

Daily Economic News Summary: 27 April 2016

1. India's fuel demand likely to rise 7.3% in FY17

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

After registering the fastest pace of growth in 15 years, India's fuel demand is likely to rise by 7.3 per cent in 2016-17 fiscal, led by robust expansion in consumption of petrol and diesel. Fuel consumption, which rose 10.9 per cent in 2015-16 to 183.5 million tonnes, is projected to rise to 190.03 million tonnes, according to demand estimates made by Oil Ministry.

Diesel demand, which soared 7.5 per cent to 74.6 million tonnes last fiscal, is projected to further go up by 7.7 per cent to 78.11 million tonnes. The consumption of petrol is projected to rise by 12.4 per cent to 24.14 million tonnes. Petrol consumption was up 14.5 per cent at 21.8 million tonnes in 2015-16, its highest level in two decades as automobile sales grew at their fastest pace in five years on narrowing price differential between petrol and diesel.

2. Narendra Modi asks shipping ministry to build maritime heritage complex in Gujarat

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

Fascinated by the rich maritime history of India displayed during the recently concluded Maritime India Summit, Prime Minister Narendra Modi has asked the shipping ministry to build a huge maritime heritage complex at Lothal in Gujarat. A senior official from the Prime Minister office, on condition of anonymity, said, *“PM wants to have a huge maritime heritage complex at Lothal which is one of the oldest man-made dockyards in India. The complex is likely to be built in public-private partnership and will also have a huge museum displaying India's heritage of inland waterways and trade through water route.”*

The official said that the shipping ministry will form a core group to formalize the concept in the coming days and present it before the Prime Minister. He added that the PM has already expressed his desire to the shipping ministry, but no formal written communication in this regard has been sent to the shipping ministry yet. Although there are several maritime museums in India but the one which the PM is envisioning will be one of its kind, the official added. The PM's keen interest in developing maritime heritage complex is because of several reasons, including its importance and mention in Indian history and scriptures like Vedic texts and Puranas. Vedic texts such as Rigveda and the Shatapatha Brahmana have several references to naval and commercial expeditions. Similarly, Matsya, Varaha and Markandeya Puranas too have descriptions of sea voyages.

3. Cadbury maker Mondelez bets big on Andhra Plant

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

Mondelez International Inc, maker of Cadbury chocolates and Oreo biscuits, has started production at its \$190 million factory in Andhra Pradesh, its largest plant in the Asia-Pacific region, a top company executive said. The first batch of products from the plant was despatched on Sunday. The company plans to make the 134-acre plant a vital supply hub in Asia. It will help Mondelez bring down distribution costs. *“This manufacturing site is our site of the future and marks an important milestone in the critical journey to reinvent ourselves,” said Maurizio Brusadelli, head of Mondelez’s Asia-Pacific arm. “This plant allows (us) to expand capacity and add flexibility in meeting consumer needs.”*

The company has started making Cadbury chocolates on two lines of the seven-line facility and will gradually add other brands as well. It will have annual production capacity of 60,000 tonnes in the first phase and eventually make as much as 250,000 tonnes at the end of the third phase in 2020. *“India is an important market for us and (we) see huge opportunity here, and it would also be a possible hub for Asia,” Brusadelli said.*

4. Investment in clean energy at Rs 90,841 crore in last 3 fiscals: Government

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

An investment of Rs 90,841.16 crore was made in the renewable energy sector in the country during three fiscals to 2015-16, government said today. Total investment made in renewable energy sector in all states, including Jharkhand and Gujarat, during the last three years is Rs 90,841.16 crore," New & Renewable Energy Minister Piyush Goyal said in a written reply to the Rajya Sabha. The minister also informed the House that the Ministry of New and Renewable Energy has provided financial support of Rs 6,541.04 crore towards capital subsidy/viability gas funding/ generation based incentives in the three-year period till March 31, 2016. The maximum investment was in wind energy sector at 46,831.86 crore during the period, followed by solar at Rs 30,440 crore, biogas & bagase cogeneration at Rs 7,382.40 crore and small hydro (up to 25 MW) at 6,186.90 crore.

5. Startup ecosystem is stronger now: Survey

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

To understand the enthusiasm for entrepreneurship and explore the motivation and mindset that will create a more supportive environment for entrepreneurs, Amway India initiated an India Entrepreneurship report. Union Minister of State for Skill Development and Entrepreneurship (Independent Charge), Rajiv Pratap Rudy released the report recently. At the unveiling, Rudy said, *"The contribution of MSME sector (Micro, Small and medium enterprises) in India is much less as compared to the developed nations. This needs to change. It is critical that there is entrepreneurship led boom at the grassroots level so that India can leverage the demographic dividend to the maximum possible extent."* Anshu Budhraj, CEO, Amway India, said, *"We are aiming to engage different stakeholders on what drives entrepreneurship and contribute to the ongoing discussions on the role of skill development and self-employment. Entrepreneurship is a way for people to realise a better life. Entrepreneurs also create jobs and encourage competition. They spur economic growth and bring opportunities to communities. So, it's important that businesses like Amway know how entrepreneurs think and act to better support them."*

6. Reliance to invest in 20 Indian gaming startups

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

With mobile gaming gaining strong traction in the country, Reliance Entertainment has brought its focus back on the Indian market and is looking to invest in 20 gaming startups this year. Reliance Games, a part of Reliance Entertainment, has also announced investments worth over \$50,000 in marketing and technology to support some Indian startups as part of its 'PG Connects' event.

7. Ready to eat: KFC set to bring edible packaging in India

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

At a time when beverage giants such as Coca-Cola are planning to opt for plastic packaging (bottles), US fried chicken chain KFC is trying to go the opposite way. Starting with its Rice Bowlz, it will introduce edible packaging in the country later this week.

Previously made of plastic, the bowls that are used to serve rice and gravy will now be made of tortilla. This is the Yum Brands-owned company's second attempt at ready-to-eat packaging after edible coffee cups in UK. *"This is an India-first innovation and may be adopted*

in KFC's global markets," said Rahul Shinde, MD of KFC India. Rice Bowlz is one of the best-sellers on KFC's menu here and contributes around 5-6% to its domestic revenues while fried chicken contributes more than 50%. “

KFC will pilot the project in Bengaluru, keeping in mind the Karnataka government's ban on plastic that was imposed last month. Globally, food scientists have been trying to come up with edible packaging in an effort to curb waste. It is estimated that around \$12 billion worth of recyclable, post-consumer packaging is wasted annually.



By Harsha Hazarika