

Daily Economic Newsletter: 16 December 2015

1. India seeks fair price as OPEC sees oil price rebound ahead

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

India on Monday sought a "reasonable and responsible" pricing from Opec, even as the cartel of oil exporting countries said crude's prices could rebound from their current 11-year lows in less than a year. Initiating the first institutional dialogue with Opec, oil minister Dharmendra Pradhan sought a more "participative partnership" to move beyond the traditional buyer-seller relationship. *"About 85% of our total oil and 95% of gas imports come from Opec nations. Opec has a major role in shaping oil prices and availability,"* he told reporters after presenting India's perspective on the oil market to Opec secretary-general Abdullah al-Badri under the India-OPEC Dialogue.

India is the fourth largest oil consumer in the world, guzzling nearly 3.8 million barrels per day, accounting for a 4.3% of the world's daily consumption. Its oil demand is growing at a healthy 7% as the economy races to achieve a 6-7% GDP growth rate. Opec feeds 40% of the world's daily thirst for oil, estimated at 9.8 million barrels per day.

2. Centre gets 85 smart city proposals

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

The Ministry of Urban Development on Tuesday said that it has received 85 out of 98 smart city proposals, almost meeting its target of getting 86 proposals, as Tamil Nadu has sought more time to submit 12 proposals on account of floods. "While 17 proposals were submitted yesterday, 68 proposals were received in the Ministry on Tuesday, the last day for submission," an official statement said, adding that *"Telangana Government has sought to replace Hyderabad in the smart city mission by another city, to be communicated later"*.

A senior official in the Ministry told BusinessLine that Telangana wants to now nominate Karimnagar in the second round of the challenge as the State feels that Hyderabad already has good infrastructure. *"It is expected that total investment proposed by the 85 cities which have submitted proposals would be about ₹2.50 lakh crore,"* the statement added. On the receipt of all proposals, the second stage of 'City Challenge Competition' will commence. Three teams will judge each city proposal separately. Each team will include an urban planning expert as well as another economic expert. The average of marks given by the three teams separately will be used for ranking top 20 cities. Winners are expected to be announced next month.

3. World Bank approves \$1.5 billion to support Swachh Bharat Abhiyan

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

The World Bank has approved a USD 1.5 billion loan for the ambitious clean India campaign to support the government in its efforts to ensure all citizens in rural areas have access to improved sanitation and end the practice of open defecation by 2019. As per World Bank statistics, of the 2.4 billion people who lack access to improved sanitation globally, more than 750 million live in India, with 80 per cent living in rural areas. More than 500 million of the rural population in India continue to defecate in the open, suffering from preventable deaths, illness, stunting, harassment and economic losses.

The loan will be used for Swachh Bharat Mission (SBM) Support Operation Project. *"One in every ten deaths in India is linked to poor sanitation. And studies show that low-income households bear the maximum brunt of poor sanitation,"* said Onno Ruhl, World Bank Country Director for India. *"This project, aimed at strengthening the implementation of the Swachh Bharat initiative of the government, will result in significant health benefits for the poor and vulnerable, especially those living in rural areas,"* he said.

4. States receive Rs 1396 crore from coal mines auction, allotment

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

A little over Rs 1,395 crore has been transferred to the coal-bearing states including Odisha, West Bengal and Jharkhand for coal blocks that were both auctioned and allotted during the year. *"So far, Rs 1,395.69 crore has been transferred to the states as upfront payment and monthly charges,"* a source said. Jharkhand is the biggest beneficiary with an amount of Rs 453.32, followed by Chhattisgarh at Rs 411.89 crore and West Bengal Rs 215.62 crore, the source added. The other states that received the money are Odisha (Rs 105.17 crore), Madhya Pradesh (Rs 158.68), Maharashtra (Rs 41.52 crore).

5. Good times for flyers: Tariff regulator orders a steep 93% cut in Delhi airport charges

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

Fliers at the Indira Gandhi International Airport (IGIA) here may not have to shell out a heavy fee from next year with tariff regulator AERA ordering a steep 93 per cent reduction in airport charges. However, the reduced charges will not be implemented till appeals on the earlier rate order are settled by the Airports Economic Regulatory Authority Appellate Tribunal (AERAAT), it said.

According to Airports Economic Regulatory Authority, the new charges will be applicable from January 2016 to March 2019 once the appeal gets disposed by AERAAT. Significantly, Delhi International Airport Limited (DIAL), the joint venture company which operates IGIA, had sought 42.6 per cent hike in airport charges. According to AERA, while no user development (UDF) fee will be charged from both domestic and international arriving passengers, a UDF of Rs 10 and Rs 45 will be charged from departing domestic and international passengers.

6. India will be good for Mahou next gen

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

Spanish beer giant Mahou SA is eyeing a potential launch of San Miguel beer to boost its presence in the Indian market. Mahou, which owns the trademark in Europe has had early discussions with San Miguel Corporation (SMC) of Philippines in this regard. The Manila based food and beverage gaint holds the rights for San Miguel in India. Mahou had acquired San Miguel Fabricas de Cerveza SA as a part of a consolidation move to create the largest brewing group in Spain. Mahou entered India three years ago through a joint venture with Arian Breweries in Rajasthan, and later took full control of the company, making a significant step in its international expansion.

Mahour managing director Alberto Rodriguez Toquero said the company and SMC have discussed possibilities of working together to make San Miguel a bigger international brand. These discussions have covered possible cooperation in India, where Mahou operates its first international subsidiary.

By Harsha Hazarika

