

Daily Economic New Summary: 13 August 2015

1. US seeks more clarity on India's FDI stance in e-commerce, defence

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

Making a pitch for foreign direct investment in multi-brand retail and ecommerce sectors, the US said it expected India to show more progress on these issues. *"There has not been progress in FDI in multi-channel retail as well as web-based retailing in which we hope to see more progress on,"* said US Under Secretary of Commerce for International Trade Stefan M Selig. *"In particular, even in those areas in which we have seen increase in investment caps, there is still hope that we can have some more clarification on what those caps will ultimately mean to the business and investors community,"* he told reporters.

Selig was replying to a question about India's FDI rules. Although the current foreign investment policy permits 51 per cent FDI in multi-brand retail, the BJP government is not keen on promoting foreign investment in the segment.

2. Boeing raises forecast for Indian plane demand

Source: **Live Mint** ([Link](#))

US-headquartered plane maker Boeing Co. expects a demand for 1,740 planes in India over the next 20 years, anticipating that more people will travel by air over the course of time. The price tag for these planes is estimated at \$240 billion.

In its annual Current Market Outlook (CMO), released on Wednesday, Boeing raised its prediction for aircraft demand by 8.75% compared with 2014's forecast. In March 2014, Boeing said airlines in India will need 1,600 new aircraft, valued at \$205 billion, in the next 20 years.

At present, Indian airlines together have around 400 operational planes and about 500 on order. *"India's economy and the country's potential for air travel growth—both for leisure and business—continues to be strong and we remain confident in the Indian commercial aerospace market,"* said Dinesh Keskar, senior vice-president, Asia Pacific and India sales, Boeing Commercial Airplanes.

3. ONGC said to seek \$900 million stake in Rosneft Vankor oil field

Source: **Live Mint** ([Link](#))

Oil & Natural Gas Corp. is seeking through its overseas unit to buy a stake in Russia's second-largest oil producing development from OAO Rosneft, according to two people with direct knowledge of the plan.

ONGC Videsh Ltd. is in discussions to purchase a share of the Vankor oil field in East Siberia, said the people, who asked not to be identified because discussions are ongoing. The New Delhi-based company is seeking to pay \$900 million for the stake, which will secure about 3.5 million metric tons of oil a year (about 70,290 barrels a day), and expects to sign a deal as early as next month, one of the people said.

Vankor, which started production in 2009, is one of the largest oil fields in Russia, with recoverable reserves estimated at about 500 million tons. Vankor pumped about 40.2 million barrels of oil in January to March (about 447,000 barrels a day), according to the company. Rosneft's press office declined to comment on ONGC's approach for a stake in Vankor. ONGC Videsh managing director Narendra Kumar Verma declined to comment on a possible deal.

4. Taiwan firms in pact with Karnataka to invest \$500 million

Source: **Live Mint** ([Link](#))

Taiwan-based Foxconn's move to invest \$5 billion over five years in Maharashtra seems to be just the start. Close on its heels, Taiwan's industry body for electrical and electronic component makers on Wednesday signed a pact with the Karnataka government to invest around \$500 million (Rs.3,200 crore) and set up a manufacturing cluster near Bengaluru.

Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) has over 3,000 companies as members and represents 90% of Taiwanese component manufacturers catering to information and communication technology companies.

"We are here to introduce our potential investors to the state," said executive director of TEEMA Francis Tsai, leading a delegation of around 24 Taiwanese companies, including Getac Technology Corp., Mobiletron Electronics, Tyohm Electronic Works, Giantlok and Hua Wei Industrial.

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