

Daily Economic News Summary: 9 November 2015

1. AK-47 maker in talks for JV in India to produce arms

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

Russia's Kalashnikov Concern, makers of AK-47 assault rifles, is in advanced discussions with Indian companies to manufacture certain weapons here and is open to sharing technology with local partners. Known as one of the best assault rifles of the 20th century, AK-47s are now being reportedly used more by non- state agents than national defence personnel. For many years now, Russia has officially stopped supplying these fine automatic rifles to the country. *"From the early 2015, discussions are in right earnest, even though several Indian companies have been interested to produce Kalashnikov assault rifles since 2008,"* Kalashnikov Concern (formerly Izhmash) chief executive Alexey Krivoruchko told PTI in an email interview. *"We are in talks with both public as well as private companies in India. But it is a bit early to offer any specific names, as we are still at negotiations,"* he said. He added that it is not engaged in any talks with the defence ministry *"on our own and if necessary our Indian partner will handle those issues"*.

2. Economy to improve in next two quarters: India Inc

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

Majority of India Inc feels optimistic about the state of the economy improving in the next two quarters at the industry and firm level, although the last six months have not witnessed much of a change at the ground level, says Assocham's Biz Confidence survey. *"In the coming six months there seems to be growing optimism in terms of the economic performance with 80 per cent respondents feeling that the state of the Indian economy would be better,"* the June-September round of the survey observed.

The percentages of optimist respondents in the June 2015 round were close to about 54.8 per cent. As to tentative recovery in last six months, the survey noted that while there were signs of economic recovery underway, the situation is still far from robust. The underlying economic activity remains weak on account of the sustained decline in exports, rainfall deficiency and weaker-than-expected momentum in the industrial production and investment activity, the survey pointed out. *"However, riding on hopes of some decisive actions expected after the Bihar elections, the industry respondents remain optimistic about improvement in the sentiment, though at the present moment, broad demand and investment activity remains subdued,"* Assocham Secretary General D S Rawat said.

3. Full faith in India on tax treaty revision: Mauritius

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

Dismissing apprehensions of Mauritius being used to route black money as "misconception", its Prime Minister Anerood Jugnauth has termed the issue as an aberration in the "very special" ties with India and hoped that revision of their tax treaty won't harm its interests. Stating that Prime Minister Narendra Modi has assured him India will not do anything that would harm Mauritius, Jugnauth said the two countries are "sensitive to each other's needs" and the negotiations on the Double Taxation Avoidance Treaty were taking place in this context.

When asked whether there was any timeframe for resolving this long-pending revision of the tax pact, Jugnauth said he has not insisted on any particular time limit. *"I leave it (to India). There is full freedom to your country, your Prime Minister... to look into it. I have confidence in the Prime Minister (Modi) and I trust him. I will wait for it and then we can comment,"* he said.

4. India's October Iran oil imports lowest since March-trade

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

India's oil imports from Iran fell 41.5% in October from a year ago to the lowest in seven months, according to tanker arrival data obtained by *Reuters*, as state-run refiner MRPL cut imports due to a maintenance shutdown. India, Iran's top customer after China, took 181,200 barrels per day (bpd) oil from Tehran in October, down 22.3% from September, according to the data and a report compiled by *Thomson Reuters Oil Research and Forecasts*.

Mangalore Refinery and Petrochemicals Ltd (MRPL), which operates a 300,000-barrels-per-day (bpd) coastal refinery in southern India, is a key Indian oil client of Iran. The refiner had shut nearly 46% of its crude processing capacity for about a month from 18 September for planned maintenance.

India's imports from Iran for the year-to-date have been dragged down by deep cuts in shipments by New Delhi in the first quarter of 2015, under pressure from the United States to keep its imports within the limits of sanctions targeting Tehran's disputed nuclear programme.

5. Bosch & Siemens Household to invest euro 100 million in India

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

German home appliances maker Bosch and Siemens Household (BSH) is planning to invest euro 100 million (around Rs 700 crore) in India over the next five years to expand footprint here, a senior company executive said. *"India is an important current and future market for us and we are investing euro 100 million here over the next five years,"* Stefan Lauwitz Executive Vice President and Head of Product Division Refrigeration told PTI.

The company is looking at using the funds to step up branding activity, launching a wider range of products and on innovation. Going forward, BSH is looking at country specific innovation to factor in issues like controlling humidity levels and power shortages. It is also in the process of setting up research facilities here. *"We have started research and development facilities here, and are zeroing in on the location for R&D facilities,"* Gunjan Srivastava Managing Director and Chief Executive BSH said.

By Harsha Hazarika