet chaired by Prime Minister Narendra Modi, the nodal agency for the membership by signing the Implementing Agreement (IA) would be Earth System Science Organisation - National Institute of Ocean Technology (ESSO-NIOT) under the Ministry of Earth Sciences. This initiative will help in advance research, development and demonstration of technologies to harness energy from all forms of ocean renewable resources, as well as for other uses, such as desalination *through "international cooperation and information exchange"*. By becoming a member of IEA-OES, India will have access to advanced R&D teams and technologies across the world. India will partner in developing test protocols along with other countries, an official statement said.

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**By Harsha Hazarika**