Daily Economic News Summary: 14 June 2016

1. India, Ghana want Private companies to lead trade surge

Source: **Pioneer** (Link)

Urging the two nations to take their relationship to the next level, President Pranab Mukherjee on Monday asked India and Ghana to increase the existing trade from $3 billion to $5 billion. Ghana expressed its desire to procure nuclear energy to meet its requirements. Visiting Ghana to expand the outreach of India to Africa, the President and his counterpart John Mahama agreed to encourage the private sector to achieve the target of increasing trade. President Mukherjee said that in the past, Government-to-Government efforts were the mainstay of increasing trade and improving infrastructure. Now the time has come to let the private sector play a prominent role, both the leaders concurred.

Ghana evinced keen interest in partnering with India in the civil nuclear energy sector as it is facing problems in this critical field of development. At present, Ghana is dependent on gas supply from Nigeria and is facing problems due to erratic supply as the gas comes through land-based pipe line. The two countries agreed to explore the possibilities in this key sector for sustainable energy, officials said here after the meeting between the two leaders and delegation-level talks. India, which is already involved deeply in the development of Ghana in the field of education, rural electrification and other related fields, extended a $400 million line of credit for building a 55-km-long railway line in the country. It will connect the major Ghana port to the hinterland thereby boosting development, they said. The two countries also decided to intensify co-operation in the fields of mining, agro-sector and information technology. Ghana is rich in minerals and exports more than 80 per cent gold to India.

In the first ever visit by an Indian President to Ghana, a stable democracy in Africa, Mukherjee and Mahama were witness to signing of three MoUs in the fields of exemption of visa on official and diplomatic passports, bilateral commission to enhance overall trade relations and interaction between foreign institutes of two countries. India agreed to Ghana's request for investment in low-cost housing and advanced medial health sector in the African nation. In fact, several Indian companies were already exploring possibilities in this field.

2. Government rings up Foxconn for sale of Nokia's Chennai plant

Source: **Economic Times** (Link)

Government representatives from New Delhi and Tamil Nadu have met Taiwanese contract manufacturer Foxconn's founder Terry Gou about a potential sale of Nokia's Chennai factory. This points to a concerted push to revive operations at the 212-acre facility on the outskirts of Chennai that was once a symbol of Indian prowess in manufacturing mobile handsets. Officials from the Department of Electronics & IT and bureaucrats from Tamil Nadu government met Gou about 10 days ago, three people aware of the development said. *"We can say we have broken the ice with Foxconn. Now, the next task at hand is to ensure the aspirations of Foxconn and the Indian government are aligned, and to make sure the Tamil Nadu government also finds it a worthy enterprise to get Foxconn to reopen the factory,"* one of the sources said.

Another added that it was necessary for revenue authorities and Nokia to see eye to eye on how to relieve this asset from tax wrangles for Foxconn to take over. The Chennai factory, which at its peak produced 15 million handsets a month and directly employed 12,000 staff, was left out of a deal by Microsoft to buy Nokia's devices and services unit owing to an estimated Rs 21,000-crore tax demand on Nokia. The tax authorities froze the asset in September 2013. Following the Supreme Court's dismissal of Nokia's appeal to de-freeze the asset in March 2014, the factory was excluded from the Microsoft deal and was finally shuttered in October 2014.

3. LinkedIndia key for Microsoft as it expands professional network

Source: **Economic Times** (Link)

India will be crucial to Microsoft as it seeks to make its acquisition of LinkedIn a success by using the platform to expand the market for its cloud products through the vast membership of professionals on it. The country is the second biggest base for the professional network site with 35 million registered members. That's up 10 times from 3.4 million in 2009, the year it opened its office in India. That equates to a compounded annual growth of 40% in these seven years. Earlier this month, it opned a bigger R& D and engineering facility in Benglauru-its biggest in Asia-with plans to have more localized content and develop technology to make it easier to access Linkedin on 2G connections.

4. Agriculture output to double with Rs 80,000 crore irrigation scheme, others: Nitin Gadkari

Source: **Economic Times** (Link)

To boost agriculture production, the government is planning to bring two crore hectares of land under irrigation through various schemes including Rs 80,000-crore AIBP, Union Minister Nitin Gadkari today said. Terming severe water crisis in 11 states as the main cause behind farmers' plight, the Road Transport, Highways and Shipping Minister said irrigation schemes were being fast-tracked to provide relief to the agrarian community. *"Two crore hectares of land can be irrigated and agriculture production could be doubled through agriculture schemes including Accelerated Irrigation Benefit Programme (AIBP)for which a provision of Rs 80,000 crore has been made in the budget,"* Gadkari said addressing a workshop on 'Liberating the Farmers from Death Trap' here. Besides the AIBP for 89 projects, a provision of Rs 20,000 crore has been made under Pradhan Mantri Sinchai Yojana. Maharashtra's 28 projects are included in the AIBP, the minister said.

5. French luxury label Longchamp to debut in India

Source: **Economic Times** (Link)

French luxury leather goods brand Longchamp has announced its India entry and will open its first store in New Delhi this week. DOIT Retail Brands has bagged the master franchise rights for Longchamp in India. Leather goods major Longchamp was founded in Paris in 1948 by Jean Cassegrain and is still owned and run by the Cassegrain family. "We wanted to partner with a global fashion brand and were looking for synergies. Longchamp already has a loyal clientele in India and was scouting for an Indian partner. Its products are universal, simple and sophisticated and cater to a wide audience. The brand has maintained its luxury values of craftsmanship, creativity and quality. We are delighted to bring the brand to India," said Radha Kapoor, founder and director of DOIT Retail Brands.

By Harsha Hazarika