

Daily Economic News Summary: 17 December 2015

1. India tops Google's search for next market

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

Pichai is visiting India for the first time since taking over as the CEO of the company that is currently valued at \$260 billion. Pichai's visit comes at a time when his home country is becoming central to Google's future business and strategy. India generates second highest traffic on Google search after the US. By early 2016, it is likely to overtake America on the number of active Android devices in use. Pichai was the head of Android before he became the CEO of Google. India is also the country with fastest adoption of Chrome web browser, another product overseen by Pichai. Pichai sees India taking a lead in developing products for the world. *"What we make in India, eventually reaches a global scale. And given that India is at the cutting edge of mobile revolution, we think what we build in India will work in many, many places,"* he said. YouTube Offline and Map Maker are two examples of made in India Google products that have gone global.

2. India to build sea bridge, tunnel to connect Sri Lanka at a cost of Rs 24,000 crore: Nitin Gadkari

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

Keen on promoting connectivity in the South Asian region, India is set to build a sea-bridge and tunnel connecting Sri Lanka while a pact has been inked with Bangladesh, Bhutan and Nepal for seamless flow of traffic and passenger vehicles, Union Minister Nitin Gadkari said today. *"The Asian Development Bank is ready to fully finance a bridge building project connecting Rameshwaram to Sri Lanka. The project was also discussed by Prime Minister Narendra Modi with his counterpart during the latter's recent visit,"* Road Transport and Highways Minister Nitin Gadkari said in a suo motu statement in the Lok Sabha.

The India-Sri Lanka connectivity project cost is pegged at about Rs 24,000 crore. *"The Government, right from the day it assumed office, has been focussed on enhancing regional cooperation. Subsequent to PM's announcement of 'Act East policy', India pro-actively engaged in building effective and credible links between South Asia and South East Asia through enhanced regional connectivity,"* he said. A major milestone was the signing of the Bangladesh Bhutan India Nepal (BBIN) Motor Vehicles Agreement (MVA) in Thimphu to facilitate seamless movement of passenger and cargo vehicles in the region, he said.

3. Do not sideline Doha agreement: India to WTO

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

Commerce Minister Nirmala Sitharaman on Wednesday told the World Trade Organization (WTO) that development issues agreed at Doha could not be brushed aside. Addressing the plenary session of the 10th WTO ministerial conference in Nairobi, Sitharaman said the Doha Development Agenda (DDA) should be respected and advised the trade body to move towards a more equitable international trade structure before taking up new issues.

She also pulled up rich countries for failing to reduce massive agricultural subsidisation in their own countries while demanding subsidy cuts in developing economies, especially India. Sitharaman had earlier referred to the slow progress on the DDA, adopted during the fourth ministerial conference in Doha in 2001, as frustrating for developing countries. In her address to trade ministers from 160 countries on the second day of the conference, she said sudden focus on newer issues of limited consensus like export competition by the US-led developed bloc was baffling. "The manner and haste with which important negotiating meetings are being convened does not inspire confidence," she added. She also brought up the issue of agriculture, which is dominating the ongoing conference owing to a schism between the developed and developing blocs over special safeguards and public stockholding of food.

4. India-EU FTA talks resume in January, summit in first half of 2016

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

India and the European Union will hold their long-pending summit in the first half of next year and resume negotiations on a free trade agreement in January to bring relations back on track. Newly-appointed ambassador of European Union Tomasz Kozlowski said the issue of European Union restricting sale of around 700 generic drugs clinically tested by India's GVK Biosciences does not stand anymore and both are now set to open a "new page" in their ties. FTA talks between the two sides will be held in Delhi mid-January. Official sources hinted that the "stock taking" FTA talks will be held on January 18. *"The summit meeting will be held in first half of 2016. We are now working on mutually convenient dates for the summit,"* he told reporters while describing India an engine of growth of the global economy.

5. India and Iran trying to seal Chabahar port deal by January

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

India and Iran are trying to iron out irritants and conclude contract by January for the expansion project of the strategically located Chabahar Port after over six months Shipping Minister Nitin Gadkari had concluded MoU on the project - proposed gateway to landlocked Afghanistan. Official of both sides are negotiating terms of the contract with a hope to conclude the document by next month for an Indian investment of \$ 85 million to construct two berths at the Chabahar port. The MoU for much delayed Indian investment to expand Chabahar port was signed last May when Road Transport, Highways and Shipping Minister Nitin Gadkari visited Tehran weeks before Iran's landmark nuclear deal with the Western powers.

An Indian team was in Tehran this week to discuss contract of the project. Iran affairs experts point out that negotiations with Iran are less easier said than done. It is understood that the Chabahar contract is being negotiated clause by clause. Earlier differences developed after Iranian port authorities told India that the port building contract had been awarded to an Iranian company Aria Badaner even after the MoU was signed with Delhi. Senior Iranian Ministers have sought to downplay the issue as local problem.

6. Malaysia's IHH open to hiking stake in Apollo Hospitals

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

Having identified India as a core market, Malaysia's IHH Healthcare Berhad, the world's second largest healthcare provider by market value (\$14 billion), which recently made two acquisitions in India this year, will look at opportunities for growth, and has a long-term horizon as it ramps up investments. IHH had acquired Global Hospitals and Continental Hospitals for \$282 million. Tan See Leng, MD and CEO of IHH, who is here to attend the board meeting of Global Hospitals after closing the \$230-million deal last week, told TOI in an interview that the company is "open" to increasing its strategic investment of 10.8% held in Apollo Hospitals Enterprise.

What's the strategy of IHH after the acquisition of a majority stake in Global Hospitals? IHH's biggest component is in tertiary segment and quaternary care, which is essentially high-intensity complex surgeries and organ transplants. For growth, we have identified two core markets - India and China, outside the key home markets of Singapore, Malaysia and Turkey. In our home markets, we occupy pole positions, no 1 or 2 positions. We have always been interested in India because of the population demographics, size of population, and migration of illnesses into chronic diseases, all of this is very attractive and favourable to us as we are really in that space. We have been in India for a decade through a 50-50 joint venture with Apollo

Hospital Enterprise, operating Apollo Gleneagles Hospital in Kolkata, and Apollo Gleneagles PET-CT Centre in Hyderabad, besides that we have a stake held in Apollo.

By Harsha Hazarika