

Daily Economic News Summary: 5 June 2015

1. India in talks with Russia, Iran on transnational pipelines

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

In a revival of energy pipeline diplomacy, Russia and India have decided to explore the possibility of constructing transnational crude oil and gas pipelines to India, the world's fourth largest consumer of energy. This was decided after a meeting between India's petroleum minister Dharmendra Pradhan and Russian energy minister Alexander Novak in Vienna on Thursday.

Russia's attempts to build better economic ties with India comes at a time when Moscow is facing Western sanctions for the annexation of Crimea and its support for rebels in neighbouring Ukraine. It also comes at a time of an expected agreement that may result in lifting of trade curbs on Iran, which will then open up its substantive hydrocarbon reserves.

After India and the US signed a civil nuclear deal in 2008, several Iran-related Indian projects have either been put on hold or dropped. India decided to focus on the Turkmenistan-Afghanistan-Pakistan-India gas pipeline instead of the Iran-Pakistan-India pipeline project.

2. JNPT to build Rs 10,000 crore satellite port at Wadhwan

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

Maharashtra's Jawaharlal Nehru Port Trust (JNPT), which handles more than half of India's shipping cargo, has decided to build a satellite port at Wadhwan near Dahanu, bordering Gujarat. The new port, which will cost Rs.10,000 crore to build, will ease congestion at JNPT, which is close to Mumbai.

JNPT will hold a 74% stake in the proposed port project while the Maharashtra Maritime Board (MMB), owned by the state government, will hold the rest. Both entities are expected to sign a memorandum of understanding (MoU) in this regard.

3. Skills ministry plans to raise \$460 mn from World Bank

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

Despite missing its 2014-15 skill development target, the cash-strapped skill development and entrepreneurship ministry is looking to raise about \$460 million from the World Bank to

enhance apprenticeship schemes as India wants to create more skilled manpower for its manufacturing sector, said two government officials who wished to remain unnamed.

“The skills ministry is pushing for World Bank funding to scale up some of its activities keeping in mind the ‘Make in India’ mission and the manpower required for it. The ministry has already given a presentation to the department of economic affairs (DEA) in the finance ministry on this,” said one of the two officials. A ministry needs to go via the DEA to raise so-called soft loans, or loans bearing an interest rate below the market rate, from the World Bank.

4. US asks India to consider more steps to facilitate trade

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

The US has said it is encouraged by the economic reforms being pursued by the Indian government, and appealed to it to consider taking additional steps towards facilitating trade.

“We have seen a positive recognition from the Indian Government that it can do more to attract foreign investment. We are encouraged by a number of reforms being pursued with respect to taxes, land acquisition and labour,” said US Deputy Chief of Mission Christopher Wilson at the WTO Trade Policy Review of India in Geneva.

Wilson said the US is pleased that in March, the Indian Parliament passed a bill increasing the limit on foreign investment in the insurance sector. And in April, India published its new 5-year foreign trade policy, announcing new programs aimed specifically at implementing the WTO Trade Facilitation Agreement.

5. Government to auction 10 coal mines for steel, cement sectors in August

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

Two months after giving away 29 blocks through competitive bidding process for the power sector, the Government on Thursday announced that it will auction 10 coal mines in the third tranche with extractable reserves worth 356 million tonnes next month for unregulated sectors like steel and cement. The process will be completed by August end.

“We have lined up 10 coal blocks and all of these are in the unregulated sector. The auctions will be held from August 11 to August 17,” Coal Secretary Anil Swarup told media persons in a press conference.

6. IKEA rolls out plans to reduce carbon footprint in India

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

Swedish multinational and world's leading home furnishing retailer IKEA isn't just looking at India as a market for its products. The Swedish major, which is looking to kick off its India retail operations with as many as four stores, became the first multinational to put down money to reduce carbon pollution. Over the next five years, IKEA will spend a total of 1 billion to cut down carbon pollution and slow down the rate of global warming by investing in renewable — wind turbines and solar — energy.

That IKEA is yet to finalize the locations of its stores in India — it is in various stages of finalizing locations in Telengana, Haryana, Maharashtra and Uttar Pradesh, and an announcement is expected in the next one month or so — isn't preventing it from deepening its sustainability partnership with India.

7. Big conglomerates are setting themselves up for the big commerce leap

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

Diversified conglomerate Tata group, which is giving shape to its ecommerce venture — code named Tata Mall — has hired between 35 and 50 executives who will work out Mumbai's new business district, Bandra Kurla Complex, said a person with direct knowledge of the plan.

Tata Mall, which will be a subsidiary of Tata Industries, has hired a mix of internal recruits and some from Tata Administrative Services, he said. The online venture, which will sell both retail goods of Tata Group companies as well as other retailers, will allow the customer to book products online, check them at one of the stores and even cancel the order if unsatisfied with it at the store.

Meanwhile, Reliance Industries is also stepping on the gas and is readying its supply chain, riding on its retail chain Reliance Fresh. It has started hiring executives with experience in ecommerce platforms for its online and strategy teams. *"The group has set up a 1000-seater ecommerce centre and is looking for talent with degrees from Harvard, Wharton and also from competitors such as Snapdeal, Flipkart, Walmart, Walmart Labs, Jabong and Myntra,"* a head hunter said.

By Harsha Hazarika