

Daily Economic News Summary: 24 February 2016

1. Mines ministry to auction 100 mega blocks in 22 states

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

The government will auction 19 gold mines, three diamond mines and eight iron ore mines along with 70 other mega blocks with a minimum area of 100 square kilometre each for exploration to Indian and global firms. The Geological Survey of India (GSI) has handed over a list of 100 mega blocks in 22 states to the mines ministry for auction to exploration agencies, mines secretary Balvinder Singh told ET. *"We had asked GSI to identify blocks for exploration. The agency has identified 100 blocks of around 100 square kilometre or more for carrying out exploration on revenue sharing model. We expect to finalise a policy for mineral exploration soon, which will give details about the revenue sharing model,"* he said. The government expects the exploration policy to transform the Indian mining industry as the country has been able to carry out only 10 per cent regional mineral exploration while countries like Australia that have similar geological endowment have completed 100 per cent of exploration. Among the large mines identified for auction are 27 base metal mines, eight iron ore and eight limestone mines and nine tungsten mines. Five manganese, six nickel and five rare earth metal mines will also be put up for auction.

2. State refiners join forces in bid for better OPEC oil deals

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

Indian state refiners are jointly negotiating oil purchase deals with OPEC producers for the first time, as the world's third biggest consumer seizes on low prices to wrest better terms in a market awash with crude. In a sign of the shift in power from oil sellers to buyers, India is reviewing its import policy at a time when the Organization of the Petroleum Exporting Countries (OPEC) members are focused more on protecting market share than boosting prices that are down some 70% in the last 20 months.

While producers have shown no sign yet of willingness to discount long-term price benchmarks, or official selling prices (OSPs), they have discussed concessions on loan terms and shipping that would reduce costs, said Indian industry and government officials familiar with the talks. In the last two months officials from Indian Oil Corp (IOC), Bharat Petroleum Corp, Hindustan Petroleum Corp and Mangalore Refinery and Petrochemicals Ltd visited Abu Dhabi, Kuwait and Saudi Arabia to negotiate deals for the next fiscal year beginning in April. The four refiners together control about 60% of India's 4.6 million barrels per day (bpd) capacity.

3. With new launches, Skoda aims for superb India show in 2016

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

Czech car maker Skoda, which has been going through a consolidation phase in India lately, is aiming to grow its business in the country in double digits in 2016, led by a slew of new launches. With just 0.5% market share in India, Skoda has been carrying out a clean-up act in the last few years, while correcting service and high cost of ownership issues. The company claims that a large part of the problem has been addressed and it will now focus on building its image as a provider of value luxury cars.

As per the plan, Skoda will look to carve out its own space in the premium sedan and SUV markets in the next few years, before it comes out with a localised hatchback solution for the country. The company on Tuesday launched the third generation model of its flagship saloon Superb, built on the all new MQB platform, at Rs 22.68 lakh to Rs 29.36 lakh (ex-showroom Mumbai). The company is aiming for a 100% increase in sales of Superb in 2016 to 2,000 units, which will take its total volumes to about 16,000 to 17,000 units in 2016.

4. Bill Gates bats for innovation to prevent coal-fired power in India

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

Microsoft founder Bill Gates today called for large-scale innovation so that India opts against the choice of coal-fired power plants to provide electricity to millions of its people. *"Only through innovation can you square the circle and say, should India electrify as fast as it can or should India avoid greenhouse gas emission which even if they go forward, they won't emit as much CO2 per person as we have for more than a hundred years,"* Gates told the popular Charlie Rose Show on PBS aired yesterday. Referring to the millions of Indians without access to electricity, Gates said unfortunately their straightforward path to get there is coal. *"And yet India's big enough, it's enough people that if they go down that straightforward path we won't meet any of our climate change goals,"* he said in response to a question. *"And yet, today, we have no alternative that's even close to as cheap including reliability which is always a fundamental characteristic of energy systems. You cannot power India as cheaply with the other things as you can with coal,"* Gates said. Gates argued that innovation is the answer to most problems, including energy. *"And so I think of India as paradigmatic, that because they don't have electricity, they are collecting firewood that's destroying their environment, the women are breathing smoke and the children and they get respiratory diseases. It's awful for their health even if they survive,"* he said.

5. Telenor in talks with telco to expand India presence: Sigve Brekke, CEO

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

Norwegian mobile carrier Telenor is in talks with an undisclosed company to expand its Indian operations nationwide from the current six circles, even as it tests a technology that allows 4G data traffic on a band of spectrum that is narrower than what is traditionally used. "We are in discussions with someone for expanding to all India, but cannot comment if we will do it," Chief Executive Sigve Brekke told reporters at the Mobile World Congress in Barcelona on Tuesday. Telenor's Indian unit is running a 4G pilot in Varanasi on the 1.4 MHz narrow LTE band, said Brekke. A wider 4G launch will depend on the outcome of the pilot, he said, while indicating that it wants to offer 4G in five to eight cities on the same band in six months. *"India as a continent where scale matters in the market you are present in,"* Brekke said.

6. ONGC's \$500 million San Cristobal investment deal imminent: PDVSA

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

Venezuela's state oil company PDVSA is about to clinch a deal for Oil and Natural Gas Corp to invest some \$500 million in their San Cristobal joint venture, the South American company's president said on Tuesday. "We're about to firm up ONGC's financing to the joint venture we have in the San Cristobal field," Eulogio Del Pino, who is also Venezuela's Oil Minister, told Reuters. He said the deal, which has been under negotiation for months, would be signed "soon." he deal is expected to ensure state-owned ONGC gradually receives around \$530 million of unpaid dividends, though it could take years for the entire amount to be repaid. The investment is also likely to involve the creation of an offshore account, probably in Asia, to receive the export income.

By Harsha Hazarika