

WEEKLY ECONOMIC BULLETIN



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Modi lays foundation of AIIMS, fertiliser plant in Gorakhpur

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India, US agree to boost cooperation in oil, gas

Petroleum Minister Dharmendra Pradhan and US Secretary for Energy Ernest Moniz have agreed to increase technical and institutional cooperation on hydrocarbons and energy, an official said here on Tuesday.



Nod for India-Switzerland MoU for skill development

The Union Cabinet on Wednesday approved the Memorandum of Understanding (MoU) signed between India and Switzerland for cooperation in skill development.

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SECTORAL NEWS



Centre contributes Rs 99.57 cr to Atal Pension Yojana

The government has released Rs 99.57 crore as its contribution for the year 2015-16 for 16.96 lakh eligible subscribers of Atal Pension Yojana (APY), it was announced here on Monday.

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TRADE NEWS



HUL to invest Rs 1,000 crore for new unit in Assam

Fast moving consumer goods (FMCG) major Hindustan Unilever Limited (HUL) will make an investment of around Rs 1,000 crore for setting up a new manufacturing unit near its existing facility at Doom Dooma in Assam, a regulatory filing by the company said on Monday.

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NEWS ROUND-UP



NITI Aayog's Initiative to Create's Framework for Operating 500 Tinkering Labs

NITI Aayog is organizing an Expert Consultative Group Meeting on Creating a Framework for Operationalizing 500 Atal Tinkering Labs, ATL at Faculty Development Centre, Shankar Vihar in New Delhi tomorrow on July 19, 2016.

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Government gives a push to port-led development

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the incorporation of Sagarmala Development Company (SDC) under the Companies Act, 2013. SDC will be under the administrative control of the Ministry of Shipping. It will provide equity support to the project Special Purpose Vehicles (SPVs) and funding support to the residual projects under the Sagarmala Programme. SDC will be incorporated under the Companies Act, 2013, with an initial Authorized Share Capital of Rs. 1,000 Crore and a Subscribed Share Capital of Rs. 90 Crore.

Implementation of the identified projects will be taken up by the relevant Ports, State Governments / Maritime Boards, Central Ministries, mainly through private or PPP mode, provide equity support for the project Special Purpose Vehicles (SPVs) set up by the Ports / State / Central Ministries window and /or implement only those residual projects which cannot be funded by any other means / mode.

SDC will identify port-led development projects and assist the project SPVs in project development and structuring activities, bidding out projects for private sector participation, putting in place suitable risk management measures for strategic projects cutting across multiple States / Regions and obtaining requisite approvals and clearances.

Since the identified projects will be undertaken by multiple agencies, SDC will also work as the nodal agency for coordination and monitoring of all the currently identified projects as well as other projects emerging from the master plans or other sources.

SDC will undertake the preparation of the detailed master plans for the Coastal Economic Zones (CEZs) identified as part of the NPP and provide a framework for ensuring the integrated development of Indian maritime sector.

As part of the coastal community development objective of the Sagarmala Programme, the Ministry of Shipping is taking up a number of initiatives/projects. Notable among them are the coastal community skill projects and projects for development of marine fisheries sector.

Skill development projects taken up include coastal district skill gap analysis study/ cutting-edge skill training in the ports & maritime sector, safety training in ship-breaking & repair sector, coastal districts skill training as part of Deen Dayal Upadhyaya Gramin Kaushalya Yojana (DDU-GKY) and marine fishermen skill development projects.

Ministry of Shipping, in collaboration with the Department of Animal Husbandry, Dairying & Fisheries (Ministry of Agriculture), will part-fund select fishing harbour projects under the Sagarmala Programme. While identifying the projects, priority will be given to those projects which are nearing completion. Ministry of Shipping is also preparing a coastal community development scheme, in convergence with the existing Central/State Government schemes.

One of the important roles assigned to SDC is to manage the coastal community development scheme and fund coastal community development projects identified under the Sagarmala Programme. The projects considered would be specific time-bound local interventions and innovative in nature.



SDC will be raising funds as debt/equity (as long term capital), as per the project requirements/ by leveraging resources provided by the Government of India and from multi-lateral and bilateral funding agencies. SDC will also aim to increase the scope of private sector participation in project development.

