

Daily Economic News Summary: 11 July 2016

1. India to seek US cooperation for modernizing infrastructure

Source: **Indian Express** ([Link](#))

India will seek cooperation with the US in innovative technologies for modernising the country's infrastructure, as Union Minister Nitin Gadkari will meet top American officials during his week-long visit aimed at attracting billions of dollars in FDI in the crucial sector. Gadkari will seek the US' cooperation in innovative technologies in highway projects, material, equipment, tunnel projects, intelligent transport systems (ITS), road safety initiatives and training institutes including equipment like training simulators, officials in New Delhi said on Sunday.

On his maiden visit to the US in his capacity as Union Minister of Road Transport, Highways and Shipping, Gadkari will meet Secretary of Transportation Anthony Foxx. During the meeting, he is expected to highlight the positive indicators contributing to the "phenomenal revival" of the roads and highways sector in India and the government's policy shift from "Build Roads" to "Move in India" with special emphasis on efficient operations and network management for improving logistics efficiency, the officials said.

2. India extends \$92 million Line of Credit to Tanzania

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

Seeking to enhance its ties with resource-rich Tanzania, India on Sunday extended its full support to it to meet its development needs and signed five agreements, including one for providing a Line of Credit of \$92 million in the water resources sector. Describing India as a trusted partner in meeting Tanzania's development priorities, Prime Minister Narendra Modi said he along with President John Pombe Joseph Magufuli *"agreed to deepen our overall defence and security partnership, especially in the maritime domain. "Our in-depth discussions on regional and global issues reflected our considerable convergence on issues of common interest and concern,"* he said. *"India's cooperation with Tanzania will always be as per your needs and priorities,"* Modi said at a joint press interaction after his bilateral meeting with President Magufuli.

The two sides signed an agreement under which India will provide a Line of Credit of \$92 million for rehabilitation and improvement of Zanzibar's water supply system. Other agreements signed include an MoU on water resource management and development, MoU for establishment of vocational training centre at Zanzibar, MoU on visa waiver for

diplomatic/official passport holders and an agreement between National Small Industries Corporation of India and Small Industries Development Organisation Tanzania.

3. Narendra Modi interacts with “Solar Mamas” of Africa in Tanzania

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

Prime Minister Narendra Modi on Sunday interacted with ‘Solar Mamas’, a group of nearly 30 rural women solar engineers from six African countries who have been trained under India’s developmental support for harnessing solar energy. *“Celebrating the Solar Mamas! PM interacts with women trained in vocational skills under India’s developmental support,”* Ministry of External Affairs Spokesperson Vikas Swarup tweeted. The ‘Solar Mamas’, who come from across Africa, are trained at Barefoot college in Rajasthan’s Tilonia village or the centre in Tanzania. Mr. Modi interacted with each woman who have been trained to fabricate, install, use, repair and maintain solar lanterns and household solar lighting systems in their villages.

The group of about 30 ‘Solar Mamas’ from Tanzania and a few other African countries demonstrated their skills in fabrication, repair and maintenance of solar lanterns and household lighting system in presence of the Prime Minister. They also presented their honey-extraction and stitching practices and sung a song “we shall overcome“. The presentation was also attended by the Deputy Foreign Minister of Tanzania Dr. Susan A. Kolimba and Zanzibar Minister of Land, Housing, Water and Energy, Salama Aboud Talib. Mr. Modi, who arrived in Tanzania on Saturday as part of his four-nation Africa tour aimed at enhancing ties with the continent, particularly in the economic sphere, posed for photographs with ‘Solar Mamas’ following the interaction. The women are also trained in solar electrification and other entrepreneurial skills such as bee-keeping and tailoring. Under Government of India-supported programmes, the college in Rajasthan has been promoting and training rural women solar engineers from Africa in household solar lighting systems.

