

## Daily Economic News Summary: 3 August 2016

### 1. EXIM Bank Raises \$1 BN from overseas bonds

Source: **Hindu Business Line** ([Link](#))

Export-Import Bank of India (Exim Bank) on Sunday said it has raised \$1 billion via a 10-year bond issue at a coupon rate of 3.375 per cent. The funds raised will be used by the Bank to support Indian project exports, overseas investments by way of long-term credit and its lines of credit portfolio. The Bank, in a statement, said its bond issue attracted a total order book in excess of \$2.50 billion, thereby achieving 2.5 times oversubscription of the issue size from over 157 investors. Initially announced for \$500 million, the issue was upsized to \$1 bn based on strong demand from the investors.

Yaduvendra Mathur, Chairman and Managing Director, said, *“The Bank is the closest proxy to sovereign in the international markets and the 10-year issuance was based on investors’ feedback, so that benchmark 10-year curve out of India could be established. The issuance will help in better price discovery for other issuers from India seeking longer tenor funds from the international debt capital market.”* David Rasquinha, Deputy Managing Director, observed that this is the first time the Bank has tapped the deep and wide 144A market and the bond was very well received by investors with a book that was over two times oversubscribed.

### 2. India seeking merger model for creating a state oil champion

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

India is open to discussing a merger of some of its state-run oil producers and refiners to create a larger, stronger national firm, according to the country’s oil minister. The government is seeking the appropriate model for combining India’s state-run oil companies and hasn’t decided on any plan, Dharmendra Pradhan said in New Delhi on Monday. The combined market capitalization of India’s top eight state-owned oil and gas companies is about \$80 billion, ranking a combined entity ninth among global oil firms, according to data compiled by Bloomberg. India is set to emerge as the world’s third-largest oil consumer by the end of this year and will be the center of global growth through 2040, according to the International Energy Agency. Its upstream production is dominated by Oil and Natural Gas Corp., which operates independently of its biggest refiner, Indian Oil Corp.

### **3. Government to impose temporary anti-dumping duty on some steel products**

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

An Indian government body has recommended provisional anti-dumping duty on imports of hot-rolled steel products, a government statement said on Tuesday, to reduce overseas purchases of the alloy and shield local mills. The anti-dumping duty will come into effect after New Delhi formally notifies the tax. The Directorate General of Anti Dumping recommended the duties on steel products from China, Japan, South Korea, Russia, Brazil and Indonesia, the statement said. Indian steelmakers such as the Steel Authority of India, JSW Steel and Tata Steel had lobbied for protectionist measures to prevent cheap overseas purchases that were undercutting local mills and squeezing margins.

### **4. Start-ups take the merger route in quest for profitability**

Source: **Business Standard** ([Link](#))

For start-ups getting into partnerships in their quest to find success and profitability has become the new big thing. Start-ups with strengths in different areas are joining forces to create a more wholesome ecosystem, strong enough to take on compete. In a latest development, Freecharge, the digital payments platform acquired by Snapdeal, has partnered with payment gateway solution provider, PayUbiz, to further strengthen its merchant base and help consumers move from cash to digital payments.

This integration allows Freecharge to tap PayUbiz's more than 10,000 online merchants across sectors will also be accessible to the patrons of the mobile wallet. "We want to make Freecharge wallet ubiquitous in both the online and offline space by creating an ecosystem of partnerships. Through PayUbiz association, we will further strengthen our partner ecosystem and enable digital payments across 10,000 more merchants. Alliances such as this will certainly help us move in the right direction," said Govind Rajan, chief executive officer. Both the stakeholders believe partnerships are critical to scale acceptance and build the habit of digital payments. The user interface and transaction experience ensures that consumers have the swiftest yet safest digital payments experience. Enabling wallet payments with merchants gives the ubiquity and reach that is required to take India to a cashless tomorrow.

## 5. Indian firms beat Chinese in Profitability

Source: **Deccan Chronicle** ([Link](#))

India's top companies are set to outperform their Chinese peers despite the country's infrastructure bottlenecks. According to global rating agency Standard & Poor's (S&P), Indian private companies outperform both the Indian government-related entities and Chinese companies by registering the highest (and relatively stable) returns.

Though the revenue growth for companies in India and China are trending down, the rating agency expects the performance for India's top companies to improve over the next two to three years. A better operating environment with increasing government spending and a likely improvement in the domestic economy will support growth. But much of the improvement in operating conditions in India could depend on its infrastructure, which remains inadequate.

## 6. Amphibian buses, Sea planes to lift Goa Tourism

Source: **Pioneer** ([Link](#))

From the next tourism season, holidaymakers drawn to Goa's silvery beaches, sylvan retreats, offshore casinos and glitzy nightlife will also be able to experience the excitement of riding on amphibian buses and flying in marine planes. Tourism Minister Dilip Parulekar told the Goa Legislative Assembly on Monday that the State and Central Government agencies have already given most of the permissions required for introducing marine planes and amphibian buses in the State.

Goa, one of the most popular beach and nightlife tourism destinations of the country, attracts over four million tourists annually. The State Tourism Ministry has tried to diversify the bouquet of tourism offerings by starting a hot air balloon service named "Help-tourism".



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