

Daily Economic News Summary: 12 February 2018

1. Modi's UAE Visit: in a First, India Buys 10% Stake in Abu Dhabi Oil Fields

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

Prime Minister Narendra Modi's second visit to the UAE has resulted in an Indian consortium gaining stake for the first time in Abu Dhabi's massive oil resources. A MoU was signed on Feb 10 between an Indian consortium comprising state-run explorer ONGC Videsh, Bharat Petro Resources, Indian Oil and the Abu Dhabi National Oil Co (AdNOC) for acquisition of 10 per cent participating interest in its offshore Lower Zakum Concession. The MoU is an important milestone in India's search for energy security, at a time when oil prices have started hardening again mainly due to output cuts put in place by the Organisation of Petroleum Exporting Countries (OPEC) and non-OPEC producers deal with a supply glut that was pushing down prices till last year.

2. Mumbai 12th Richest City Globally; Total Wealth at USD 950 Billion

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

India's financial capital Mumbai, with a total wealth of USD 950 billion, has been named among the top 15 wealthiest cities globally, while New York topped the list, says a report. According to a report by New World Wealth, the economic hub of India is the 12th wealthiest city, followed by Toronto with a total wealth of USD 944 billion, Frankfurt (14th, USD 912 billion) and Paris (15th, USD 860 billion). Total wealth, refers to the private wealth held by all the individuals living in each city. It includes all their assets (property, cash, equities, business interests) less any liabilities. Government funds are excluded from the figures. Mumbai, also features among the top 10 cities in terms of billionaire population. The city is home to 28 billionaires, individuals with USD 1 billion or more in net assets.

3. India, Oman Sign 8 Agreements as PM Narendra Modi Meets Sultan Qaboos Bin Said Al Said

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

Prime Minister Narendra Modi on Feb 12 held wide-ranging talks with the Sultan of Oman as the two sides signed eight agreements, including pacts on cooperation in the field of defence, health

and tourism. Modi, who arrived Muscat from Dubai on the last leg of his three-nation tour, led delegation-level talks with Qaboos bin Said al Said and discussed measures to strengthen cooperation in trade and investment, energy, defence, security, food security and regional issues. After their talks, the two sides signed eight agreements, including a MoU on legal and judicial cooperation in civil and commercial matters. They also signed an agreement on mutual visa exemption for holders of diplomatic, special, service and official passports and an MoU on cooperation in the field of health, tourism and peaceful uses of outer space.

4. Maharashtra Eyes Rs 10 trillion From Investor Summit; Virgin Atlantic's Branson to Be Present

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

The Devendra Fadnavis government is looking to stitch up agreements entailing investments of over Rs 10 trillion from the investor summit next week, a top official has said. Virgin Atlantic Group founder and chairman Richard Branson will be among the host of business leaders who will be attending the three-day event that will be inaugurated by Prime Minister Modi next Feb 11. "We expect agreements of Rs 10 trillion investments to be signed at Magnetic Maharashtra across several sectors," additional chief secretary, industries, Sunil Porwal, told PTI Feb 11. The official said the government is expecting Rs 3.5 trillion investments into affordable housing, Rs 1.25 trillion into renewable energy projects, Rs 10,000 crore in agriculture and Rs 4,000 crore in tourism. The rest would be in other sectors like auto, cement, fertilisers and information technology sectors, he added.

5. Government Releases Rs 9,940 Crore to States for Smart Cities Mission

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

The Centre has released nearly Rs 9,940 crore to the states so far for the Smart Cities Mission, with Maharashtra accounting for the highest amount of Rs 1,378 crore, followed by Madhya Pradesh getting Rs 984 crore, according to government data. The Housing and Urban Affairs Ministry has announced 99 cities for central assistance under the BJP government's flagship programme. The total proposed investment in these cities was Rs 2.03 lakh crore. Maharashtra with eight cities, including Pune and Nashik has received central grant of Rs 1,378 crore so far, followed by Madhya Pradesh, with seven cities getting central grant of Rs 984 crore, the ministry data shows. Under the mission, the cities propose to take up various projects, including "smart" roads, rejuvenation of water bodies, cycle tracks, walking paths, smart classrooms, skill

development centres, upgradation of health facilities, and pan city projects like integrated command and control centre.

