

Daily Economic News Summary: 20 July 2015

1. Make in India: India, Russia to jointly build 200 military choppers

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

In a move aimed at boosting India's defence sector, 200 helicopters will be manufactured in the country with Russian collaboration as part of intensification and diversification of their strategic ties. The agreement, reached recently, is one of the several new defence projects on which the two countries are working on, including under the ambit of 'Make in India' programme, Indian Ambassador to Russia P S Raghavan told PTI.

He underlined that the decades-old defence cooperation with Russia remains vibrant despite India purchasing military equipment from other countries, like the recent decision to buy 36 Rafale fighter aircraft from France.

"This (India-Russia ties) is a huge, broad based relationship, getting broader every day," he said. "Recently, we have agreed to joint manufacture of helicopters in India... Joint manufacture of 200 helicopters in India is big bang. If two countries decide to manufacture 200 helicopters in India with transfer of technology, and licence production, this is big bang," he said.

2. Israel's Altair semiconductor bets big on Reliance Jio's 4G rollout; hopes to maximize global revenue

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

Israel-based chipmaker Altair Semiconductor sees significant growth coming on the back of planned commercial rollouts by Mukesh Ambani-owned Reliance Jio Infocomm, the only pan-India 4G player, which has been using Altair's LTE chipset-based broadband devices for trials in the country.

"We have been betting big on India as it could potentially generate significant portion of our global revenue next year, driven by commercial rollouts by Reliance Jio. Nowhere in the world such big opportunities are available that could generate the potential of scale in magnitude that Jio is promising to generate. The investments are finally going to pay off," Eran Eshed, co-founder and vice-president, marketing, at Altair, told ET.

3. Higher spend, growing middle class make India attractive market: EIU study

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

India's growing middle class makes it an attractive market for foreign companies and the country's consumer spending is likely to more than double to \$2.4 trillion by 2018-19, said an Economist Intelligence Unit (EIU) study.

According to EIU, the growing middle class offers potential for manufacturers and retailers. Moreover, rising income levels mean India's huge population of around 1.2 billion is becoming an increasingly important market for consumer goods, and this trend is likely to continue, it said.

"Private consumption expenditure will rise from \$1 trillion in 2013/14 to \$2.4 trillion in 2018/19," the EIU report said, adding that a majority though would continue to be preoccupied with meeting their basic daily needs rather than follow the latest consumer trends.

4. Airlines may get nod for joint negotiations for aircraft acquisition

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

The ministry of civil aviation may permit domestic airlines to jointly negotiate plane acquisitions with aircraft manufacturers, according to two government officials.

This would mean that airlines such as Jet Airways (India) Ltd and SpiceJet Ltd, both of which operate planes made by Boeing Co., can negotiate together with the Seattle-based plane maker for better terms. Similarly, Airbus plane users such as InterGlobe Aviation Ltd (which runs IndiGo) and Go Airlines (India) Ltd that runs GoAir, can jointly negotiate with Toulouse-based Airbus SAS.

According to civil aviation ministry officials, the proposal is aimed at enabling airline companies to secure better terms and attractive discounts from aircraft manufacturers.

5. State Bank of India sees no rate cut by RBI on 4 August

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

Country's largest lender State Bank of India (SBI) on Friday said it is not expecting a rate cut by the Reserve Bank of India (RBI) in the monetary policy review next month on account of slightly higher retail inflation.

"No I am not. I am not expecting any rate cut (by RBI)," SBI chairperson Arundhati Bhattacharya told PTI. *"WPI is (negative) but CPI has gone up a little. Though it is mainly on account of food prices. RBI has been benchmarking it to the CPI numbers, I think it is unlikely,"* Bhattacharya said.

While retail inflation in June rose to an eight-month high of 5.4%, the overall Wholesale Price Index (WPI) based inflation was (-)2.4% in the same month. RBI mostly tracks the consumer price inflation for its monetary policy decision, and its next review is due on 4 August.

6. Companies urged to chip in towards skill initiatives

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

Prime Minister Narendra Modi's pet project Swachh Bharat has resonated with corporates. The government's announcements on 15 July to mark 'World Youth Skills Day' are likely to trigger another round of corporate interest as the National Skill Development Corp. (NSDC) is already out there wooing corporates to allocate their corporate social responsibility (CSR) funds towards skill development.

The NSDC—which comes under the ministry of skill development and entrepreneurship—has already got a CSR commitment for Rs.44 crore this year from companies such as Power Grid Corporation of India Ltd, NTPC Ltd, Essar Group and Chola Investment and Finance Company Ltd.

It is in conversation with 20 more companies to raise Rs.250 crore more in CSR funding this year to meet the target of imparting skills to 150 million Indians by 2022. *"Three-and-a-half million people were trained last year, and the target for this year is to train 6.5 million. The amount of money needed for this is huge. We are aiming to tap at least 20% of the CSR funding that would be available every year,"* said Delhi-based Mahesh Venkateswaran, head of CSR engagements for NSDC.

By Harsha Hazarika