

Daily Economic News Summary: 21 July 2015

1. India-US collaboration can have big impact on global peace

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

Noting that the US-India partnership is more crucial than ever before, the ambassadors of the two countries have said the bilateral collaboration can have a big impact on global peace and prosperity. *"In a world filled with complex security and economic challenges, this relationship matters more now than ever before,"* Indian Ambassador to the US Arun K Singh and his American counterpart Richard Rahul Verma wrote in a joint op-ed piece in The Huffington Post.

"That's why our leaders have aggressively set out to increase our defense cooperation, create greater economic opportunities for our people and work more closely on climate change. Our national interests are converging on the vital issues of the day," they wrote in their joint op-ed.

2. Singapore firms keen on developing Andhra Pradesh's new capital city Amaravati

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

Two of Singapore's township developers are likely to bid for projects to develop Andhra Pradesh's new capital city, Amaravati. Ascendas-Singbridge and Sembcorp Development have expressed interest in building the city project for which the master plan was submitted by Singapore to the Andhra Pradesh government.

The blueprint of the masterplan of Amravati city was designed by Singapore's Surbana Jurong. It sets out the land use and infrastructure plans for a 16.9 sq km start-up area within the total 7,000 sq km capital. The blueprint of Phase-I covering 7,235 sq km was delivered to the government in March while the Phase-II for 125 sq km was delivered in May.

"We will study the master plan... when it is available, to identify areas where we could potentially participate in and contribute our expertise in urban development." Manohar Khiatani, Deputy Chief Executive of Ascendas-Singbridge, was today quoted as saying by The Straits Times.

3. India, EU to resume talks on FTA on 28 August

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

India and European Union (EU) will resume talks at the chief trade negotiators' level on 28 August to break the deadlock on the proposed free trade agreement (FTA). However, lack of clarity on domestic laws regarding bilateral investment treaty (BIT) and the government procurement law may delay the progress in negotiations.

The previous United Progressive Alliance (UPA) government had introduced a public procurement bill in the Lok Sabha in 2012, but it lapsed when the 15th Lok Sabha's tenure ended in 2014.

The model BIT is under consultation, and no final decision has been made in this regard. *"We have agreed for the meeting between the chief trade negotiators on 28 August. The idea is that the chief negotiators should meet and gauge the level of interest between both sides and how to go about it,"* a government official said, requesting anonymity.

India's chief trade negotiator J.S. Deepak and his EU counterpart Ignacio Garcia Bercero will meet in New Delhi.

4. With Iran nuclear deal, an undersea gas pipeline to India holds promise

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

The Iran nuclear deal could see not just more imports of Iranian crude to India, the lifting of Western sanctions now holds the promise of kick-starting an undersea pipeline project that would bring Iranian gas to India via the Arabian Sea, bypassing Pakistan.

"The Iran nuclear deal is going to open up more possibilities of importing crude from Tehran, the quantities can be increased. It will also help to implement two-three projects we are working on without any shadow of sanctions," an official source told.

"Among the major projects we are eyeing is the SAGE undersea pipeline to bring gas from Oman and Iran to India," the official said, declining to be named. The gas pipeline project by South Asia Gas Enterprises Pvt Ltd (SAGE), when implemented, could see over 31 million cubic meters of gas per day delivered to India.

5. Amazon readies \$5B Indian chest for bigger play

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

Amazon, the world's largest on-line retailer, is readying a \$5 billion market outside the US, according to two people directly familiar with the company's decision. It is also set to add instant video and subscription based ecommerce services for high end buyers, called Amazon Prime, in India later this year. Amazon will invest most of the additional 31,700 crore-a year ago, it committed to invest \$2 billion in its India operations-in expanding its network of warehouses and data centres and beefing up its online marketplace to compete better with the likes of Flipkart, Snapdeal and Paytm, the people aware of its plan said.

6. IAF to acquire 48 Russian Mi 17 choppers off the shelf

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

The Indian Air Force has moved a proposal to spend \$1.1b to acquire more medium lift choppers from Russia in a move that would go against the grain of the "Make in India" concept but offer a vital addition to its transport fleet. The hardy Mi 17 V5, it seems will continue to rule the Indian skies as 48 of the choppers are likely to be procured under a repeat order.

The new choppers which will serve in terrains ranging from the desert to high altitude locations along the China and Pakistan border, will be added to the IAF fleet of 139 Mi 17 V5s that form the backbone of the IAF transport operations.

By Harsha Hazarika