

Daily Economic News Summary: 16 June 2015

1. India, neighbors sign pact to boost road links, trade

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

Bangladesh, Bhutan, India and Nepal on Monday signed a pact to boost road linkages and trade that is expected to be implemented by the end of this year.

The pact, signed by transport ministers of the four countries, comes almost seven months after eight South Asian Nations failed to conclude a similar agreement due to resistance from Pakistan. It seeks to open up vehicular traffic in order to give impetus to trade and sub-regional cooperation—a key element of Prime Minister Narendra Modi's neighborhood policy.

The Bangladesh-Bhutan-India-Nepal pact was proposed after the South Asian Association for Regional Cooperation (Saarc), which also includes Afghanistan, the Maldives, Pakistan and Sri Lanka, failed to conclude a motor vehicles agreement along with an agreement on regional railways when leaders of the eight nations met in Thimphu in November.

2. Softly, India's influence rises in crude oil

Source: **Reuters** ([Link](#))

Almost unnoticed, India is starting to exercise increasing influence on crude oil markets in Asia. The South Asian nation has doubled imports to almost 4 million barrels per day (bpd) in the past decade, in the process overtaking Japan, Germany and South Korea to become the world's third-biggest importer behind China and the United States.

Its importance to the outlook for crude oil over the next decade becomes even more apparent in the light of slowing demand growth in China, the likelihood of at best steady consumption in much of the developed world and declining demand in Japan.

Two recent events underscored the importance that India is assuming in Asian crude oil markets: the visit by a senior official of Saudi Arabia's state oil giant and talks between Indian refiners and Iraq over filling strategic storage. The main news from the visit of Ahmed Al-Subaey, Saudi Aramco's executive director for marketing, to New Delhi last week was that the kingdom is ready to boost output in coming months to meet rising global demand.

3. OIS group signs defence “Make In India” JVs with French firms

Source: **Money Control** ([Link](#))

Joining the government's Make in India programme, home-grown OIS Aerospace group on Monday announced two joint ventures - with Rafaut and LH Aviation of France - for manufacturing advanced weapons-to-aircraft interface devices and multi-sensor tactical UAVs.

The first JV with Rafaut, a major supplier of weapons-to-aircraft interface systems in Europe, will make 'pile-ons' for the fighter aircrafts to carry the weapons, besides conducting further research and developments to make the product more advanced and suitable as per the requirements in India. The second JV with LH Aviation, a French aircraft manufacture, will set up a separate manufacturing plant in India for multi-sensor tactical UAV fighter aircraft that can fly up to 24 hours.

4. Ease of doing business: DIPP initiates extensive survey in States

Source: **Pioneer** ([Link](#))

The Commerce and Industry Ministry has initiated an extensive survey on ‘ease of doing business’ in states with an objective to improving the business climate of the country. The Department of Industrial Policy and Promotion (DIPP) has circulated a set of 285 questions to all the states in this regard. The key objectives of the survey are to assess the implementation of various factors enabling ease of doing business in a state and to do a comparative study of states with regards to the implementation status. *“In order to enhance the ease of doing business in various states, the DIPP has initiated a study to assess states on reform parameters that are germane to ease of doing business,”* it said.

It added that the DIPP has also circulated a document with recommendations for states on aspects critical to enabling ease of doing business. The document highlights good practices in various areas that need to be institutionalized by states to improve their investment eco-system. *“A study is now being carried out to assess the implementation of the recommendations by the states,”* it said.

5. Mahindra plans to supply Airbus, Boeing parts from India plant

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

Mahindra Group, owner of India's biggest sport-utility vehicle maker, plans to sell airplane parts to Boeing Co. and other manufacturers after striking a supply agreement with Airbus Group SE.

The establishment of the plant near Bengaluru is a "giant leap" for India's aspirations in the aerospace market and the Airbus contract is just the "tip of the iceberg," Anand Mahindra, chairman of the Mumbai-based group, said in an interview with Bloomberg Television's Erik Schatzker and Olivia Sterns from the Paris Air Show.

Mahindra plans to supply more than a million parts a year to Airbus under the contract and will start deliveries later this year, the Indian company said. Prime Minister Narendra Modi, championing his Make in India campaign, wants to fuel more manufacturing activity in his country and held talks with US defence Secretary Ashton Carter earlier this month to encourage the production of more US military hardware there.

6. India significant player in Adobe's transformation journey

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

Umang Bedi, managing director, South Asia, Adobe Systems India, wants, in the next two to three years, to make India the company's largest market for enterprises business, lead by its digital marketing focus.

Asia Pacific now contributes 16 per cent to the global revenue and is the fastest growing region for Adobe. Of this, India has the second largest business on the enterprise side and the largest on the SME side. Globally, the SME business is among the fifth and sixth positions for Adobe.

By Harsha Hazarika