Background:

The Sagarmala Programme was launched with the approval of the Union Cabinet on 25th March 2015, with a view to achieve the broad objective of promoting port-led economic development in India. In order to harness India's 7,500 km long coastline, 14,500 km of potentially navigable waterways, and strategic location on key international maritime trade routes, the Government has embarked on the ambitious Sagarmala Programme which was approved by the Cabinet on 25th March, 2015.

As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of the coastline and maritime sector has been prepared. The NPP has identified more than 150 projects across the areas of Port Modernization & New Port Development, Port Connectivity Enhancement, Port-led Industrialization and Coastal Community Development.

Source: Press Information Bureau

Modi lays foundation of AIIMS, fertiliser plant in Gorakhpur

Prime Minister Narendra Modi on Friday laid the foundation stones of an All India Medical Institute of Medical Sciences (AIIMS) and a fertiliser plant in Gorakhpur and said this would spur development in eastern Uttar Pradesh.

Addressing a large gathering after the foundation laying ceremony, Modi initially addressed the crowd in Bhojpur amid loud applause from the people. Recalling the large turnout of people at his election rally in January 2014, the Prime Minister said Friday's rally had broken the record of that event.

He credited the new projects to Bharatiya Janata Party's Lok Sabha member from Gorakhpur, Yogi Adityanath, and said he respected Yogi because he has fought and worked hard for development in this area.

The Prime Minister detailed a string of schemes, development schemes and pro-poor policies his government has started for the people and farmers.

He also informed the crowd that it was because of various innovations that urea was now freely available for the farmers and that days of fertiliser black marketing were a thing of past. Amid cheering from the people who had braved incessant rains to attend the rally, Modi assured all help and cooperation for development of the region and Uttar Pradesh.

Earlier, Modi drove to the Gorakshnath temple in the city and paid obeisance to the idol. Addressing a select gathering there, he said his government had set rolling a process of development which will usher in prosperity for all.

He also remembered Mahant Avidyanath and said he knew the seer from the time when he was not in politics and that he had learnt compassion from the late saint.

In his welcome address, Yogi Adityanath said he was thankful on behalf of the seven crore people of Poorvanchal that the Union government has decided to set up a fertiliser plant and AIIMS in Gorakhpur. "Six prime ministers have come and gone but the fertiliser plant that was closed since 1990 has now been reopened by Modi," he said.

He also added that setting up of AIIMS will combat encephalitis, among other diseases, which has killed more than 50,000 children in 38 years in the region and would also arrest migration of youth from the area.

Union Power Minister Piyush Goyal informed the gathering that in the last two years 1,364 villages have been electrified.

Source: Indo-Asian News Service

India, US agree to boost cooperation in oil, gas

Petroleum Minister Dharmendra Pradhan and US Secretary for Energy Ernest Moniz have agreed to increase technical and institutional cooperation on hydrocarbons and energy, an official said here on Tuesday.

The two sides agreed to enhance cooperation in "assessment of both onshore and offshore conventional and unconventional hydrocarbon reserves in India, new technologies in development of biofuel and development of petroleum storage", a petroleum ministry statement said of their meeting in Washington on Monday.

"Over the last decade, several areas of interest for cooperation like technology for production from marginal fields, shale structures, developing gas pipeline network, improving refinery efficiency had been identified," it said.

The two ministers also agreed on the need for regular meetings of officials and experts from both sides, the statement added.

During his just-concluded visit to the US, Pradhan also launched a roadshow in Houston to promote the auction of 67 discovered small hydrocarbon fields in India.



Source: Indo-Asian News Service

Nod for India-Switzerland MoU for skill development

The Union Cabinet on Wednesday approved the Memorandum of Understanding (MoU) signed between India and Switzerland for cooperation in skill development.

The MoU was signed between the Ministry of Skill Development and Entrepreneurship of India and the State Secretariat for Education, Research and Innovation of the Swiss Confederation on June 6.

"The MoU broadly focuses on capacity building and exchange of best practices in the area of skill development," a government statement said.

Source: Indo-Asian News Service



Centre contributes Rs 99.57 cr to Atal Pension Yojana

The government has released Rs 99.57 crore as its contribution for the year 2015-16 for 16.96 lakh eligible subscribers of Atal Pension Yojana (APY), it was announced here on Monday.

