

WEEKLY ECONOMIC BULLETIN



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Indian Railways attracts FDI worth \$59 million: Govt

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Railways to invest Rs80,000 crore in laying track in next three years

Focusing on rail network expansion, Indian Railways will increase the pace of laying new track to 19 km per day from the current 7.8 km which will likely generate Rs.80,000 crore business in the procurement of cement, steel and cable among others in the next three years.

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AT&T, Virgin Media to re-enter Indian market

The \$147-billion American telecom giant AT&T and Virgin Media, founded by Richard Branson and now controlled by the \$18.3-billion global major Liberty Global, are planning their second coming into the country.



Ford Motor eyes new global technology centre in Chennai

Following the footsteps of Nissan, Mahindra and other original equipment manufacturers (OEMs), Ford Motor is planning to set up a new global technology and business centre in Chennai.

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The world's largest IT storage company is in the race for developing smart cities in India, offering their services to the central and state governments, according to senior officials of the company.

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NEWS ROUND-UP



Indo-Japan collaboration in the field of science & technology

India and Japan have immense potential to further strengthen their collaboration in Science & Technology. There are several joint projects which are already in progress and more are in the planning process.

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Indian Railways attracts FDI worth \$59 million: Govt

Foreign direct investment (FDI) in the railways between September 2015 and February this year stood at \$59.81 million, the Lok Sabha was informed.

As per data compiled by the department of industrial policy and promotion (DIPP), the quantum of FDI during September 2015 to February 2016 year is \$59.81 million, minister of state for railways Manoj Sinha told the Lok Sabha in a written reply.

He said agreements have been signed between Indian Railways and a joint venture company for setting up of two locomotive factories at Madhepura (electric) and Marhowra (diesel) in Bihar costing about Rs.2600 crore, and entailing FDI inflow in rolling stock manufacturing.

While the precise amount of FDI further expected cannot be predicted or quantified, potential projects involving FDI include Dankuni and Kancharapara rolling stock factories, and annuity projects of the third line between Wardha-Nagpur, Kazipet-Vijaywada and Bhadrak-Nargundi.

The railways has notified sectoral guidelines on FDI and nominated the public-private partnership cell of the ministry as the FDI facilitation cell.



Source: Press Trust of India

Railways to invest Rs80,000 crore in laying track in next three years

Focusing on rail network expansion, Indian Railways will increase the pace of laying new track to 19 km per day from the current 7.8 km which will likely generate Rs.80,000 crore business in the procurement of cement, steel and cable among others in the next three years.

Besides, the Railways will use drones to monitor the progress of the track laying work. "Currently, we are laying the 7.8 km track per day and it will go up to 13 km per day next year. Our target is to reach 19 km per day in the fiscal 2018-19," Railway board member (engineering) V.K. Gupta said on Thursday.

Expansion of the rail network is a major thrust for railways as the public transporter is facing an acute congestion due to the limited line capacity, he said. Railways has laid 1,983-km-long track in 2014-15 and it increased to 2,828 km in the next year. There will be total 2,900 km of track in the current year and it involves gauge conversion, doubling and also laying new rail connecting new areas, he said.

The capacity augmentation exercise also aims to boost the economy as it involves procurement of rail, cement, steel, engineering and signalling equipment. He said earlier railways was facing fund constraint but now it has assured funds to execute projects.

Railways will be investing about Rs.80,000 crore in procurement of various ingredients like cement, steel, rail the next three years for laying tracks which will be a boost to the economy, he said. In order to expedite the project execution, railways has pressed drones into service to closely monitor the progress.

"Now, we are using drones to monitor the exact progress in our project execution and it has become a very effective monitoring tool," Gupta said.

Source: Press Trust of India

AT&T, Virgin Media to re-enter Indian market

The \$147-billion American telecom giant AT&T and Virgin Media, founded by Richard Branson and now controlled by the \$18.3-billion global major Liberty Global, are planning their second coming into the country.

Top sources in the government said the two companies have expressed their interest to enter India, and the foray could initially be through the mobile virtual network operator (MVNO) route. Under MVNO, companies buy airtime and bandwidth (for calls and data) in bulk from existing operators and then offer services under their brand.

