

Daily Economic News Summary: 31 August 2015

1. India pitches for rating upgrade by S&P on strong macro data

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

India today pitched for rating upgrade by Standard and Poor's citing strong macroeconomic indicators, low inflation and improvement in fiscal as well as current account deficits. In his presentation to the visiting S&P officials, Chief Economic Advisor (CEA) Arvind Subramanian said that country has strong medium-term growth potential on back of persistent economic reforms which are being pursued by the government.

S&P has BBB- rating on India with stable outlook. According to the sources, Subramanian also expressed the government's commitment to implement the Goods and Services Tax (GST) bill and said that country's growth in the current fiscal was expected to improve to around 8 per cent. Subramanian based his optimism for higher growth on macroeconomic stability, better-than-expected monsoon and cumulative effect of reforms.

S&P, according to sources, inquired about time line for implementing the GST bill and also plans for setting up a holding company to deal with the problem of stressed assets in the banking sector.

2. Indian Oil said to plan \$3 billion petrochemical plant in Iran

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

Indian Oil Corp. (IOC) is seeking to build a \$3 billion petrochemicals plant in Iran, according to people with direct knowledge of the matter. The plan hinges on assurances from Iran that the 1 million-tonne-a-year project will have access to cheap natural gas as feedstock, said the people, who asked not to be identified because the information isn't public. A company spokesman didn't respond to requests for comment by phone, text message and e-mail.

Indian Prime Minister Narendra Modi's government is eyeing energy and infrastructure investments totaling billions of dollars in Iran, including upstream gas production and port developments. India has sought to secure ties with Iran and ensure access to its abundant hydrocarbons as years of sanctions on the Persian Gulf nation may be nearing an end.

3. Reliance Group to expand business cooperation with Qatar

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

Anil Ambani-led Reliance Group has expressed a keen interest in playing a larger role in the growing economic ties between India and Qatar by expanding business cooperation with the Gulf country. Ambani called on Qatar's Prime Minister Sheikh Abdullah bin Nasser bin Khalifa Al Thani among other senior Qatari ministers during a visit to the oil-rich country.

Accompanied by a team of senior executives, he discussed bilateral trade ties with Qatari dignitaries, underlining the group's keen interest in playing a larger role in the growing economic partnership between India and Qatar.

4. ONGC, partners to invest \$24 billion in Mozambique gas field

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

Oil and Natural Gas Corp (ONGC) and its partners will invest about \$24 billion in producing natural gas from a giant field off Mozambique and converting it into liquid fuel (LNG) for export by ships to consumers like India. ONGC Videsh Ltd, the overseas investment arm of the state-run explorer, holds 16 per cent stake in Rovuma Area 1 where recoverable resources in excess of 75 trillion cubic feet have been established.

BPCL holds another 10 per cent and Oil India Ltd 4 per cent stake in the field and all three together hold more stake than operator Anadarko of the US (26.5 per cent). "The Mozambique government has passed a decree law, paving way for start of construction work on the project. An estimated \$23-24 billion will be required to bring first set of discoveries in Rovuma Area-1 on to production and convert that gas into LNG," a senior official in the consortium said.

5. Indian healthcare sector to grow to \$280 billion by 2020: Report

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

India's healthcare sector is expected to be \$280 billion in size by 2020, growing at a compound annual growth rate of 16 per cent, but it is in "dire need" of right policy framework and infrastructure push, says a FICCI-KPMG report. With the healthcare industry seeing a robust growth trajectory, workforce in the sector is expected to be at 7.4 million in 2022, said the report -- 'Healthcare: The Neglected GDP Driver'.

The sector, which was at \$73.92 billion in 2011, is expected to grow at a CAGR of 16 per cent to \$280 billion in 2020, it said. The report added however that it was high time the country realised the significance of healthcare as an economic development opportunity at national and state levels. *"With the increasing disease burden, the healthcare sector in the country is in dire need to get the right policy framework and infrastructure impetus. Granting infrastructure status may not only help the sector receive investments, but also bring down the cost of healthcare delivery,"* it said.

By Harsha Hazarika