

## Daily Economic News Summary: 13 July 2015

### 1. India, Turkmenistan push for early completion of TAPI pipeline

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

India and Turkmenistan on Saturday agreed to push for early implementation of the ambitious TAPI gas pipeline project as Prime Minister Narendra Modi held talks with Turkmen President Gurbanguly Berdimuhamedov. The two sides inked seven agreements, including for cooperation in fertilisers and in defence.

Modi, who arrived in the Turkmen capital on Friday evening from Ufa in Russia, said in his media statement after Saturday's talks that the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project was the "most significant initiative in our relationship". *"This could transform regional economic cooperation and bring prosperity along the route. We welcomed the agreements between the four countries for the pipeline. We underlined the need to implement the project quickly,"* he said.

Modi said he proposed that both sides should explore multiple options, including the land-sea route through Iran, for transporting the gas. The \$10 billion TAPI project is expected to bring Turkmen natural gas from its giant Dauletabad and Galkynysh gas fields to Pakistan and India. The project is likely to take off in December.

### 2. Doha Bank eyes setting up subsidiary in India

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

Doha Bank, one of the largest commercial banks of Qatar, is looking at the possibility of setting up a subsidiary in India, said a top official of the bank.

*"Our long-term view is to set up a full scale subsidiary for our Indian operations which is needed to enter more cities"*, Doha Bank CEO R Seetharaman told reporters in Kolkata. Presently, Doha Bank has three branches in India two in Mumbai and one in Kochi. Seetharaman said that one of the Mumbai branches would be relocated to some other city within the country, adding that West Bengal is in its radar because of the substantial presence of SMEs in the state. He said that the SMEs in India could take advantage of availing cheap credit from Doha Bank as 87% of its lending is guaranteed by the Qatar government and also it is an 'A+' rated bank.

### **3. Aviation Minister wants to mobilize Rs 2400 cr for Air India**

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

The civil aviation ministry is making efforts to secure about Rs 2,400 crore for Air India through supplementary budgetary allocations and recovery of dues worth Rs 600 crore, related to use of its planes for VVIP travel. Of the total, about Rs 1,800 crore is being sought to meet the funding shortfall faced by the cash-strapped government carrier.

Efforts are being made to secure funds for Air India as the supplementary demands of ministries would be considered during the coming monsoon session of Parliament beginning July 21. A ministry official said it was looking at recovering Rs 500-600 crore from some ministries for using Air India planes for VVIP travel. Most of the dues are to be paid by the external affairs and home ministries, he added.

According to the official, till recently, the amount due from various ministries stood at around Rs 900 crore and, after some payments were made, the outstanding now is about Rs 500 to 600 crore. To ensure that the dues get cleared at the earliest, the Civil Aviation Ministry is impressing upon the ministries that are yet to pay to seek that money by way of supplementary demand for grants, the official said.

### **4. iPhone maker Foxconn to set up 10-12 manufacturing plants by 2020, create 1 million job: Chairman**

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

Foxconn Technology Group, the world's largest contract manufacturer, is aiming to create at least a million jobs by setting up 10-12 manufacturing facilities across the country by 2020, its chairman said.

Terry Gou, head of the maker of iPhones and iPads for Apple and Kindles for Amazon, told reporters Friday on a short trip to India that Foxconn would look to set up the manufacturing plants, initially in five states including Andhra Pradesh, Gujarat, and Maharashtra and expand to other states across the country by 2020.

It also plans to set up including data centers and incubators in cities like Delhi, Mumbai, Bengaluru, and Hyderabad. The company is also looking to invest in Indian internet start-ups, small-medium enterprises and handset makers.

## 5. BRICS bank to start lending in local currency by April: Kamath

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

The New Development Bank (NDB), set up by five BRICS nations including India, will start lending in local currency by April next year and member countries will primarily be the focus of credit facility, said its chief and eminent banker KV Kamath.

He said a decision to open membership for other countries will be taken in the next few months by the bank's Board of Governors. *"I think we will start lending process sometimes early first quarter next year (April)...The idea is that by April next year, we will create a state of projects from all the member countries (for lending),"* Kamath said here.

## 6. Domestic airfares fall with Air Asia and Vistara entry

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

Generous deals in domestic airfares are back, this time because of capacity addition by Vistara and AirAsia India and a fall in oil prices, according to analysts. Analysis in key domestic sectors shows decrease is higher in sectors where two new entrants— Vistara and AirAsia India—have added flights, with existing carriers following suit.

According to Yatra.com, India's second-largest travel portal, the average domestic fare has come down by about 19% from a year ago. The fall is higher on routes where the two new carriers have started operations. Some analysts said the decline in prices could be on the back of capacity addition, as airlines in India have not reduced fuel surcharge.

*"The airlines have not reduced fuel surcharge even after the decline in oil prices. Drop in fares, if any, is more limited to specific sectors, depending on the capacity and also loads,"* said Ajay Prakash, former president of Travel Agents' Federation of India.

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