A source said the entry could be a "precursor to a larger gameplan" as the companies, especially AT&T, may look at participating in the mega spectrum auctions slated to be held in the second half of this year. "There is a huge quantity of spectrum over 2,000 MHz that will be made available for sale and this could well be an opportune time for any new operator to come in," the source added. The sources said the companies have held preliminary discussions with top government functionaries and are firming up their entry strategy.



In response to a questionnaire, a spokesperson for AT&T said, "As a matter of policy, we do not comment on rumour or speculation." Questions sent to Virgin Media remained unanswered.

AT&T was one of the early entrants into the Indian telecom market when it teamed up with the Birlas and the Tata group in the mid nineties, before pulling out in 2005. Virgin Media had partnered the Tata group in 2008, but decided to move out in 2011 after failing to make much of a business. The recent decision of a top government panel to allow MVNOs in the country has proved to be an enabler for the companies to look at India again.

On March 28, the interministerial telecom commission had given its approval to MVNOs, a model that exists in America and Europe. Companies from various sectors (such as telecom, retail, banks or airline players) hope to use it to gain an easy entry into India.

"The MVNO route can provide a good option for companies in suburban or rural areas where customers are underserved. While top operators face bandwidth crunch and may not warm up to the idea, there are smaller players and PSUs which have a large infrastructure but lack marketing capacities with unused spectrum in their possession," said Rishi Tejpal, a research analyst with Gartner.

The cut-throat mobile and data tariffs in India, however, may not make it an easy business for MVNO players as they will not have much scope to undercut the market despite bulk purchases at wholesale prices, analysts said.

The sale of spectrum in the highly-efficient 700-MHz band, which has the best propagation characteristics and can be set up at one of the most efficient costs, could also be a big attraction for any new player who wants to enter the high growth Indian mobile telephony market. The high debt burden on existing players such as Bharti Airtel and Idea Cellular could make it less competitive for a new player to acquire the spectrum. The incumbents have already dubbed the pricing as "too expensive" as it will cost Rs 57,425 crore for a pan-India 5-MHz block.

Ford Motor eyes new global technology centre in Chennai

Following the footsteps of Nissan, Mahindra and other original equipment manufacturers (OEMs), Ford Motor is planning to set up a new global technology and business centre in Chennai.

It would be spread across 28 acres housing a R&D and product testing centre. The firm has invested around \$2 billion in India.

While industry sources said the investment would be around Rs 2,500 crore, Ford's spokesperson refused to share details.

In an e-mail, the spokesperson said, "We would share details of the engagement at an appropriate time and add nothing to the speculations of investment figures". Ford already has an investment to the tune of \$2 billion in India.

The firm's proposal got a nod from the Board of Approvals for special economic zones (SEZs) under the Ministry of Commerce recently.

According to the proposal, Ford Motor will be a co-developer in the sector specific SEZ of information technology/information technology enabled service

(IT/ITES) at Sholinganallur village in Tamil Nadu, developed by Electronics Corporation of Tamil Nadu (ELCOT).

The company is expected to take up IT/ITES services related to automotive finance and allied sectors including setting up of the centre.

The centre will host operations of Ford Global Business Services in areas of IT, product engineering, finance and accounting and data Analytics.

It has set up its first manufacturing unit at Chennai spread across 300 acres.

It has an installed annual capacity to produce 200,000 vehicles and 340,000 engines.

In March 2015, the firm expanded its manufacturing presence and inaugurated the latest integrated vehicle assembly and engine manufacturing plant in Sanand, Gujarat, with an investment of \$1 billion.

Vehicles and engines made at these two plants are exported to as many as 50 countries across the globe.

Source: Business Standard



EMC in race to develop smart cities in India

The world's largest IT storage company is in the race for developing smart cities in India, offering their services to the central and state governments, according to senior officials of the company.

"We have already completed a health project for a state government to make hospitals smart and to provide real time information to the government for taking appropriate decision," Rajesh Janey, President, EMC India and Saarc, told visiting Indian journalists to the EMC world annual conference here.

The project was done for Telengana, the newest state in India. "We are talking to the central governments as well as state authorities to offer the hardware and software to make cities smart," Janey said.

The Narendra Modi government had announced an initiative to develop 100 smart cities in India, with initial funds of Rs.7,000 crore being allocated for the project by the central government, though very little was actually spent. The project would be implemented by state governments or city councils.