The scheme provides for government's co-contribution which is half of the subscriber's contribution up to a maximum of Rs 1,000 per annum, said a finance ministry statement.

"Only those subscribers who are not income tax payers and not part of any other social security schemes are eligible for government co-contribution," it said.

The subscribers will be eligible for co-contribution for a period of five years from 2015-16 to 2019-20.

"Keeping in view the above, Pension Fund Regulatory and Development Authority (PFRDA) has released co-contribution for 16.96 lakh eligible subscribers amounting to Rs 99.57 crore for 2015-16," the statement said.

The total number of subscribers registered under APY has crossed 30 lakh on June 30, 2016, with 5,000 new subscribers being added nearly every day, it said.

APY is being implemented through the public sector banks, private sector banks, regional rural banks, cooperative banks and department of post both in urban and rural areas across the country.

"The subscribers who have any pending contributions in their APY account till March 2016 won't be paid with co-contribution. They have been advised by PFRDA to regularise their APY account so as to get government co-contribution in the month of September," the statement said.

Government's co-contribution is payable only when accounts are regular and the admissible co-contribution is paid into the savings bank account of the subscribers, it said.

APY provides minimum guaranteed pension ranging between Rs 1,000-5,000 per month for the subscriber from the age of 60 years. The same amount of pension is paid to the spouse in case of subscriber's death.

After the death of both the original subscriber and their spouse, the nominee would be paid the pension corpus.

There is also the option for the spouse to continue to contribute to APY account of the original subscriber for balance period, on premature death of the subscriber before 60 years, so that pension goes to the spouse.

"If the actual returns on the pension contributions during the accumulation phase is higher than the assumed returns for the minimum guaranteed pension, such excess returns are passed on to the subscriber, resulting in enhanced scheme benefits," the statement said.



Source: Indo-Asian News Service

Textile sector to grow at 6% to US\$ 40 billion in FY2017

After witnessing a degrowth of 2 per cent in FY2016, textile exports is expected to grow at 6 per cent to \$40 billion in FY2017, driven by the expectations of growth in the apparel segment and higher fibre prices, says ICRA in its research update on the Indian textile industry.

According to Anil Gupta, VP, Corporate Sector Ratings, ICRA Ltd: "Despite volume growth in most of the segments, degrowth in the value of textile exports during FY2016 was driven by lower fibre prices (cotton as well as polyester). For FY2017, while raw-cotton export is expected to decline, however, other segments, especially apparels, shall see positive volume growth, especially due to improved export competitiveness supported by the recent financial package for the textile industry."

As per ICRA estimates, apart from the apparel segment, volume growth in textile exports is also ex-

pected in other segments like textile made-ups and home furnishings. The average prices for fibre are also likely to stay higher in FY2017 as compared to the previous year, which will support the growth in value of textile exports.

"While the outlook on volume growth is positive in all the segments except raw-cotton; however, yarn export volumes may also come under pressure due to the recent spurt in domestic cotton prices. This spurt can also partially offset the benefits of the recent financial package for the textile industry," Mr Gupta adds.

Polyester and cotton prices stood lower by 10 per cent and 4 per cent respectively (in US\$ terms) till May 2016, which is reflected in the decline in value of exports. However, with the recent spurt in domestic as well as international cotton prices, the growth in value terms is expected to turn positive in the coming months as the higher input costs will partially be required to be passed on to the buyers.



Source: The Economic Times

HUL to invest Rs 1,000 crore for new unit in Assam

Fast moving consumer goods (FMCG) major Hindustan Unilever Limited (HUL) will make an investment of around Rs 1,000 crore for setting up a new manufacturing unit near its existing facility at Doom Dooma in Assam, a regulatory filing by the company said on Monday.

The unit is expected to be commissioned in early 2017. It will augment the production capacity of personal care products of the company.

"The investment is subject to receipt of requisite approvals and clearance," the company's statement in the BSE said.

At present, the company has a manufacturing facility in Doom Dooma Industrial Estate of Upper Assam set up in 2001 and houses three units that produce personal care products -- shampoo, skin creams and toothpaste.

