

Daily Economic News Summary: 22 October 2015

1. India Russia plan to triple bilateral trade by 2025

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

India and Russia have discussed ways to boost their economic ties and triple their bilateral trade to US 30 billion in the next decade. External Affairs Minister Sushma Swaraj and Russia's Deputy Prime Minister Dmitry Rogozin, chairing the 21st India-Russia Inter-Governmental Consultations yesterday, also looked at ways to enhance the mutual direct investment to \$15 billion by 2025.

Both sides identified various sectors to achieve these commercial targets, agreed upon by Prime Minister Narendra Modi and Russian President Vladimir Putin during their summit meeting last year. Bilateral trade in 2014 amounted to \$9.51 billion, with Indian exports touching \$3.17 billion.

2. Cabinet approves India-Egypt maritime agreement

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

The Cabinet on Wednesday approved the signing of an agreement between India and Egypt on maritime transport in order to strengthen bilateral cooperation in terms of stimulating maritime traffic, information exchange and enhancing commercial flows and training.

“Recognising the significant mutual benefit that can be derived from-cooperation in the area of shipping between the two countries, it has been decided to sign the agreement with a view to strengthening cooperation and to render sustained mutual assistance and advice on merchant shipping and other related maritime matters,” said an official statement. The agreement will be signed on a “mutually convenient date and venue”, it added.

3. India driving Coca-Cola's frugal innovation

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

Coca-Cola, the world's largest beverage maker, is increasingly turning to its Indian unit for affordable solutions. Coca-Cola India had stepped up its innovation push to be future-ready, company president for India and South West Asia, Venkatesh Kini, said. Innovations taken to other markets included solar-powered coolers, affordable two-valve fountains and ice-boxes that chilled for hours despite power cuts, he added.

Coca-Cola's bottling arm Hindustan Coca-Cola was also contributing, he added, with mobile vending machines and splash bars serving 100-150 ml cups from 2-litre bottles. *"We are scaling up splash bars in India and these are being tested in other markets,"* Kini said. The Atlanta-headquartered beverage major is also counting on the Indian unit and its partners for production and packaging solutions. *"There is a little bit of India in what in the Coca-Cola universe is called the 'plant bottle',"* Kini explained. *"This bottle, used for packaging bottled water in 50-60 of Coca-Cola markets, has 30 per cent plant material. The material was developed by India Glycol in partnership with our global research team. India is rapidly becoming a centre for frugal innovation for the company worldwide,"* he said.

4. India to play catch-up with China at Africa trade summit

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

India will play catch-up with China in attempts to reach out to resource-rich Africa on Friday when it hosts ministers and senior officials from 30 out of 54 African countries during the fourth India-Africa trade ministers' meeting on Friday. India will push for early resumption of talks for proposed trade agreements with the Southern African Customs Union (SACU) and Common Market for Eastern and Southern Africa (COMESA) groupings, which have remained stalled for last three years. A government official speaking under condition of anonymity said while 26 trade ministers have confirmed participation, another four countries will be represented by trade ministry officials. The meeting will lay the ground for the India-Africa forum summit of heads of African governments on 26-30 October. The industry department will also host an India-Africa business council meeting on Friday.

India is also closely watching the tripartite free trade agreement (TFTA) signed among African countries in June for greater economic engagement. The official said trade ministers will also review the status of some of the institutions which were to be established, like the India Africa Institute of Foreign Trade in Uganda and the India Africa Diamond Institute in Botswana.

“The Indian Institute of Foreign Trade and Indian Diamond Institute will set up campuses in Africa to run training programmes for capacity building. India will partly finance the setting up the two institutions with an investment of around Rs.80 crore,” the official said. India and the African countries are also likely to commit to work together for substantial outcomes in the Nairobi ministerial of World Trade Organization members in December, keeping in mind the developmental agenda of the Doha round of negotiations. *“We will also discuss future possible collaborations. We need more clarity on the areas of cooperation which we hope will emerge from the meeting of the ministers,”* he added.

Both sides may announce they will start work on a joint roadmap of cooperation to harmonize standards and regulatory regimes. Africa is considered the next growth frontier and is already an important trade partner for India. Trade with Africa increased from \$39 billion in 2009-10 to \$71.4 billion in 2014-15, with exports rising faster than imports.

5. Kandla port set to hit 100 mt cargo level by end of fiscal year

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

Business at the government-owned Kandla Port is growing at a fast pace and on course to handle 100 million tonnes (mt) of cargo in 2015-16. In the first half of the current fiscal, the port loaded 50.38 mt of cargo and grew at a growth rate of 8.26%. *“We are 100% sure that we will handle 100 mt by March,”* a spokesman for the port, one of 12 ports controlled by the government, said. If it happens, Kandla will be the first government-owned port to reach the 100 mt cargo milestone. The shipping ministry has set a cargo handling target of 115 mt for Kandla for 2015-16. Between April and September 2014, Kandla loaded 46.539 mt of cargo and ended 2014-15 with a total cargo volume of 92.49 mt. India’s second largest port, the Adani Group-run Mundra, located 60km from Kandla in the Gulf of Kutch, is the only Indian port to load more than 100 mt in a year in 2013-14; it handled 111 mt of cargo in 2014-15.

For the last seven years, Kandla has been India’s biggest government-owned port in terms of cargo handled. The port started operations in 1957. Kandla’s volume growth during the September quarter has been led by robust thermal coal (used to fire power stations) and fertilizer shipments. The port handled 7.5 mt of thermal coal as against 4.5 mt a year ago. Finished fertilizer shipments touched 3 mt from 1.5 mt a year earlier. *“The total dry bulk cargo handled by Kandla crossed 20 mt during the first half, clocking a growth of 20% from a year ago,”* a spokesperson for the shipping ministry said. However, unlike Mundra, Kandla does not handle any container cargo.