6. First International Solar Alliance Summit in March to be Mega Diplomatic Show

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

India is preparing to host the mega inaugural International Solar Alliance Summit in Delhi on March 11 in the presence of more than a dozen leaders, including those from Asia, Pacific and South America, to set the ball rolling for the country's leadership in providing affordable renewable energy. The big draw at the summit will be the French President Emmanuel Macron, who will be on a state visit to India coinciding with the event, which his country is co-sponsoring, officials said. Besides African leaders, the summit is expected to be attended by Presidents of Bangladesh and Sri Lanka, along with leaders of prominent oil producing South American nations and Pacific Islands. Heads of World Bank, ADB, BRICS Bank and European Investment Bank are also among those expected to attend the summit. The summit will be a mega diplomatic show, reflecting the Modi government's sustained focus on foreign outreach, officials said. The PM is expected to hold bilateral meets with some of the leaders on the sidelines of the summit, they said.

7. Panel on Cryptocurrency Expected to Submit Report within the Next Two Months

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

The panel on cryptocurrency, headed by Economic Affairs Secretary Subhash Garg, is expected to submit its report within the next two months. The report will contain regulations, likely in form of a draft law, on how to deal with cryptocurrencies, including bitcoin. While cryptocurrencies are illegal, the government and regulators are aware of the need to set the template for a cashless future, government officials told Business Standard. In his 2018-19 Budget speech on February 1, Finance Minister Arun Jaitley had said: "The government does not consider cryptocurrencies legal tender or coin, and will take all measures to eliminate the use of these crypto assets in financing illegitimate activities or as part of the payment system."

8. Ikea Opens Distribution Centre in Pune, to invest Rs750 crore in Maharashtra

Source: Livemint ([Link](#))

Swedish home furnishing major Ikea has opened a Rs100-crore distribution centre in Pune, and is also scouting for land in Maharashtra to build more facilities at an investment of Rs750 crore, a senior company executive has said. "We have opened a 2.3 lakh sq ft distribution centre in Pune, on leased land and have pumped in Rs100 crore into this. We will expand this to 3.7 lakh sq ft by

next year,” Bimal Patel, the manager, distribution operations at Ikea India, told *PTI*. “We are also scouting for more land in Maharashtra to build our own warehousing facilities over the next two to three years, and have earmarked an outlay of Rs750 crore for this,” he said. The distribution centre has been set up to service its first store scheduled to be opened in Hyderabad by the middle of the year, followed by the second store in Mumbai in 2019

9. India to invest \$50 mn to Boost Capacity Building in Palestine

Source: Financial Express ([Link](#))

India on Feb 10 said it will set up an institute for diplomacy in Palestine and double the number of scholarships to Palestinians to study in India among several measures to help it in capacity building and infrastructure development with an investment of \$50 million. Prime Minister Narendra Modi and Palestinian President Mahmoud Abbas in a meeting discussed the full range of India-Palestine ties following which the two sides signed six agreements worth around \$50 million that includes setting up of a \$30 million super specialty hospital in Beit Sahur. Three agreements in the education sector worth \$5 million, one MoU for procurement of equipment and machinery for the National Printing Press and one for construction of a centre for empowering women were also signed. “India has been an old friend of Palestine in its efforts towards nation building,” Modi said in a media statement

10. ‘India Attracting Big Aerospace Manufacturers’

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

India has caught the attention of major aerospace defence manufacturers with its low production cost and government’s strong focus on building manufacturing sector under “Make In India” initiative, aviation industry officials said on Feb 9. India is also rated among the largest markets by internationally linked small-and-medium-size enterprises (SMEs) which plans to expand supplies to Indian customers or form joint ventures in the country to make their components for exports. “India has the attention of all the big aerospace defence manufacturers and ourselves as well,” said Andrew Martin, director of business development and market at Martin-Baker Aircraft Company Ltd