"The government of Assam has been looking at attracting investment into the state by offer-

ing favourable policies that encourage and incentivise companies to set up manufacturing units. With over 15 years of operating experience in the state and considering the support from the state government and the local community, HUL has decided to set up the new manufacturing unit in Assam," the statement said.

It is also intended to encourage suppliers to establish units for packing material and it is expected that the new unit will lead to the creation of ancillary, logistics and warehousing opportunities within the region, the statement added.

Source: Indo-Asian News Service



Gadkari seeks US investment for Indian roads, highways

Road, Transport and Highways Minister Nitin Gadkari on Tuesday concluded his week-long trip to the US, which he termed successful upon receiving assurances from infrastructure and investment companies to boost Indian roads and highways.

During the trip, Gadkari held a series of productive interactions with investment bankers, fund managers and captains of trade and industry in the infrastructure sector at business platforms in Washington, New York, San Francisco and Los Angeles and placed on record convincing statistics of the rapid growth of this sector under the leadership of Prime Minister Narendra Modi.

He outlined the government's policy initiatives and his own vision to strengthen India's infrastructure sector and offered lucrative investment opportunities in road and highways construction and port-led industrialisation, listing the incentives to the US industry for joint ventures and collaborations on Public Private Partnership (PPP) model.

Gadkari also explained about the new highways under construction in the difficult terrains of Jammu and Kashmir, Ladakh, Himalayas, the North-Eastern Region and coastal areas and the financing mechanisms under PPP models, framing of policies for logistics parks and modernization of roads, said a statement.

The Minister visited Tesla and proposed joint ventures between the electric car manufacturers and the Indian automobile companies with a view to introducing pollution free road transport in India, especially commercial and public motor vehicles.

He invited Tesla to make India their Asia manufacturing hub and offered land near major Indian ports to facilitate export of their vehicles to South and South East Asian countries.

Gadkari said he was returning home fully satisfied with his visit which has broken new ground in the bilateral ties between India and the US and given the much needed impetus to cooperation in the field of infrastructure, particularly road transport, highways and shipping sectors.



Source: Indo-Asian News Service

NITI Aayog's Initiative to Create's Framework for Operating 500 Tinkering Labs

NITI Aayog is organizing an Expert Consultative Group Meeting on Creating a Framework for Operationalizing 500 Atal Tinkering Labs, ATL at Faculty Development Centre, Shankar Vihar in New Delhi tomorrow on July 19, 2016. The consultations during 9:30 am till 12:30 pm will provide a platform for exchange of ideas and knowledge among the experts to help create and put in place a framework for the 500 Atal Tinkering Labs (ATL) that will be established in schools all across the country. The technical support for the consultations is being provided by the Intel Technology India Pvt. Ltd. This meeting will be followed by NITI Aayog signing a Statement of Interest (Sol) with Intel to further innovation among school children during 3.30-5 pm at Niti Aayog .

Atal Tinkering Labs' initiative is a part of the Atal Innovation Mission (AIM), which is an umbrella platform to foster innovation and entrepreneurship in India. ATLs are workspaces where young minds can work with equipment and kits to understand the concepts of Science, Technology, Engineering and Math. The objective of setting up these labs is to foster curiosity, creativity in young minds; and inculcate skills such as design mind set, computational thinking and adaptive learning.

Makers, practitioners, schools and civil society are invited to discuss, deliberate and help create a Tinkering Lab Framework (TLF) which would act as the guideline for all the selected schools to establish Atal Tinkering lab. The discussion topics would range from what needs to be there in a lab; do-it-yourself activities; content; engagement with the community; a hands-on workshop to series of educational lectures. Through the open forum, NITI Aayog will look forward to attempt to understand how the maker's community can assist the ATL to accomplish the mission of fostering an innovation ecosystem at the school level.

CEO, NITI Aayog, Mr. Amitabh Kant, Secretary, Department of School Education & Literacy, MHRD, Dr. S. C. Khuntia, Senior Advisor, NITI Aayog, Dr. C. Muralikrishna Kumar, Vice President - Corporate Affairs at Intel Corporation, and President of the Intel Foundation, Rosalind Hudnell, and Director of Corporate Affairs Group, Intel South Asia, Kishore Balaji, will be present at the meeting.



Source: Press Information Bureau

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