

Daily Economic News Summary: 5 November 2015

1. India explores joint route to get uranium from Namibia

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

India may consider options including joint exploration with the Namibian government for uranium as Delhi has yet to receive even an ounce of the yellow cake under a supply deal signed with the African country six years ago. No government-to-government trade is currently possible because the mines are privately owned with the government having little say on supplies, Namibian officials said. On last Wednesday, Namibian President Hage Geingob explained this situation to Prime Minister Narendra Modi, people familiar with their discussion on the sidelines of the Africa-India Forum Summit in New Delhi said. "The government does not own uranium," one of these people quoted Geingob as saying.

Uranium in Namibia can only be acquired through securing prospecting licences, Geingob told the PM. India has the option of negotiating with existing companies that are mining uranium in Namibia. There is also the option for India and Namibia to collaborate via a joint exploration project, the president said. According to a statement issued by the office of the Namibian president, Modi responded positively by saying that India would work towards putting mechanisms in place to pursue these options. "*India is keen to promote clean energy and, due to this, the country needs uranium,*" the statement quoted Modi as saying.

2. National Bank of Abu Dhabi enters India

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

The National Bank of Abu Dhabi (NBAD) on Tuesday entered the country through the wholly-owned subsidiary (WOS) route with wholesale banking operations in Mumbai. With this, NBAD becomes the fourth foreign lender to start operations via the WOS route after the Singaporean lender DBS (May, 2015), ICBC of China (2012), FirstRand Bank of South Africa in 2013 and Doha Bank in April this year. The Mumbai branch will provide wholesale banking services covering areas of debt origination and distribution, project finance, trade finance and asset finance, helping to enhance NBAD's ability to service corporate and financial clients apart from providing more capital to businesses, NBAD Group chief executive Alex Thursby said.

The opening of the branch comes as NBAD has completed migration of an Indian corporate loan portfolio worth around \$900 million from Royal Bank of Scotland. Thursby ruled out the bank entering the retail business in the immediate future.

3. IT spending in India expected to reach \$72.3 billion in 2016: Gartner

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

India is poised to become the fastest growing information technology market for the second straight year, and the country's spending on IT is expected to rise 7.2% to \$72.3 billion in 2016, according to research firm Gartner. IT budgets too are growing the fastest in India at 11.7%, compared with the world average of 1%, it said. *"India will continue to be the fastest growing IT market for the second year in succession and will continue growing to total \$87.67 billion by the end of 2019,"* said Aman Munglani, research director at Gartner.

Devices including mobile phones and PCs and tablets will account for almost 33% of the overall IT spend in India, while the devices business will grow 9.4% in 2016. Mobile phones will continue to be the single largest technology sub segment in India and the third fastest-growing through 2019, Gartner said.

4. Digital Commerce: India accounts below 1% total retail sales

Source: **Indian Express** ([Link](#))

India accounts for less than one per cent of the total retail sales despite being the fastest digital commerce market in Asia, growing at 40 per cent each year, according to research firm Gartner. *"India represents a USD 7 billion digital commerce market, growing at more than 40 per cent every year. Currently, B2C commerce leads the market in India, while B2B is limited to organisations that drive online sales while trying to cut costs in dealing with their partners and distributors,"* Gartner Managing Vice President Gene Alvarez said in a statement.

Digital commerce is the buying and selling of goods and services using the Internet, mobile networks and commerce infrastructure. Mobile commerce is a primary channel for digital commerce in India. Over 40 per cent of digital commerce transactions came from a mobile device in 2014, and it is likely to exceed 50 per cent in 2015. Due to the low Internet penetration in India, the country is leapfrogging the PC, and consumers are using mobile as the primary channel for online shopping, it noted.

5. Airports Authority of India to revive 50 airports in 10 years to boost connectivity

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

The Airports Authority of India is working on a plan to operationalise about 50 airports in the country over the next 10 years as part of the Narendra Modi government's efforts to boost air connectivity, for which it believes a total of 200 additional airports are required over the long term. The government has constituted an inter-ministerial task force to identify and recommend airports that need to be operationalised in tier 2 and tier 3 cities across the country, AAI chairman RK Srivastava told ET in an interview. *"In order to meet the objective of inclusive growth, the government plans to enhance regional and remote connectivity in a time-bound manner. To augment air connectivity throughout India, more than 200 operational airports are required,"* said Srivastava.

Last year, AAI had been mandated to develop five (no-frills) airports at Kishangarh, Belgaum, Hubli, Jharusuguda and Tezu, for which work is in progress, said Srivastava. In the next 10 years, AAI envisages operationalisation of at least 50 additional airports, he said. At present, India has about 450 airports and airstrips spread across the country. Of these, only about 125 airports are operational and the rest are not being used for a variety of reasons. The plan to operationalise airports in smaller cities is in sync with the government's effort to provide regional connectivity in the country by launching regional flights at a fare of Rs 2,500 per seat. Analysts, however, said that these airports need to be made viable. *"Is there a need to operationalise airports if these airports are not viable? The government should also focus on finding ways to make these airports viable,"* said Mark Martin, founder and CEO of Martin Consulting, an aviation consultancy firm.

6. Easier approval norms for urban development soon, says Venkaiah Naidu

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

The government expects to soon put in place a new "single window" clearance mechanism to provide faster approvals for urban development projects, Union Minister M Venkaiah Naidu said today. He noted that the issue of delays in approvals for urban development projects would be addressed and the home work in this regard has been done. *"By November 30, we will be bringing out a notification about easy approvals (for urban development projects)... Like a single window clearance is in the offing by November end. That is the deadline we (government) we have set for ourselves,"* Naidu said. Once that framework comes into operations, the delays in approvals would be addressed, the Urban Development Minister said. In this regard, extensive discussions have been held with various ministries including Environment, Civil Aviation, Defence, Culture and Consumer Affairs, the Minister said.

7. Angry Birds maker Rovio strikes carrier-billing deal with Idea

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

Angry Birds-maker Rovio has struck a carrier-billing deal with mobile operator Idea Cellular the first of many partnerships in India as it looks to monetise the fast-growing games market in the country. Deals with Indian apparel, gaming and toy firms are in discussions and the company plans to crack down on piracy ahead of the launch of the Angry Birds movie next May, a senior executive of the company told ET. *"It's hard to monetise a free game in a market where there is limited credit card usage. So, we have struck a carrier-billing deal with Idea. We also have sachet pricing in India with our games in the market,"* said Alex Lambeek, chief commercial officer at Rovio. India has 7-8 million active Angry Birds users, Lambeek said.

By Harsha Hazarika