

Daily Economic News Summary: 24 July 2015

1. Japan's foreign aid arm plans to finance India solar power parks

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

Japan's foreign aid arm Japan International Cooperation Agency (Jica) plans to fund solar power parks in the country, giving a fillip to India's green energy plan. To start with, Jica is ready to invest \$500 million in the proposed solar parks. Other institutions such as Germany-based KfW Bankengruppe and World Bank also want to invest in solar parks.

Of the total 100,000 megawatts (MW) of solar power capacity planned by 2022, 20,000MW will come from solar parks and 40,000MW each from roof-top and distributed generation projects. The government plans to set up 25 solar power parks. *"Apart from providing funds to our solar programmes such as roof-top projects, multilateral financial institutions such as KfW, World Bank and Jica are very keen on funding solar parks. We will be raising \$500 million from Jica for the same,"* said a senior Indian government official requesting anonymity.

KfW is already involved in India's clean energy sector through its commitment to lend €1 billion for green energy transmission corridors. Jica disbursed 162.2 billion yen in official development assistance loans to India in 2014-15. The amount disbursed is the highest among countries where Jica extends such assistance.

2. 7 Indian firms among world's 500 largest companies: Fortune

Source: **Times of India** ([Link](#))

Seven Indian companies, including Reliance Industries and Tata Motors, are among the world's 500 largest companies, according to a list compiled by Fortune that has been topped by retail giant Walmart.

The Indian companies on the 2015 Fortune Global 500 list are Indian Oil ranked 119 on the list with revenues of about US \$ 74 billion, Reliance Industries (158) with revenues of US \$ 62 billion, Tata Motors with revenues of US \$ 42 billion (254), State Bank of India with revenues of US \$ 42 billion (260), Bharat Petroleum with revenues of US \$ 40 billion (280), Hindustan Petroleum with revenues of US \$ 35 billion and Oil and Natural Gas with with revenues of US \$ 26 billion (449).

3. Iranian envoy seeks investment from India, says Delhi should move fast to take early advantage

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

India should take advantage of the goodwill it shares with Iran and invest in the country before it throws open its market after last week's historic nuclear deal with the West, Iran's envoy to New Delhi has said. *"We have lot of regards for India, which stood by Iran during the sanctions period. India is a friend. I have been telling my Indian friends over the last few months that a breakthrough deal is on the horizon and that Delhi should move fast to take advantage of the situation. But India is slow in decision-making process...it has to take advantage of the golden period,"* Iranian Ambassador to India, Gholamreza Ansari, told ET in an interview. He said the period of six months from now - between the lifting of the UN sanctions and its operationalisation- would be the right time for India to invest and that Delhi would get preferential treatment for standing by Tehran during the difficult days.

4. Embassies asked to look for investors for Modi government's divestment plan

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

The finance ministry is seeking support of Indian embassies to draw investors for its massive disinvestment programme that has barely moved four months into the current financial year. For this, the ministry has identified two countries, Australia and Japan, where it sees heightened interest towards India. The disinvestment department is in touch with the Indian missions to generate interest among local institutional investors, a senior finance ministry official said on the condition of anonymity.

"Following the visits of Prime Minister Narendra Modi to some of these countries, there is a huge interest to participate in the Indian growth story. We want to capitalise on that," the official said. Some discussions have already been held with pension funds and other institutional investors in both Australia and Japan on the government disinvest programme.

5. Government keen to bring shipping containers under Make in India

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

India wants to manufacture shipping containers instead of relying on imports as part of a plan aimed at promoting the 'Make in India' campaign. Officials said the government will soon appoint a consultant to conduct a study into the capacity available within the country to take up container manufacturing. It will also approach foreign companies if technological expertise is required in building specialised containers.

Shipping lines in India order containers of twenty feet equivalent unit (TEUs) from China, Korea and various European countries. Many also buy second hand containers from the market. Since there are only a handful of container shipping lines in the country, a container manufacturing facility has to be able to cater to international market to sustain itself. *"In the short term there may be a cost disadvantage but in the long term this will pay off as trade is getting more containerised,"* said Vishwas Udgirkar, senior director, Deloitte India.

Container trade in India is growing at over 12% a year. The country's largest container facility at the Jawaharlal Nehru Port has a capacity of 4 million TEUs. JNPT handles 56% of the total containers, followed by the Chennai port which handles 25% of such cargo.

By Harsha Hazarika