EMC and Dell had announced a \$67 billion merger in October, making it the largest tech marriage in history. The EMC World conference at the casino capital of the world was told by Michael Dell, Chairman and CEO of Dell, on Monday that the merged entity would be called Dell Technologies while the enterprise company would be named Dell-EMC.

The merger is awaiting some regulatory approvals and is likely to be completed between June and October, according to the team set up to work out the logistics of two tech giants coming together.

EMC has over 5,000 employees in India, largely in the engineering section, with offices in Bengaluru, Hyderabad, Delhi NCR and some tier-two towns. It provides storage hardware and software to companies and did about \$350 million (Rs.2,400 crore) business last year. The \$25 billion EMC employs around 70,000 employees globally.

EMC has set up a division on smart cities, whereby they are offering services for collating all data from health services, traffic, police, power infrastructure, municipalities, weather division, transport and government services collating data and bringing forth significant information which needed decisions. Also, the interface with citizens and those who seek services would become much easier, officials say.

According to Rob Silverberg, Director and Chief Technology Officer, Enterprise Application Architecture for State, Local Government and Education at EMC California, the company is focussing on smart cities because it's the world of future.

"We are talking to several cities and towns across the US to adopt what we have to offer," said Silverberg, adding it would help city officials do their job more effectively and efficiently. He said the Indian section of EMC was following up on the smart cities in India. EMC is competing in smart cities business in the US and other countries with IBM.

Silverberg said that already a huge amount of data was being collected every day and every minute whether in crime tackling, traffic regulation or policing and other activities. "The data has to be stored and made intelligible for everyone so that right decisions are made fast."

Silverberg said the EMC smart cities project could even help track crimes and prepare evidence for courts whether it's through video monitoring data already been collected across the country or other methods. "Essential everything is data, and we are the experts who can help store and make sense of it," he said.

According to Janey, the basic modules which the global company is now projecting to cities in various parts of the world, including Dubai, was made in Bengaluru by Indian software engineers. Janey said that EMC International had thrown up demand and the engineers in India came up with an effective solution which was adopted by the multinational.

Source: IANS

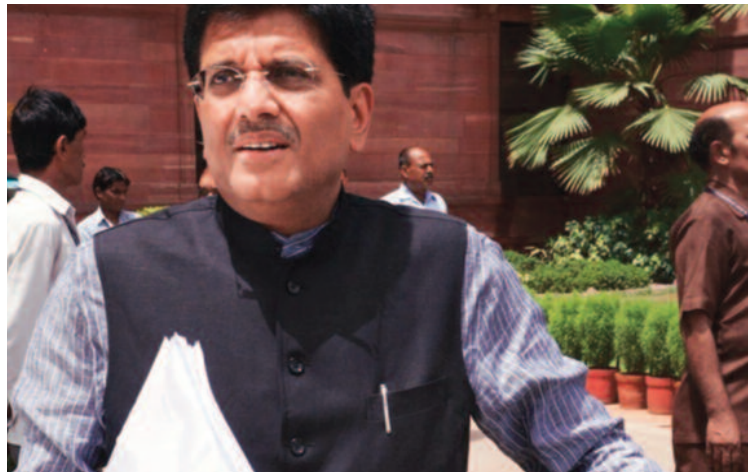
Govt to make coal-based power generation cleaner: Piyush Goyal

The government will adopt new technologies to make coal-based power generation cleaner and design new financing schemes with private companies to fund research on green energy technologies to address a major surge in power demand expected over the next decade, power minister Piyush Goyal said.

Addressing top industry executives at a conference on the future of electricity organized by Mint and General Electric Co. on Tuesday, Goyal said the government will also take policy measures to promote wind and hydropower generation capacity as the solar power industry is already on a high-growth path.

Higher personal incomes and the emphasis given to domestic manufacturing activities will significantly increase power consumption despite the improvements in energy efficiency. This surge in demand, which comes at a time when electricity consumption growth is either flat or declining in the developed world, offers a huge potential for the industry, Goyal said.

Steve Bolze, president and chief executive officer of GE Power, said technology is key to India achieving its targets in the electricity sector. India has set a target of setting up 175 gigawatt (GW) of renewable energy generation



capacity by 2022, out of which 100 GW is to come from solar. Goyal said that solar power capacity, presently at 6.7 GW, will touch 20 GW by next year. The country currently has a capacity to produce 302 GW of power, but the demand is estimated to be about 150 GW, mainly due to the stress in the power distribution business.

