

Daily Economic News Summary: 22 July 2016

1. Boeing sees more potential for big ticket orders in India

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

Boeing Co. expects more plane orders from India and believes its rival Airbus Group SE may have exhausted its share of big-ticket orders in the Indian market. Dinesh Keskar, Boeing's senior vice-president for sales, said Airbus customers such as InterGlobe Aviation Ltd, which runs IndiGo, and GoAir owner Go Airlines (India) Ltd have already ordered hundreds of planes but Boeing customers Jet Airways (India) Ltd and SpiceJet Ltd have orders that can cover their needs only for three-five years.

Boeing on Tuesday raised its Indian forecast by 6%, saying it expects India to buy 1,850 new planes costing \$265 billion in the next 20 years, including regional planes. *"If you look at our customers, they are ordering what they need for the next three-five years and not for 2030. Reality-wise we have lot better potential and our customers lot more prudent. So we think when time comes these guys will order more airplanes,"* he said.

2. Seven Indian companies on Fortune's list

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

Seven Indian companies have made it to the latest Fortune 500 list of the world's biggest corporations in terms of revenue, with the retail giant Walmart topping the global rankings. Indian Oil Corporation (IOC) is ranked highest at 161st among Indian firms, while another state-run firm Oil and Natural Gas Corporation (ONGC) has moved out of the rankings for 2016. Private gems and jewellery major Rajesh Exports has made its debut at 423rd position. Among the seven Indian companies, four are from the public sector while Reliance Industries (RIL) is the top-ranked among private sector firms, followed by Tata Motors and Rajesh Exports.

Among state-run majors, IOC is followed by banking behemoth State Bank of India, Bharat Petroleum and Hindustan Petroleum. IOC is ranked 161st with revenue of \$54.7 billion (down from 119th last year), while RIL is now at 215th (down from 158th). Bharat Petroleum slipped from 280th to 358th this year and Hindustan Petroleum is at 367th, down from 327th. However, Tata Motors and SBI have improved their position. While Tata Motors has taken the 226th position, up from 254th last year, SBI is ranked 232nd, up from 260th last year. The overall list was topped by Walmart with revenue of \$482,130 million, followed by State Grid

(revenue of \$329,601 million) and China National Petroleum (\$299,271 million) at the second and third place respectively.

3. Upgraded border check post to boost India-Bangladesh trade

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

In a bid to facilitate increased cross-border trade, Bangladesh and India on Thursday inaugurated the newly-constructed modern Integrated Check Post at the Benapole-Petrapole point on the India-Bangladesh border. Bangladesh Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi jointly inaugurated the facility through video conferencing. *"Economic development and connectivity are very closely linked to each other,"* PMO India tweeted. After the Integrated Check Post along the Akhaura-Agartala point on the India-Bangladesh border, this is the second multi-purpose Integrated Check Post between the two countries. The Akhaura-Agartala check post was opened in November 2013. *"Petrapole-Benapole is a key land border crossing for India-Bangladesh trade. Over 50% of India-Bangladesh trade passes through Petrapole,"* PMO India tweeted. *"The check post will boost trade between India and Bangladesh and make available various facilities for passengers and traders,"* said an official of the foreign ministry.

The check post will have customs and immigration facilities, weigh bridges, security and scanning equipment, currency exchange booths, internet facility, cargo inspection sheds, warehouse and cold storage. Other facilities include banks, scanners, closed circuit televisions, cafeteria and hotels. *"Petrapole ICP (Integrated Check Post) will serve to foster more economic integration and connectivity between India & Bangladesh,"* PMO India said. Trade through the Benapole (On the Bangladesh side) -Petrapole (on Indian side) point amounts to more than Taka 20,000 crore (\$2.5 billion) a year.

4. Cairn India to invest in existing projects

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

Cairn India, the petroleum exploration arm of London-listed Vedanta Resources, plans to continue investing in its existing projects to enhance domestic hydrocarbon production despite tough operating conditions and uncertain economic environment mainly because of strong demand outlook for the commodities. Based on the International Energy Agency's World Energy Outlook, by the year 2040, 91% of India's demand for oil and 49% demand for gas would be met by imports. This high dependence would entail significant cost to the economy, it said. *"We will continue to invest in our existing assets to increase production and maximize economic recovery."*

I remain confident that your company will play a pivotal role in India's quest for energy security," said Cairn India's FY16 annual report quoting Chairman Navin Agarwal. The key enablers for Cairn India's growth would be strength in 'execution', technology along with a strong balance sheet, he added.

5. Indian auto majors tap foreign talent to enhance R&D efforts

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

Tim Leverton, 57, joined Tata Motors Ltd in 2010 to realize a vision he shared with then chairman Ratan Tata and then managing director Ravi Kant—to reinvent the firm and turn it into a global giant. Before joining Tata Motors, Leverton was chief engineer overseeing the Phantom project at Rolls-Royce Holdings Plc, and group engineering director at JCB Inc., the US-based maker of earth-moving equipment. Markus Braunsperger, 53, joined Hero MotoCorp Ltd in 2014 to tackle a technology challenge at India's largest maker of two-wheelers, leaving behind a sterling career as research and development (R&D) head at BMW Motorrad, the two-wheeler unit of the Munich-based luxury car maker. Leverton and Braunsperger are part of a pool of top foreign R&D executives drafted by Indian auto makers, which are looking to fill the gaps in their product planning cycle in a market that has become more demanding as buyers constantly seek out products tailored to local conditions amid rapidly changing regulatory norms.

With years of experience behind them, these men have been tasked with re-engineering the product line-up and enhancing the public image of their Indian employers. Not too long ago, India was a seller's market and the design and development of new products wasn't a priority for auto makers. That has changed over the years as the market grew from 5.2 million units in 2000-01 to 20.46 million in 2015-16. For the foreign engineers, the opportunity to work in India and on new product designs, which could be deployed in other emerging markets as well, dovetailed with their own markets reaching a saturation point.

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