

WEEKLY ECONOMIC BULLETIN



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India plans petrochemical hubs around 22 refineries

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India, US to deepen cooperation in clean energy

The US and India will deepen their cooperation in climate and clean energy which offers great economic benefits, US Ambassador to India Richard Verma said on Friday.



Indian oil consortium considering stake buy in Russia's Rosneft

A consortium of Indian oil companies led by state-run overseas exporer ONGC Videsh Ltd (OVL) is considering the purchase of a part of the \$11 billion stake that Russia is selling in Rosneft, Petroleum Minister Dharmendra Pradhan said on Thursday.

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Rs 450 cr Muthoot IT park to come up in Kochi Infopark

Muthoot Group, one of the leading business group in Kerala with diverse business interests, signed an agreement to set up a 10 lakh square feet twin building at the Kochi Infopark Phase II campus at an investment of Rs 450 crore.

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About 59 per cent tea sold in opening day of pan India e-auction

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NEWS ROUND-UP



India launches 20 satellites at one go! Jai Ho

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India joins group that controls global missile technology sale

Days after the setback at the Nuclear Suppliers Group due to China's opposition, India on Monday became the 35th member of a global anti-proliferation bloc, the Missile Technology Control Regime (MTCR). This will not only ensure access to high-end missile technology but also enable the country to sell indigenous BrahMos missiles internationally.

"The MTCR...is pleased to announce that India now formally is the 35th member of the regime," a statement from the grouping said after a "consensus decision by all members".

The grouping said India's membership would "strengthen the international efforts to prevent proliferation of delivery systems of ballistic missiles or unmanned aircraft capable of delivering weapons of mass destruction".

The MTCR membership is seen as a step forward in India's recognition as a legitimate nuclear power after it conducted atomic tests in 1998.

India had applied in 2008 for the membership of the elite club of countries set up in 1987 that controls exports in missile technology and unmanned delivery systems of atomic or other weapons of mass destruction.

The club places restrictions on its members exporting missile and missile-related technology, particularly on those capable of carrying a payload of at least 500 kg to a distance of at least 300 km. These include both cruise missiles and larger drones.

India's long wait to join the MTCR actually ended in Washington D.C. earlier in June during Prime Minister Narendra Modi's US trip when a deadline for members of the grouping to object to India's admission expired on June 6.

None of the group's 34 members raised any objections, paving the way for India's smooth entry into the bloc of which China is still not a member.

China along with other nations like South Africa, Norway, Brazil, Austria, New Zealand, Ireland and Turkey last week blocked India's entry into the Nuclear Suppliers Group (NSG) -- one of the four multilateral export control regimes.

Since India's civil nuclear deal with the US, New Delhi has been wanting to join all of the regimes, including the Australia Group and Wassenaar Arrangement since 2008 as part of the India-US civil nuclear cooperation agreement.

The MTCR membership gives India access to restricted high-end technologies for developing its cryogenic rocket engines in order to further its space exploration.

India will now also be able to acquire from the US armed Predator drones -- America's hot favourite in its war on terror in Afghanistan and Pakistan. India can now also explore the sale of BrahMos supersonic cruise missile, jointly developed by the Defence Research and Development Organisation (DRDO) and Russia.

Both countries have been hoping to sell the missile to third countries which would now be possible after India's MTCR membership, making it a significant arms exporter for the first time. India is already in talks with Vietnam to sell BrahMos with a flight range of 290-300km and payload of 200-300 kg.

The Federation of Indian Chambers of Commerce and Industry welcomed the development that will "facilitate access to niche technologies to (the country's) industry in sensitive sectors like defence, aerospace and nuclear".



"This inclusion also augurs well with India's position as an important player in the world order and fitting an emerging economic superpower," Ficci Secretary General Didar Singh said.

"As Indian industry, we have opportunity to rise to the occasion and put in place checks and balances compliant with the obligations that this regime entails."

Italy in 2015 had blocked India's entry over the issue of two Italian marines accused of killing two Indian fishermen in 2012 off the Kerala coast. The Supreme Court of India recently allowed the second marine, Salvatore Girone, also to return home in Rome on May 29, pending trial against them.