4. Lamborghini bets big on India; taps first Gen Biz men, women

Source: **Pioneer** ([Link](#))

Italian luxury sports carmaker Lamborghini is betting big on the Indian market, expecting sales to grow in double digits with the emergence of new set of customers such as first generation entrepreneurs and demand coming from smaller cities. The company, which commands around 40 per cent of the niche segment in India, sold 55 cars last year and expects the market to substantially expand in the coming years. *“The super sports luxury car segment in India has been seeing a change in terms of customers. Earlier it used to be second or third generation entrepreneurs but today we see young first generation entrepreneurs also buying our cars,”* Lamborghini India head Sharad Agarwal told the news agency. He further said: *“Besides, we also see demand coming not only from metros but from smaller cities like Agra, Bhubaneswar and Kochi. That shows the potential that Indian market has.”*

Lamborghini India is also targeting women to develop as a new set of customers. *“We are taking first steps to tap them by organising drives on city roads and on track, give them a chance to get the Lamborghini experience,”* he added. Lamborghini competes with the likes of Ferrari in the segment with cars priced at Rs 2 crore and above with horse power 400 HP onwards. The company sells a range of sports cars under its Huracan and Aventador families priced between `3.07 crore and `6.2 crore (ex-showroom Delhi).

5. Astana to sign MoU with AP government for building new capital city

Source: **The Indian Express** ([Link](#))

Chief minister N Chandrababu Naidu, who appears to be searching for modern architectural wonders in the newly built capital cities across the globe to replicate their elements in the construction of Amaravati, wants state’s capital city to be a carbon copy of Astana, the capital of Kazakhstan. Naidu, who had earlier wanted to construct Amaravati on the lines of Singapore city, Tokyo, Istanbul and Beijing, at present appears to have been mesmerized by the architectural marvel of Astana, a river-front capital. The chief minister, who spent second consecutive day in the Kazak’s First City on Sunday by visiting Bayterek tower to get a bird’s eye view of the core capital, has decided to form a joint working group with representatives from AP and

Kazakhstan to together work on Amaravati’s construction. The group will be headed by municipal administration minister P Narayana. After watching the beauty of Astana from atop a 97-metre-high Bayterek tower, Naidu sought all possible help from the Kazak’s government. Following the request of Naidu, Astana’s local government came forward to ink a Memorandum of Understanding (MoU) with the state government in this regard. In order to increase the tourist traffic between Kazakhstan and AP, Astana Mayor Asset Issekeshv promised Naidu that he

would speak to his country's transport minister to introduce a direct flight from Amaravati to Astana.

6. India pushes talks with Russia for 5th Generation fighters and Super Sukhois

Source: **Times of India** ([Link](#))

India is finally taking forward the negotiations with Russia on stalled mega projects to jointly develop a futuristic fifth-generation fighter aircraft (FGFA) as well as upgrade its existing Sukhoi- 30MKI jets into 'Super Sukhois' with advanced avionics and weapons. Though India and France are now close to inking the estimated 7.8 billion euro deal for 36 Rafale jets, the defence ministry acknowledges that just 36 fighters will not be enough to stem the country's haemorrhaging air combat power.

The IAF is down to just 33 fighter squadrons — including 11 obsolete MiG-21 and MiG-27 squadrons slated for retirement — when at least 42 are required to keep the “collusive China-Pakistan threat” at bay. The “multi-pronged strategy” (see graphic) to progressively crank up airpower ranges from inducting the indigenous Tejas light combat aircraft to exploring a second line of fighter production in the country, with the American F/A-18 and F-16 as well as Swedish Gripen-E already in contention for this proposed 'Make in India' project. Apart from these 4th-generation fighters, the defence ministry is now finally working towards inking the final R&D design contract with Russia this year for the Indian “perspective multi-role fighter”, a variant of the Russian single-seat FGFA called Sukhoi T-50 or PAK-FA. *“Apart from resolving technical and cost issues, Russia has also agreed to allow IAF test pilots to fly its prototypes now,”* said a source.

The final R&D contract for the FGFA was on hold till now despite the two countries having first inked an inter-governmental agreement in 2007 and then following it up with a \$295 million preliminary design contract in 2010, as was earlier reported by TOI. Under the main design contract to be executed in over six years now, India and Russia will chip in around \$4 billion each for prototype development, testing and infrastructure build-up. The overall cost for producing 127 of these single-seat fighters — which will combine stealth, super-cruise and multisensor integration — in India will be about \$25 billion.

.....

By Harsha Hazarika