

Daily Economic News Summary: 19 November 2015

1. Government ease norms for bilateral aid to promote Make in India

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

Government today eased the norms for bilateral Official Development Assistance (ODA) to enable the country access assistance from other countries, a move which will promote 'Make in India' campaign by obtaining new technology and boost infrastructure. Under the modified guidelines approved by the Union Cabinet, Finance Ministry and External Affairs Ministry, with the approval of the Prime Minister, can accept bilateral assistance from countries in addition to existing bilateral partners, including the US, the UK, Japan and Germany. "It is expected that by accepting offers of special loan for projects in infrastructure sector and in sectors of strategic importance on mutually agreed basis, the extensive capital requirement in these sectors will be fulfilled," an official statement said.

The decision is also expected to augment the funding of projects in infrastructure and sectors of strategic importance, it said. *"The scheme will promote 'Make in India' and wherever possible, transfer of technology making further innovations possible,"* it said, adding the scheme would promote economic activity, boost employment generation and infrastructure development. Under the existing norms, bilateral assistance can be accepted from bilateral partners like the US, the UK, Japan, Germany, France, Italy, Canada, Russia, European Commission and European Union members.

2. Africa proving to be favorable for Indian investment: Official

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

Africa is proving to be a favourable market for Indian investment, particularly with more participation from the private sector, a senior Indian official has said. Shailesh Nathan, Small and Medium Business Development Chamber of India's (SME) Regional Director (MENA) in a statement said that even though the figures may seem not so impressive from the mid 1990s until now, the growth rate of this investment segment is very high.

His statement comes following the Third India Africa Forum Summit (IAFS) held in New Delhi in October where Prime Minister Modi reiterated that his government's interest in Africa was driven by the aim of empowerment, capacity building, human resource development, access to Indian market, and support for Indian investments in Africa. *"The African market cannot be overlooked, he said adding that more and more private sector to private sector trade is happening even though the infrastructure may not be as good as when compared with China,"* Nathan said.

3. Lenovo aims \$6 bn revenue from India in next 3 years

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

Chinese tech major Lenovo on Wednesday said it has set a \$6-billion (Rs 40,000 crore) annual revenue target in the next three years and become one of the top 20 companies in India. At present, Lenovo's revenue from India operations stand at \$2.5 billion (Rs 16,000 crore). *"In the next three years, I have given a target to reach \$6 billion and to be among the top 20 companies in this country,"* Lenovo CEO Yuanqing Yang said here. *"I was here three years ago, I had challenged the India team to achieve \$800 million in revenue. This year, we will achieve \$2.5 billion in revenue. We will become top four of the 50 companies in the country,"* he said.

Yang, who also met Prime Minister Narendra Modi, said this was the perfect time to be in India. Yang, along with Lonovo India managing director Rahul Agarwal and Lenovo Asia Pacific chief operating officer and Lenovo India Chairman Amar Babu met Modi for about 40 minutes. Asked about his meeting with Modi, Yang said they had a very good conversation and he was encouraged by the Prime Minister's vision. *"I have committed to Prime Minister Narendra Modi about Lenovo's involvement in Digital India and Make-in-India campaign,"* Yang said. *"We talked about digitalisation of the country, promoting mobile phones, how to connect services with devices. Definitely, he is an expert in high tech areas. It's very encouraging,"* he added.

4. Google aggressively selling enterprise applications to India companies

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

Google is becoming more aggressive about selling its enterprise applications to corporates in India. The company on Wednesday launched an incentive programme to woo businesses to migrate from their legacy technology systems to Google's enterprise suite of products. Google is offering to pay the charges of Google Apps for businesses that are running on suites of other providers until their contract is over. The company will also chip in on some of the deployment costs and estimates that corporates could save up to 70% by switching to Google Apps for Work. The move seems to be sparked by the increased competition in the space which is dominated by Microsoft that recently set up data centres in India in order to grab a larger share of the Indian market.

5. Realty PE investments in 2015 highest in 7 years: Cushman & Wakefield

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

Indian real estate sector has witnessed private equity investments worth \$2.8 billion during the first nine months of 2015. This is the highest investment seen in the last seven years since the peak of 2008, showed a Cushman & Wakefield report. The investment is 84% higher as against corresponding period a year ago and 22% higher than entire 2014.

Private equity, pension and sovereign wealth funds are regaining confidence in India owing to strong indicators signaling a revival in the sector on the back of several initiatives by the central government. Total number of deals concluded in 2015 so far also increased to 61 as against 52 during the corresponding period a year ago. Furthermore, the average deal size also increased during the first three quarter of 2015 to Rs 300 crore as against an average deal size of Rs 190 crore during the same period a year ago. *"The year 2015 appears to be heralding a revival of the interests of private equity investors in real estate. Both domestic as well as foreign players have thrown in their hat and are betting big on the real estate story of India. There has also been a return of some blue chip investors who had withdrawn a few years back, re-entering the Indian real estate market with some direct investments. A number of Chinese investors have also been showing strong interest,"* said Sanjay Dutt, Managing Managing Director, India, Cushman & Wakefield.

6. Divestment, exports, infra get govt push

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

The Cabinet on Wednesday cleared the sale of a 10 per cent stake in Coal India, restored interest subvention for merchandise exports, directed compensation for stalled road projects, empowered the ministry concerned to clearroad projects up to a cap on costing and for the first time gave production subsidy directly to sugar farmers. The slew of measures would revive market sentiments, investments and economic growth. The government had also liberalised the foreign investment regime last week to boost the market.

The Cabinet also gave a nod to a marketing margin of Rs 150-200 per standard cubic metre charged by gas retailers like Reliance Industries and GAIL (India) for urea and liquefied petroleum gas plants. This was based on recommendations of the Petroleum and Natural Gas Regulatory Board. The government is expected to mop up Rs 20,000 crore from the Coal India disinvestment, power minister Piyush Goyal said at a press briefing. At current prices, the 10 per cent stake sale could fetch Rs 21,137.71 crore. Shares of Coal India, in which the government holds a 79.65 per cent stake, rose 0.83 per cent to Rs 334.95 on Wednesday.