"India would like to thank each of the 34 MTCR Partners for their support for the membership," Ministry of External Affairs (MEA) spokesman Vikas Swarup said.

Source: Indo-Asian News Service

India plans petrochemical hubs around 22 refineries

The government said on Friday it will set up petrochemical complexes around all the 22 refineries in India to help generate one crore jobs, even as it urged industry to rid its overdependence on the state and become competitive.

"The government has decided to establish petrochemical hubs in and around all 22 refineries," Union Chemicals and Fertilisers Minister Ananth Kumar said at a seminar here on "Sustainable chemistry."

"This will result in savings as cluster approach can reduce costs. The projects need not be confined only to greenfield projects but also cover brownfield projects already running at various places," he said.

The proposed plan, which is expected to attract major investment and generate one crore jobs, will soon be discussed with Petroleum Minister Dharmendra Pradhan, he added.

The minister also urged the chemical industry "not to just rely on government incentives but become competitive" in feed stock, procurement of natural gas and production of end-products, towards doubling the sector's growth to \$400 billion by 2021.

"The government is a facilitator. We are here to support you. Please don't just rely on incentives. That will be there. Become more competitive," he said.

The government can help by providing common facilities in these clusters, such as infrastructure, effluent plants, testing and trading facilities, which can help in cutting down the cost by 25-30 per cent, he added.

According to the minister, the proposed petrochemical complexes would not just be confined to Gujarat, Maharashtra, Andhra Pradesh, Odisha and parts of Tamil Nadu, but would be set up in other states as well.

As per official data the Indian chemicals and petrochemicals industry is growing at the rate of 11-12 per cent and producing output worth \$200 billion annually.



Source: Indo-Asian News Service

India, US to deepen cooperation in clean energy

The US and India will deepen their cooperation in climate and clean energy which offers great economic benefits, US Ambassador to India Richard Verma said on Friday.

He believes climate, clean energy and clean water are going to be biggest pathways for cooperation in years ahead.

Speaking at the inaugural of a conference with the theme 'The future is now: India- From COP 21 to reality', Verma noted that India's success is critical to global success and that investment in the global energy sector was expected to reach nearly \$17 trillion by 2035, or more than the entire GDP of China and India combined.

The two-day conference being attended by climate leaders from the US and India is discussing on how to implement the Paris climate agreement.

Later, Verma told a news conference that India should improve ease of doing business and investors' confidence to attract more US investments.

He noted that while US companies were coming to India in areas like clean energy, there is need for doing more to tap the potential.

The ambassador said technology would play a key role in boosting the cooperation in clean energy.

He said Prime Minister Modi's 175 GW target for renewable energy deployments is among the most ambitious in the world and the US has done a great deal to support the effort.

Through the US-India Partnership to Advance Clean Energy, or PACE, the US mobilized nearly \$2.5 billion for clean energy projects in India. Another \$1.4 billion in climate finance for solar projects was announced during the Prime Minister's recent visit to the US.

Verma recalled President Obama's statement in Paris that they cannot forge a climate agreement that permanently resigns the 300 million people in India lacking electricity to a dim future. "That's why he partnered with Prime Minister Modi to launch Mission Innovation, a public-private partnership involving 20 nations that has pledged to double spending on clean energy research and development by 2020," he said.

He was confident that these resources will develop new practices and technologies to reduce global carbon emissions while also allowing countries like India to meet their developmental goals.

Verma said the US was actively supporting India's solar targets through International Solar Alliance and bilateral initiatives, such as rooftop solar cooperation and solar resource mapping.

The ambassador also pointed NASA and the Indian Space Research Organization are working together to develop a Synthetic Aperture Radar satellite that will observe and measure some of the planet's most complex processes, including ecosystem disturbances, ice-sheet collapse, and natural hazards. India also recently reached an agreement with the Westinghouse Electric Company to build six nuclear reactors in Andhra Pradesh.

