

Daily Economic News Summary: 23 February 2016

1. Saudi, Iraq sell more oil to India, elbow out Latin America crudes

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

India's oil imports from Saudi Arabia and Iraq hit the highest in more than a decade last month as OPEC's top producers gained at the expense of Latin American crudes, a validation of the OPEC policy of maintaining output and fighting for market share. Competitive prices and shorter shipping distances are giving the Middle East members of the Organization of the Petroleum Exporting Countries (OPEC) the upper hand in India, the world's third-largest crude oil importer. Saudi Arabia was the top supplier to India in January, with volumes jumping 29% from the same month a year ago to nearly 940,000 barrels per day (bpd), ship tracking data obtained from sources and data compiled by Thomson Reuters Oil Research & Forecasts showed on Friday. Just behind was Iraq at 930,000 bpd, up 52% from January levels last year. The daily rates from both were at their highest since at least 2001, according to data available on the Thomson Reuters Eikon terminal. In contrast, total imports from Latin America fell by a quarter in January from a year ago to 706,000 bpd, the data showed.

Indian refiners say they increased imports of Middle Eastern crude after Brent rose relative to the Dubai benchmark, making oil priced off the latter more attractive. As well, on top of competitive monthly prices for its oil compared with similar grades, Iraq provides discounts that could amount to more than \$1 a barrel to compensate for crude quality changes, trade sources said.

2. Canada's SkyPower signs four pacts with Telegana govt to build 200 MW solar projects

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

Toronto-based SkyPower Ltd has signed four power purchase agreements with the Telangana government to build and operate 200 MW of solar energy projects in the southern state. The agreements were inked after the prime minister of Ontario Kathleen Wynne led a delegation of businessmen to Hyderabad early in February. Apart from Telangana, SkyPower has secured solar photovoltaic projects in Madhya Pradesh. In total the company has 400 MW of solar projects in Madhya Pradesh and Telangana. *"SkyPower is excited to add these projects for Telangana to our growing list of utility-scale solar projects in India and around the globe,"* Aviv Garten, SkyPower's senior vice-president of development, said in a statement. *"Construction for our solar energy projects in the Indian state of Madhya Pradesh is planned to commence in 2016."* The Canadian company has signed over 30 utility-scale solar power

purchase agreements (PPA) and contracts with utilities and governments across the world. The PPAs amount to \$80 billion worth of long-term renewable energy sales, according to the company.

3. Renault sees India in top five markets in 2016

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

Renault expects India to be one of its top five markets in 2016, even as the French carmaker aims to capture a 5 per cent share in the country's passenger vehicle sales by the end of next year by driving in products targeted at the local buyer. In fact, India has become one of the top five markets for the company based on January sales, Renault India managing director Sumit Sawhney told ET in a recent interaction. The hugely successful Kwid small car helped it sell 8,031 vehicles in India in January and 10,292 the previous month - the December number was a record high for the company in the country. Renault sells high-value cars in most of the overseas markets, while in India volume comes from the low-cost Kwid, which now commands more than 75 per cent of the total volume the company sells. While the Duster SUV accounted for 17 per cent of sales in January, the other models — Fluence, Pulse, Lodgy, Scala and Koleos — are among the lowest selling in India in the non-luxury segment.

4. Smart grid market to touch Rs 50,000 crore in five years

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

Smart grid is smartening up. The country is slated to see the market for smart grid touch Rs 50,000 crore in the next four to five years, from the present level of sub Rs 100 crore. This would be fuelled by the government's plan of setting up 100 smart cities and 500 smart town. According to Reji Kumar Pillai, president, India Smart Grid Forum (ISGF), reliable electric grid is the most critical enabler for all other systems in a smart city, it is expected that all 100 smart cities and 500 smart town will have smart grids in the next 5-10 years. The work would involve strengthening the electrical network, moving over head distribution lines to underground cables at strategic locations in the city, automating substations and distribution network, smart metering, rooftop solar integration, automated demand response systems to control certain loads to match demand with supply, as well as state of the art billing and collection systems, integrated customer care centers, energy storage systems, electric vehicle charging stations, smart street lights and mobile force management systems.

5. Lockheed Martin offers to build F-16 jets in India in PM Modi push

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

Lockheed Martin Corp. has offered to build its flagship F-16 fighter jet in India, as the South Asian nation scrambles to modernize its aging defence fleet while trying to establish the country as a manufacturing base. Lockheed chairman, president and chief executive officer Marillyn Hewson made the offer to Indian Prime Minister Narendra Modi in September, Phil Shaw, CEO of Lockheed's Indian unit, said in an interview on Thursday at the Singapore Airshow. The US and Indian governments are negotiating the deal, he said.

Modi needs to quickly replace many of the air force's 650 planes — a third of which are more than 40 years old — and has vowed to turn India from the world's biggest weapons importer into a global hub for defence manufacturing. The country sold about \$150 million of arms in the last fiscal year, a fraction of the \$64 billion in worldwide defence trade and its own arms imports of \$5.6 billion. *"The US-Indian relationship that has been developing could benefit Lockheed,"* Jon Grevatt, Asia-Pacific defence- industry analyst for IHS Jane's, said by phone from Singapore. But, he added, *"I don't see it happening immediately. This is still very early stages."*

By Harsha Hazarika