

## Daily Economic News Summary: 24 March 2017

### **1. India on the roadmap of tripling nuclear power capacity**

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

India is moving towards achieving its target of tripling the nuclear power capacity of the country from July 2014 levels. The Union Minister of State (Independent Charge) for Atomic Energy and Space, Dr Jitendra Singh, said in a written reply to a question in Rajya Sabha, “The Government, in July 2014, had announced tripling of the then existing capacity of 4,780 MW in the next ten years. With the commencement of commercial operation of Kudankulam Nuclear Power Project (KNPP), Unit-1 (1,000 MW) in December 2014, the installed nuclear power capacity in the country has reached 5,780 MW. In addition, KNPP, Unit-2 (1,000 MW) has been connected to the grid for the first time in August 2016 and is presently generating power. On commencement of commercial operation of KNPP Unit-2, the installed nuclear power capacity in the country will reach 6,780 MW.” He added that four reactors with a total capacity of 2,800 MW are under construction and four more reactors with a total capacity of 3,400 MW have been accorded sanction by the Government.

### **2. Spotlight returns on a mining scandal that Modi govt has done nothing about**

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

An extradition case involving a Ukrainian oligarch who has business connections to both Russian president Vladimir Putin and US president Donald Trump’s former campaign manager is likely to turn the focus back towards a now-forgotten mining scandal in Andhra Pradesh that involves a senior Congress politician with cross-party connections so extensive that no government seems eager to dig very deep. Over the past few months, the American effort to secure the extradition from Austria of oil and gas magnate Dmytro Firtash – facing allegations in the United States that he led a conspiracy to pay \$18.5 million in bribes to Indian officials to facilitate a \$500 million titanium project in Andhra Pradesh – has taken many twists and turns. In April 2014, the US Department of Justice (DOJ) made public the indictment of six people including Firtash and Congress Rajya sabha MP K V P Ramachandra Rao aka KVP, described in US court

papers as “a close advisor to the now-deceased chief minister of the state of Andhra Pradesh, Y S Rajasekhara Reddy.” The indictment was dated June 2013.

### **3. Resolution of NPAs set for radical overhaul: FM Arun Jaitley**

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

The Union government, in tandem with the Reserve Bank of India (RBI), is working on a radical proposal to resolve the issue of bad debts in the Indian banking system, finance minister Arun Jaitley said on Thursday. “The problem of big NPAs (non-performing assets) is confined to at best 50 companies and therefore those 40-50 accounts need to be resolved. Now, in way of that resolution, several issues come up: You have to find a buyer, strategic partner to find a solution. And if people are slow at doing so, thinking that the system is somewhat hopeless, the system will have to bring in some other instruments,” Jaitley said at the presentation of CNBC-TV18 India Business Leader Awards. The government, RBI and banks have had a series of meetings over the past couple of months to look at ways to address the issue of bad loans estimated at Rs7 trillion.

### **4. PMO to take final decision on Apple’s Make in India plan**

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

While there are controversies around Apple’s demand of various tax sops to set up manufacturing plant in India, the Prime Minister’s Office may soon take a final decision on the same. According to highly placed sources in the government, the PM had already agreed to Apple setting up its plant in a meeting with CEO Tim Cook last year, and now the matter can be put on the PM’s table again. “The requests of Apple are under consideration of the government,” a top government official told *BusinessLine*, adding that there was an agreement to “inter-alia, work together to manufacture iPhones in India.” Multiple sources also said the decision may soon come along with the rolling out of the GST, as the hurdles are about tax exemptions, which some departments such as the DIPP has said no to. For instance, on whether the government is ready to accept most of the demands, Commerce and Industry Minister Nirmala Sitharaman had on Wednesday answered in the negative. However, she did not clarify whether the government will reject all demands or accept some of them.

**5. Amazon, Grofers, Big Basket to invest \$ 695 mn under new FDI policy**

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

The government has received investment proposals from three companies, including Amazon and Grofers, worth \$695 million for retail of food products in India under the new FDI policy. "Three companies Super Market Groceries Supplies (Big Basket), Grofers India and Amazon Corporate Holdings have submitted their proposals for seeking permission to make investment of \$695 million over a period of time," an official statement said today. The government had last year allowed 100 per cent FDI for marketing, including through e-commerce, of food products manufactured and produced in India. Earlier in the day, Food Processing Minister Harsimrat Kaur Badal announced that Amazon has decided to invest about \$500 million in e-retail of food. "We allowed 100 per cent FDI in trading of food products last year. We have got some good news. Amazon has now decided to get into e-retail of food. Amazon has decided to invest close to \$500 million in the food retail sector. It is a good news for the country," Badal told reporters here.

**6. 60 million 4G smartphone users to be sold in India**

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

Nearly 200 million 4G-enabled feature phones will be sold in India in the next five years, triggering a slow-down for the domestic smartphone market, a new report claimed on Wednesday. "We estimate close to 60 million units of 4G-capable feature phones could ship this year globally from almost a million units last year, with India potentially contributing to almost half of that this year," said the analysts from market research firm Counterpoint Research. In terms of hardware revenues, it is a \$6 billion opportunity cumulatively over the next five years in India. "Key players to watch out in this segment are Micromax, Intel, Lava, Jio, Nokia and so forth," the report added. Chipset brands such as Qualcomm with its latest Qualcomm 205 platform specially designed for 4G LTE Feature Phones is poised to drive growth starting with end of Q2 2017. "More than 400 million feature phones were sold globally in 2016 and we saw smartphone market growth slow down to 3 per cent (year-on-year), portraying that the easy days of smartphone growth are over," the report stated.