Terming this as a major milestone for India's energy, Verma said it fulfills the promise of the US-India Civil Nuclear Agreement. He claimed that this will give a major boost for Prime Minister Modi's ambitious target of diversifying India's energy resources, help India move towards its goal of making reliable power available to all its citizens, bring jobs to both countries and cutting edge technologies to India's power and construction sectors.



Indian oil consortium considering stake buy in Russia's Rosneft

A consortium of Indian oil companies led by state-run overseas explorer ONGC Videsh Ltd (OVL) is considering the purchase of a part of the \$11 billion stake that Russia is selling in Rosneft, Petroleum Minister Dharmendra Pradhan said on Thursday.

"Our companies are looking into the offer. They are mulling if they can take some of that equity. They are looking into it," Pradhan, who visited Russia last week, told reporters here on the sidelines of the launch of a pilot programme to run two wheelers on compressed natural gas (CNG).

"OVL is the company heading the discussions now. Others may join later," he said.

Russia plans to sell 19.5 per cent stake in Rosneft as part of a wider privatisation plan for 2016.

Last month, Rosneft completed the sale of 15 per cent stake in its Vankor oilfield OVL for \$1.268 billion.

It has also signed an agreement to sell another 23.9 per cent in Vankor to a consortium of Oil India, Indian Oil and Bharat Petroleum for another \$2 billion.

Rosneft has also signed preliminary agreement to sell another 11 per cent stake in Vankor to OVL.

"When all these transactions close, Indian companies will have nearly 50 per cent stake in Vankor," Pradhan said. He also said India plans to invest in the Yamal mega project of Russian natural gas major Gazprom.

"I have just come back from Russia. We are planning to invest in the Yamal project and see whether we can get equity natural gas," the minister said.

Pradhan further said India is also talking to Russia for building a gas pipeline through Central Asia.

He said India will raise this issue with the Russian leadership during Prime Minister Narendra Modi's ongoing visit to Tashekent where he is attending a meeting of the Shanghai Cooperation Organisation.

"The day is not far when a pipeline from Russia will reach India. It will be a very significant step for our energy security," Pradhan said.



Source: Indo-Asian News Service

Rs 450 cr Muthoot IT park to come up in Kochi Infopark

Muthoot Group, one of the leading business group in Kerala with diverse business interests, signed an agreement to set up a 10 lakh square feet twin building at the Kochi Infopark Phase II campus at an investment of Rs 450 crore.

The venture which would provide direct employment to 8,000 professionals when ready is going to be a joint development between Muthoot and Infopark.

The agreement was inked here on Friday between Hrishikesh Nair, CEO Infopark and George Alexander Muthoot, managing director, Muthoot Finance in the presence of Chief Minister Pinarayi Vijayan and other officials.

The Muthoot group will construct one tower of five lakh square feet and the second tower of the same size will be added later, by 2020.

“The government has very focused plans to aggressively market Kerala as an IT destination. For this we want private players to invest in IT infrastructure,” said state IT Secretary M. Sivashankar.

“With Muthoot joining us in co-developing IT/ITES infrastructure, their reputation in the market will add a lot of value as Infopark’s partner in the IT ecosystem development for Kerala,” said Nair.

“Apart from supporting the growth of IT companies, we also wish to set up Business Incubation Centres to support and develop smaller companies that are looking for small spaces in Kochi with facilities such as food court, plug and play services, and IT business centres,” said Muthoot.



Source: Indo-Asian News Service

Cochin Airport recommends 25 per cent dividend

The board of the Cochin International Airport Limited (CIAL), country's first greenfield airport in the public-private-partnership model, on Thursday has recommended a dividend of 25 per cent for fiscal 2015-16.

Chief Minister Pinarayi Vijayan chaired the meeting held here.

The dividend of 25 per cent recommended this time is up from 21 per cent paid out in 2014-15 and 18 per cent in 2013-14.

In the last fiscal, CIAL had a turnover of Rs 525 crore up from Rs 413.96 crore in 2014-15 and profit after tax also went up from Rs 144.58 crore to Rs 175 crore.

CIAL, that began operations in 1999, in the last fiscal handled a record 7.7 million passengers.

