

## Daily Economic News Summary: 18 May 2016

### 1. Modi's Iran visit looks at doubling oil imports, Chabahar port deal

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

Prime Minister Narendra Modi will visit Iran on May 22-23 as India looks at stepping up engagement with the sanctions-free energy-rich nation. India is looking at doubling oil imports from the Persian Gulf nation, which a few years back was its second-biggest oil supplier. India is also looking at getting rights to develop a giant gas field. A deal on developing the Chabahar port is also on the cards. *"At the invitation of the President of the Islamic Republic of Iran, Dr. Hassan Rouhani, Prime Minister Narendra Modi will pay an official visit to Iran on May 22-23, 2016,"* the Ministry of External Affairs said announcing the visit. During the visit, Modi will call on the Supreme Leader of Iran and will hold talks on a wide range of subjects of mutual interest with Rouhani. In the run-up to Modi's visit, minister for Road Transport and Highways, Nitin Gadkari, Oil Minister, Dharmendra Pradhan and External Affairs minister, Sushma Swaraj, had visited Tehran.

### 2. Tim Cook likely to open Apple's Hyderabad tech centre on 19 May

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

Apple management's decision to first look for leveraging the human resources in India for its new software offerings came to light last year with news reports suggesting that the iPhone maker was examining various cities in India for a possible location for its tech center. After pitching hard for this facility, Telangana government gave first hints earlier this year indicating that Apple management had in fact zeroed in on Hyderabad for establishing the facility. Later, the company also shared the details about its India plans.

Earlier this month there were news reports suggesting that Foxconn, the Apple's OEM partner, was planning to invest \$10 billion in Maharashtra for establishing a manufacturing base to produce iPhones and other Apple products. Apple was yet to confirm these plans. Interestingly, Tim Cook's visit to Hyderabad was completely kept under wraps to an extent where the company management had informed the state government officials that only a team from Apple was coming on Thursday to launch the facility. The company never mentioned Tim Cook's name, according to the officials.

Apple management also wants to keep the event as a completely private affair, according to the officials. However, considering the international significance of Apple's project, the state

government officials have been trying hard to persuade the company's visiting team to make the launch an open event and even invite the media apart from other government figures. *"As far as we know Tim Cook has only this one single event on his programme schedule,"* a government official told Business Standard. Apple has leased a sizeable space in the Waverock SEZ, an IT campus, owned by the American property development and consultancy firm Tishman Speyer in Gachibowli area. The company is setting up this facility for developing Maps support and services.

### **3. M&A deal pipeline healthy; domestic deal outlook bullish: EY**

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

Merger and acquisition activity in India is set to retain its momentum through this year, as deal pipeline remains healthy and is likely to increase further in the next 12 months, says a survey. According to EY's 14th Global Capital Confidence Barometer (CCB), 95 per cent of the Indian respondents affirm belief of M&A activity to remain stable or improve further through 2016. The uptick in business sentiments with regards to M&A activity was driven by improving domestic macroeconomic fundamentals and expectations around distressed asset sales to gain strength despite concerns regarding volatility around commodity prices and currency fluctuations globally.

Moreover, Indian executives' positive outlook on credit availability and corporate earnings is also expected to encourage corporates to pursue inorganic growth with an eye on driving market expansion. A healthy deal pipeline also contributed to this bullish outlook, with 54 per cent of the respondents citing that they currently have at least three deals in their pipeline. Besides, 50 per cent of the Indian respondents expect their deal pipeline to increase through the year. *"The previous year was stable for the M&A activity in India and that momentum is expected to accelerate this year,"* Amit Khandelwal, National Director and Partner, Transaction Advisory Services, EY said, adding that despite growth concerns around the global economy, Indian corporate remain positive about the domestic deal market.

### **4. Govt to fast track patent proposals, opens Tatkal window**

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

In order to streamline the patent regime, the government has modified rules by offering an option of 'Tatkal' for expeditious clearance of applications by start-ups or those entities that opt for India as a place for first filing of patent. The government also plans to significantly cut down the time period for grant of patents to two and a half years immediately and one and a half years by March 2018, from the existing 5-7 years. As per the modified patent rules, entities can

choose the fast clearance route for obtaining patent by paying additional fees if they select India as International Search Authority or International Preliminary Examining Authorities and file their applications in India first. *"The move is aimed at popularising India as a patent filing hub so that more companies file applications in India,"* said Rajiv Aggarwal, Joint Secretary, DIPP. He said benefits of modified rules will be available only to new applicants.

Also start-ups which meet the prescribed criteria can use the Tatkal route for getting faster clearance of their patent applications. The fees for start-ups will be same as individuals and not as companies, Aggarwal clarified. Under the faster clearance route, application fees for individuals and start-ups have been kept at Rs 8,000 while for companies, it could be as much as Rs 60,000. Under normal circumstances, initial patent filing cost ranges between Rs 1,600 and Rs 8,800. To clear the backlog of patent applications, the revised rules provide for refund of fees in the case of withdrawal of an application. As many as 2.37 lakh patent applications are pending with the government.

## **5. Indian consumers most confident in world in Q1 of 2016: Nielsen**

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

Indian consumers were the most confident in the world in terms of job prospects, personal finances and concerns in the first quarter of 2016 with their confidence index touching a nine-year high during the period, according to a study by global performance management company, Nielsen . The Consumer Confidence Index score for India increased three index points in the first quarter to a score of 134, the highest for the country since 2007 and comes after three consecutive quarters at 131, Nielsen said in a statement. However, despite the improvement in overall consumer sentiment, more than half of urban India (53 per cent) still feel that the country is in an economic recession at the moment, Nielsen said adding *"this is 3 per cent more than what it was in the previous quarter"*.

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**By Harsha Hazarika**