

Daily Economic News Summary: 13 May 2016

1. Fifteen year development agenda to replace five year plans; to include internal security, defence

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

The decades-old five-year plans will now make way for a larger and more focused 15-year "National Development Agenda" that will include internal security and defence as well. Cleared by Prime Minister Narendra Modi earlier this week, the new blueprint will be implemented after the last of the five-year plans, the 12th (2012-17) ends next year. A top government source told ET that the Prime Minister had given his go-ahead to the proposed plan that seeks to marry long-term planning, regular reviews and stringent monitoring into one coherent scheme.

The plan process in the country has in the past drawn criticism from various quarters due to the absence of long-term focus present in other countries. The NDA government that remodelled the erstwhile Planning Commission to NITI Aayog has been keen on drawing up long-term development blueprint and had been contemplating doing away with the five-year plans. This marks the end to the Nehruvian five-year plan model of country's development in a radical shift in the process. The NITI Aayog has been asked to formulate the long-term 15-year development blueprint of the country keeping in view the millennium development goals and needs of India.

2. IEA sees surge in oil demand from India, emerging nations

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

Surge in oil demand in India and other emerging nations will lead to reduction in global oil surplus in the first half of 2016, the International Energy Agency (IEA) said today. Keeping the global growth unchanged at 1.2 million barrels per day for the year, the Paris-based IEA said supply will exceed demand by an average of 1.3 million bpd in the first six months of 2016, down from the 1.5 million projected a month ago. IEA's Oil Market Report for May *"revised global oil demand growth for the first quarter of 2016 upwards to 1.4 million bpd, led by strong gains in India, China and more surprisingly, Russia. For the year as a whole, growth will be around 1.2 million, with demand reaching 95.9 million bpd."*

The first quarter growth was driven by China, Russia and by transport fuel use in India. *"India is the star performer: oil demand in the first quarter of 2016 was 400,000 bpd"*

higher year-on-year, representing nearly 30 per cent of the global increase. This provides further support for the argument that India is taking over from China as the main growth market for oil," the IEA said. The forecast for world oil demand at 95.9 million bpd this year is higher by 100,000 bpd over previous year.

3. EDF to propose deal for six nuclear reactors in India by year end

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

EDF will deliver a proposal to the Indian government by year's end to build six nuclear reactors, an executive at the French utility said on Thursday, in what could be the world's biggest nuclear deal. EDF in January announced a preliminary agreement with Nuclear Power Corp of India Ltd to build six EPR nuclear reactors at Jaitapur in western India. *"India has asked us to present a complete technical and economic proposal for six EPRs by the end of this year. We are working hard on this,"* Xavier Ursat, EDF head of new nuclear, told shareholders at their annual general meeting. India, more than any other country, is the place where building nuclear plants makes sense, because of its huge power demand and the need to replace polluting coal, he said.

4. Reserve Bank of India allows foreign banks to invest up to 10% in local private lenders

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

The Reserve Bank India (RBI) has allowed foreign banks to invest up to 10% in local private lenders and supranational institutions such as Life Insurance Corporation of India to take this to as much as 40% as part of a sweeping set of measures expected to help them shore up capital and possibly encourage consolidation in the sector. The new steps announced by the central bank on Thursday could even cover rescues led by overseas banks, marking a radical new direction in policy. The central bank also doubled the stake that individuals and institutions can acquire in private banks to 10%. Non-regulated, non-diversified and unlisted financial entities can acquire stakes of up to 15%.

5. In a first, Amazon to standardize packaging for all vendors in India

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

Amazon India is helping vendors source packaging supplies in an effort to standardise packaging for purchases across its platform. This is also the first time the ecommerce giant has taken such an initiative globally. Currently, orders that are fulfilled by Amazon and sent from the company's warehouse have Amazon-branded packaging. However, nearly a quarter of the vendors on the platform use their own packaging. Under this new initiative, these sellers will be able to buy Amazon-branded packaging materials such as corrugated boxes, thermocol balls and air filled packets on the portal.

6. Ray Ban converts India website into ecommerce platform to curb fakes

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

Ray-Ban has converted its India website into an ecommerce platform, as the eyewear brand seeks to fight off counterfeits that flood online marketplaces. Previously, the website functioned only as a reference point. Ray-Ban is the latest among a host of global firms including Puma and Adidas that launched their own ecommerce platforms in India, at a time when online retailing is growing at a fast clip in the country. Since November, India allows global single brand retailers — companies that sell items under one label — to offer their products through company-owned ecommerce portals. Ray-Ban appointed Bengaluru-based firm Ace Turtle to manage its online platform. Ace Turtle also manages ecommerce websites for fashion and lifestyle brands of Puma, Flying Machine and French Connection, as well as furniture seller Evok, among others.



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