The government in November introduced a bailout scheme for power distributors called Ujwal Discom Assurance Yojana, which is expected to nurse state-run power utilities back to health, enable them to buy more power from producers and invest more in efficiency improvement. "The fresh demand (for power) will come from the 230 million people who will get electricity for the first time, the elimination of diesel generation sets because of access to power and from increased economic activity coming from the Make in India campaign," Goyal said, adding that power consumption is expected to grow at 10% annually over the next 10-15 years.

Since the solar power sector is on track, the government will now focus on encouraging new hydropower and wind power capacity, Goyal said. The government is also ready to contract at least 70 to 80 million metric standard cubic metres (mmscmd) of natural gas from global suppliers if they are ready to supply long-term at affordable rates, which will enable India to operate its idle gas-based power capacity, the minister said. The Modi administration will also set up a pool of capital to invest in clean energy technology with contribution from public sector companies, in which private enterprises could also take part, he said.

Sumant Sinha, chairman and CEO of power producer ReNew Power Ventures Pvt. Ltd, said that offshore solar power plants could address the problem of land availability. Coal secretary Anil Swarup said "minimalistic" regulation will go a long way in aiding the power sector growth.

Source: Livemint

India-South Korea Pact for Development of Ports

A MoU was signed between the Ministry of Shipping, India and the Ministry of Oceans and Fisheries of Korea on Cooperation in Port related Industry.

The Memorandum of Understanding (MoU) has been signed the purpose of cooperation for strengthening administrative, technical and human resources through exchanges, to promote mutual benefits in the fields of port development and operation.

The MoU envisages cooperation in areas including sharing of technology and experiences in port development and operation and joint participation in port-related construction, building and engineering projects of mutual interest amongst others, by both the countries.

This information was given by Minister of State for Shipping, Shri Pon. Radhakrishnan in a written reply to a question in the Rajya Sabha today.



Source: Press Information Bureau

Silver jewellery exports up five times in five years

At a time when global luxury markets are struggling to attract customers to keep their exports afloat, silver jewellery exports from India grew exponentially over the past five years.

India's silver jewellery exports quadrupled since financial year 2010-11 because of rapid shift in consumer preferences in favour of contemporary designs of gemstone-studded ornaments. Data compiled by Gems and Jewellery Export Promotion Council (GJEPC) show India's silver jewellery shipment at \$2,959 million in financial year (FY) 2015-16, compared with \$566 million in 2010-11. From FY15, exports grew by 44 per cent.

The growth in silver jewellery exports has opened an opportunity for Indian designers to compete with traditional market leaders like Thailand, China and Turkey. Subdued prices, growing consumer confidence and guaranteed buyback have helped Indian silver ornaments emerge as an alternative to gold jewellery in international market.

"There is a silver lining for India's silver jewellery exports. Till sometime back, India was a primary exporter of silver bars. Today, the world can see our presence in silver jewellery. Our growth indicates that we can easily become the largest silver jewellery exporter in the world," said Praveen Shankar Pandya, chairman, GJEPC.

Silver jewellery exports up five times in five years Silver prices in the international markets have declined by 50 per cent over the past five years to trade at \$15.44 an oz.

Silver prices have marginally recovered in the recent past. In domestic markets, however, the impact of price fall was limited because of the depreciation in the rupee. In domestic currency, silver slipped to Rs 36,990 a kg, a decline of 34 per cent from the level of Rs 56,290 a kg in FY12.

"The slowdown in European manufacturing activity has benefited India over the past years. Understanding the need of overseas consumers, India has invested immensely in technology advancement for modern and contemporary designs of intrinsic jewellery. India is reaping advantage of its expertise in jewellery sector," said Rahul Mehta, managing director, Silver Emporium, one of India's largest silver jewellery exporters.

Silver Emporium is planning to set up a large warehouse in the United States to serve its customers in American countries efficiently. Indian silver jewellery exporters require government support to grow.

For example, a few years ago, India had a policy for duty drawback on silver. However, exporters are yet to receive their dues from the government. "Such unfavourable policies prevent us from exports despite huge appetite for Indian jewellery in global markets," said Mehta.