Since 2003-04 fiscal, it has been making profits consistently and by now, the nearly 18,200 investors have received more than 153 per cent of their investment back.



Source: Indo-Asian News Service

About 59 per cent tea sold in opening day of pan India e-auction

Tea Board of India on Thursday said under the successful roll-out of pan India e-auction, about 59 per cent of tea offered was sold.

The board said that across six auction centres, a total of about 29.5 lakh kilo of tea was offered and of which, about 17.3 lakh kilo was sold. A total 5,179 lots were offered of which 3,391 were sold. The average price realisation was at Rs 135.75 a kilo.

“The pan India e-auction has been rolled out successfully by Tea Board in all the auction centres except Coimbatore on Thursday. In Coimbatore it will be rolled out on June 24,” the board said in a statement.

The pan India e-auction enables buyers registered with a single auction centre to participate in the auction process of other centres as well.

Before this, the existing electronic auction process was region and centre specific, with restrictive participation as only those buyers registered at a centre could participate in its auction process.

The regular registered buyers of the auction centres and the non-registered outstation buyers participated in all the auction centres in good number, the board said.

The objective for introducing the new system was to bring competition in the system by bringing more buyers and to prevent cartelisation. The system is also expected to improve price discovery.

There are seven auction centres in India - Kolkata, Guwahati, Siliguri, Jalpaiguri, Kochi, Coonoor and Coimbatore. Manual auction of tea in India started in 1861 and the region and centre specific electronic auctions commenced in 2009.

Darjeeling tea is coming to the electronic platform for the first time. The average price of Darjeeling tea auctioned on Thursday was Rs 404.33 per kg.

The new system was planned to start from Tuesday but the board deferred to Thursday due to “some post settlement issues”. As per the new module the e-auction process though kicked off on Thursday in all centres with the sale number 25 but the post settlement banking operation would be done as per the existing process until the board sorts it out.

The board in a statement earlier said the post settlement portion of the auction would be implemented shortly after carrying out certain modifications in the system as per the feedback received from stakeholders.

Pan India e-auction was launched on May 9.



Source: Indo-Asian News Service

Sri Lanka to expedite economic, technology deal with India

Sri Lanka Prime Minister's Office has said the government will expedite the signing of an Economic and Technology Cooperation Agreement with India, officials reported on Tuesday.

The decision was made in response to Britain's voting to exit the European Union (EU) last week, Xinhua news agency reported.

Businesses had suggested that speeding up the deal will benefit stability and continuity of the country's economy.

The prospect of Sri Lanka's exports to Britain, which account for some 40 per cent of the country's total exports to Europe, became uncertain after the vote.

According to the report, a group of Sri Lankan officials will arrive at New Delhi to negotiate with India and fast track the signing of the agreement.



Source: Indo-Asian News Service

India launches 20 satellites at one go! Jai Ho

India on Wednesday successfully put into orbit its own Cartosat earth observation satellite and 19 other satellites, including one belonging to the Google company Terra Bella.

With this India successfully completed yet another multiple satellite launch in a single rocket mission.

"The PSLV (Polar Satellite Launch Vehicle) rocket has done its job. We have current generation Cartosat satellite," A.S. Kiran Kumar, Chairman, Indian Space Research Organisation (ISRO), said soon after the launch.

Exactly at 9.26 a.m. the PSLV rocket standing 44.4 metres tall and weighing 320 tonne tore into the morning skies with fierce orange flames at its tail.

Gathering speed every second the rocket raced towards the heavens amidst the cheers of the ISRO officials and the media team assembled at the rocket port here.

Just over 17 minutes into the flight, the PSLV rocket ejected Cartosat at an altitude of around 515 km.

It was followed by the two other Indian satellites - the 1.5 kg Sathyabamasat from Sathyabama University that would collect data on green house gases and the 1 kg Swayam satellite from College of Engineering, Pune, to provide point-to-point messaging services to the HAM radio community.

Soon the other satellites were put into orbit.

It was the first time that ISRO launched 20 satellites with one rocket.

