

## Daily Economic News Summary: 29 December 2015

### 1. Tehran invites Indian cos to help build port, free trade zone

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

Iran has suggested participation of India's public and private sectors in development of Chahbahar port, Chahbahar Free Trade Zone (FTZ) and in setting up industrial units in the FTZ, the government said on Monday. Foreign minister Sushma Swaraj and Iranian minister for economic affairs and finance Ali Taiebnia, who co-chaired the Joint Commission Meeting, reviewed the progress in trade and economic cooperation and a number of related matters. Swaraj mentioned in the meeting that India considers Iran an important partner and expressed satisfaction at the growing bilateral interaction in diverse areas. *"She underlined the efforts underway to enhance bilateral economic cooperation in energy, infrastructure - including shipping, ports and railways - and trade and commerce. She stressed that connectivity afforded by Indian participation in Chahbahar port will facilitate linking Afghanistan and Central Asia with India,"* the government said in a press release.

Swaraj emphasized the need for early completion of all necessary procedures for India's participation in Farzad-B field and pointed out India's desire to participate in other oil and gas explorations in Iran. *"The two ministers reviewed the progress in trade and economic cooperation and a number of related matters, and discussed the possibilities in cooperation in railways, including by supply of rails, rolling stock, signaling and other works, and India's participation in Chahbahar-Zahedan-Mashhad railway line,"* the release said.

### 2. India biggest exporter of doctors, nurses to Europe: Report

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

India has emerged as the largest exporter of doctors and nurses to European countries, a media report said on Monday. More than a third of National Health Service (NHS) doctors, some 35 per cent, in the UK alone were born abroad, the Organisation for Economic Cooperation and Development (OECD) said. *"India and the Philippines were the largest exporters of doctors and nurses to OECD countries, by a 'spectacular' margin,"* the Telegraph quoted the yet-to-be-published report as saying.

The UK is also among the most dependent on foreign nurses, the report said. In total, 21.7 per cent of nurses were born abroad, a sharp increase from a decade earlier when the figure was 15.2 per cent. Across the EU, only Luxembourg, Ireland and Estonia are more dependent on

nurses from overseas. The report also shows that the UK is the second highest exporter of medics, second only to Germany with 17,000 British doctors working abroad. 17,000 UK doctors now work in other European health systems, behind India, China and Germany. More than 50,000 British nurses now work in healthcare systems in the other OECD nations, behind only the Philippines and India. *"Overseas staff are a crucial part of the NHS team but they must have the relevant qualifications and good communication skills,"* a UK Department of Health spokesperson said. Earlier this year, the General Medical Council (GMC) found that new Indian doctors registering in Britain fell from 3,640 in 2004 to 340 in 2013. NHS figures show there has been a fall from 10,265 Indian doctors in 2009 to 6,880 today.

### **3. India's pharma industry may touch \$55 BN by 2020**

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

Country's pharma sector is likely to grow over three-fold to hit \$55 billion in the next five years, even as the exports from the sector may slow down to grow at a CAGR of 7.98% owing to stricter regulations in markets such as the US, Russia and Africa, says a report. *"Indian pharmaceutical industry is expected to touch \$55 billion by 2020 as against the current size of \$18 billion but the exports may slow down to grow at a CAGR of 7.98% in value terms due to tightening of regulatory mechanism in top exports markets of US, Russia and Africa,"* a joint report by Assocham and TechSci Research reveals.

Consolidation of pharmacy players in North America has resulted in the presence of leading firms that hold better bargaining power, it added. The study report cited instances like the acquisition of the US distributor Celesio by US pharmacy Mckesson's in 2014, and formation of a joint venture between the US wholesale distributor Cardinal Health and CVS Caremark in 2013. *"Consolidation of pharmacy players is leading to an increase in pricing pressures for generic companies existing in the US market, which is expected to result in a decline in the year-on-year growth of pharmaceutical exports from India over the next five years,"* it added. *"A steep decline in currency in emerging markets such Africa, Russia, Ukraine and Venezuela may add to woes of drug manufacturers that supply pharmaceutical drugs to that region and are unable to generate high revenues on account of selling their drugs at a low priced currency,"* the report said. India is the largest supplier of medicine to the US and pharmaceutical exports from India rose from \$3.44 billion in 2013 to \$3.76 billion in 2014.

#### **4. Civil Aviation Ministry gives clearance for 4 Greenfield airports**

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

The Civil Aviation Ministry has given clearance for four greenfield airports including the Rs. 1,378 crore international airport at Dholera in Gujarat, which is expected to reduce air traffic load at the existing Ahmedabad airport. The three other greenfield airports are proposed to be set up in Andhra Pradesh, with two of them likely to be no-frills ones. The Environment Ministry has already given environmental clearance to Rs. 1,378 crore airport project at Dholera in Ahmedabad last year. *"The site clearance, which is the first clearance, was given on Monday for the Bhogapuram airport in Andhra Pradesh which is about 40 km from Vizag,"* Civil Aviation Secretary Rajiv Nayan Choubey said on Monday.

The Ministry has also given its go ahead for development of a greenfield airport in Nellore and Kurnool districts of Andhra Pradesh under a public-private partnership, he said. A greenfield airport is a new airport which is constructed on an undeveloped site. The GMR-run Rajiv Gandhi International Airport at Shamsabad near Hyderabad and GVK-Group run Kempegowda International Airport in Bengaluru are greenfield airports. Dholera airport, which would be developed in 3,525 acres owned by the state government, is expected to have two runways and the terminal building will have a capacity for 1,200 domestic and international passengers. The new airport at Dholera, which is about 100 km from the Gujarat's commercial hub, is expected to reduce air traffic load at the existing Ahmedabad airport, which has no space for expansion of terminal and construction of the second runway.

#### **5. Amway opens manufacturing facility in India**

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

Direct-selling consumer goods firm Amway inaugurated its first manufacturing facility in India on Tuesday located in Tamil Nadu, which entailed an investment of Rs 550 crore. State chief minister J Jayalalithaa inaugurated the facility at Nilakkottai near Madurai, through video conference from her office here. All products sold by Amway in India will now be made in the country. Spread over 50 acres, the plant will employ around 500 people directly and 1,000 indirectly. This will be Amway's first manufacturing facility in the country and the third located outside the US. The other plants are in China and Vietnam.

Amway said it had spent 30 per cent of the \$335 million allocated for its global expansion, in India. Anshu Budhraja, chief executive of Amway India, said the company had so far invested Rs 800 crore in the country. After the launch, Amway India will provide direct and indirect employment to around 3,000 people in the country. Currently, the company says it provides income-generating opportunity to 550,000 active independent Amway business owners

or distributors. The facility will enable Amway to explore launching India- specific products, said the company. The investment and the plant's size increases the company's ability to source locally. Amway is planning to expand its product base and launch 10 new products in the country in 2016. Doug DeVos, president of Amway Corp, said, "The manufacturing plant in Tamil Nadu is another example of Amway's belief in the India market and it reiterates our commitment to Make in India and Make for India."

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By Harsha Hazarika