Rising jewellery exports reflected in silver import as well. India's silver import jumped four-fold in the past three years from 1,900 tonnes in FY12 to 7,954 tonnes in FY15.



Indo-Japan collaboration in the field of science & technology

India and Japan have immense potential to further strengthen their collaboration in Science & Technology. There are several joint projects which are already in progress and more are in the planning process.

The Union Minister for Science & Technology and Earth Sciences Dr. Harsh Vardhan held a meeting with the Japanese Minister for Education, Culture, Sports, Science & Technology (MEXT) Mr. Hirodie Hase in New Delhi today.

The meeting was a follow up of the six-month earlier meeting held in Japan.

India and Japan are in close collaboration on several focus areas and projects like Artificial Intelligence, Energy, Ocean Sciences and Marine Instrumentation, High Skill Development, Use & Analysis of Big Data, Research & Development and Bio Information.

These projects include the exchange of students of both countries, training for Indian Scientists, Joint Research Programmes and Scholarships.

Both the governments attach a lot of significance on the joint collaborations in various spheres of Science & Technology.

Source: Press Information Bureau

Engineering is most impactful field of research in India: report

India's most impactful field in terms of research output is engineering while its most prolific in terms of citations are chemistry and pharmacology, according to the Elsevier Report 2016, commissioned by the Department of Science and Technology.

The report looked at India's contribution in the field of science and technology in terms of volume of research papers, global share and citation impact.

The report said India's scientific publications grew 13.9%, as against the global average of 4.1%, during 2009-13.

Various indicators show India has a small but growing share of the world's total scholarly output.

India's share of the world's science and technology scholarly output has grown from 3.1% in 2009 to 4.4% in 2013 from 62,955 papers in 2009 to 106,065 papers in 2013.

Scopus is Elsevier's abstract and citation database of peer-reviewed literature and covers 60 million documents published in over 22,000 journals, book series and conference proceedings by nearly 5,000 publishers.

India's share of the world's patent citations increased from 2.2% in 2009 to 2.9% in 2013.

"Although India is still a relatively small player on the global scientific stage, its wide-ranging collaboration network and increasing share of the world's main € research performance indicators reflect its overall growth in output, impact and knowledge transfer," said the report.

In terms of knowledge transfer, India shows a higher emphasis in areas of computer science, material science, chemistry and pharmacology, toxicology and pharmaceuticals. Knowledge transfer includes analyses of patent citation patterns and collaborations between academic and corporate research institutions.

"As a whole, there is a promising trend as more Indian research is included in global journals and more institutes are regularly making appearances in such databases. It has also been seen that collaboration is expanding to not just include OECD (Organisation for Economic Cooperation and Development) partners, but others such as Brazil, China and Iran," said Sujit Bhattacharya, senior principal scientist, Council of Scientific and Industrial Research-National Institute of Science, Technology and Development Studies.

Bhattacharya, however, added that publishing in high-impact journals is not visible to the extent one would expect from a country like India.

"There could be many reasons for this. Either papers have not reached the required mark or there are also cultural barriers that developing countries such as India face when it comes to citations," he said.

Standout institutes



The Indian Institute of Science, Bangalore, is the most prolific and in the most number of subjects, with the highest number of publications between 2009 and 2013 in six of the 16 subject areas, which include physics and astronomy, biochemistry, genetics and molecular biology, material science, chemistry, mathematics, and earth and planetary sciences.

The Indian Institute of Technology, Kharagpur, has the most publications in engineering and chemical engineering, and the Indian Institute of Technology, Delhi, has the most in the energy area.

Anna University, in Guindy, Chennai, tops both in computer and environmental sciences, while Banaras Hindu University leads in three subject areas agricultural and biological sciences, immunology and microbiology, and veterinary sciences.

The Postgraduate Institute of Medical Education and Research, Chandigarh, and Annamalai University, in Chidambaram, Tamil Nadu, take the lead in medicine, pharmacology, toxicology and pharmaceuticals.

In terms of academic impact and citations, the three institutions that lead are the Tata Institute of Fundamental Research, Mumbai, Panjab University, Chandigarh, and the Indian Association for the Cultivation of Science, Kolkata.

Thirteen of the 30 top academic institutions have a strong specialization in engineering, while the most common specialized subject areas are chemistry, engineering, physics and astronomy.

Source: Livemint

WEEKLY ECONOMIC BULLETIN



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