In 2008, the ISRO had launched 10 satellites with the PSLV rocket.

With the success of Wednesday's rocket mission, India has successfully launched 74 satellites for international customers.

ISRO scientists received a deluge of congratulatory messages from different leaders following the successful launch.

Congratulating the ISRO scientists, President Pranab Mukherjee said: "I understand that images received from the Cartosat-2 satellite will be useful in providing scene-specific spot imagery that can be used for detailed mapping and other cartographic applications as well as applications in Land Information System (LIS) and Geographical Information System (GIS)."

"20 satellites in a go! ISRO continues to break new barriers. Hearty congratulations to our scientists on the monumental accomplishment," Prime Minister Narendra Modi said.

"The fact that of the 20, 17 satellites belonged to foreign vendors, including that from the US and Google, speaks volumes about the leaps in progression that ISRO has taken since its inception in 1960s," Congress President Sonia Gandhi said, and extended her good wishes to ISRO Chairman Kumar.

The PSLV's main cargo was India's 725.5 kg Cartosat-2 series satellite for earth observation with a design life of five years.

This satellite is similar to the earlier Cartosat-2, 2A and 2B.



The other 19 satellites weighing totally around 560 kg are from US, Canada, Germany and Indonesia as well as one satellite each from Chennai's Sathyabama University and College of Engineering, Pune.

The entire mission was over in around 26 minutes.

According to ISRO, the 110 kg SkySat Gen2-1 belonging to Terra Bella, a Google company, is a small earth imaging satellite capable of capturing sub-metre resolution imagery and high definition video.

The Planet Lab's Dove Satellites are also earth imaging satellites. A total of 12 Dove satellites each weighing 4.7 kg were carried in this mission inside three QuadPack dispensers, ISRO said.

"We are in discussions with Planet Labs and other companies for the launch of their satellites," S. Rakesh, Director, ISRO Propulsion Centre and Chairman-cum-Managing Director of Antrix Corporation told reporters here after the launch.

Antrix Corporation is the commercial arm of the Indian Space Research Organisation (ISRO).

Both the companies - Terra Bella and Planet Labs - have plans to launch a series of satellites.

The Indian rocket also put into orbit the 85 kg M3MSat from Canada. The technology demonstration mission is jointly funded and managed by Defence Research and Development Canada and the Canadian Space Agency.

The other satellites that were launched are: 120 kg LAPSN-A3 of Indonesia, the 130 kg BIROS from German Aerospace Centre, Germany and the 25.5 kg GHGSat-D, Canada.

Soon after the Cartosat was put into orbit its two solar arrays were deployed automatically and ISRO's Telemetry, Tracking and Command Network (ISTRAC) at Bengaluru took over the control of the satellite.

In the coming days, the satellite will be brought to its final operational configuration following which it will begin to provide remote sensing services using its panchromatic (black and white) and multispectral (colour) cameras.

Apart from launching of the satellites ISRO also tested a new technology in its PSLV rocket -- shutting down and restarting of the rocket's fourth stage twice, said S. Somanath, Director, Liquid Propulsion Systems Centre.

With the earth observation satellites going down in size globally, the ISRO has been reducing the size of its earth observation satellites, ISRO Chairman Kumar said.

"We can't take the private company's approach. There has to be certain minimum requirements for our government needs," he added.

Kumar said as per estimation around 70 satellites are needed to be put into orbit over the next five years.

Currently, there are 34 satellites in orbit comprising communication, earth observation, navigation and space science satellites.

Asked about the need for a third launch pad to increase the launch frequency, Kumar said the space agency is building a new vehicle/rocket assembly building that would speed up the assembling of rockets.

"Once the existing bottlenecks are removed and if there is a need for new facilities we will go for that," Kumar added.

According to him, the next PSLV rocket will put into orbit a weather monitoring and forecasting satellite Scatsat.

He said the South East Asian satellite built by India is likely to be launched between December 2016-March 2017.

On India's plans to have a space station of its own, Kumar said it depends on the long term plan of ISRO, the funding received from the government and other aspects.

Source: Indo-Asian News Service

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