

## Daily Economic News Summary: 7 March 2016

### 1. India to launch sixth navigation satellite on Thursday

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

India is slated to put into orbit its sixth navigation satellite on Thursday evening, the Indian Space Research Organisation (ISRO) announced here on Monday. The 1,425-kg IRNSS-1F - Indian Regional Navigation Satellite System-1F - would hurtle into space on board its Polar Satellite Launch Vehicle (PSLV) on March 10, the ISRO said. The rocket will blast off around 4 p.m. from the spaceport at Sriharikota in Andhra Pradesh, about 80 km from here. This will be already the second rocket launch for India in 2016. The first one was on January 20 when a PSLV rocket put into orbit the IRNSS-1E satellite in text-book style. Till date India has launched five regional navigational satellites (IRNSS-1A, 1B, 1C, 1D and 1E) as part of a constellation of seven satellites to provide accurate position information service to users across the country and the region, extending up to an area of 1,500 km.

### 2. IKEA to open 1<sup>st</sup> India store at Hyderabad 2017

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

Swedish furniture retailing giant IKEA will open its first store in India at Hyderabad in the second half of 2017 even as it scouts for more sites in Delhi-NCR, Mumbai and Bengaluru. The company, which received government approval in 2013 for its Rs 10,500 crore proposal to open retail stores under 100 per cent FDI, plans to open 25 stores by 2025 in nine Indian cities. *"We will open our first store in Hyderabad in later half of 2017. Digging for construction of our first store in India started this week,"* IKEA Asia Pacific Retail President Mikael Palmquist told PTI. IKEA's first store in Hyderabad will be a massive 4 lakh square feet in size and will include all features of a global IKEA store, including restaurant and play and development area, he added. In July last year, the company had announced purchase of 13 acre land close to the IT hub in Hyderabad's HITEC city.

Bullish on the Indian market, Palmquist said IKEA expects its stores in the country to be among "the most visited stores in the world" and hence the company has prepared for it by planning bigger restaurants and more seating capacity to suit high visitation stores. Elaborating on IKEA's expansion plans in India, he said: *"After Hyderabad, in the first phase of growth, we plan to open stores in Delhi, Mumbai and Bangalore. We are searching for land in these cities. We want to open more than one stores in locations where our stores come up."* The company said that it will showcase its products from its global portfolio in India based on the taste and

requirements of the regions where its stores are located. On the pace of expansion in India, Palmquist said compared to China where it has been there for 15 years and opening at a rate of 3 stores a year only now, here IKEA will be looking at a much faster growth.

### **3. Airbus ramps up Make in India, tops \$500 million annual procurement**

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

Every Airbus commercial aircraft produced today is partly 'Made in India', Airbus Group today said as the European aerospace major announced that it had exceeded the \$500 million annual procurement mark from India in 2015. The group claimed that it is a first for any foreign aerospace and defence original equipment manufacturer (OEM) in India. Over 6,000 people at more than 45 suppliers, both public and private, are directly engaged in providing engineering and IT services, aero-structures, detail parts and systems, materials and cabins to the group for several of its leading platforms, including A380, A350 XWB, A320 Family, A330, C295W, A400M, Eurofighter, Tiger and NH90. The group has now set its sights on exceeding \$2 billion in cumulative procurement, covering both civil and defence, in the five years up to 2020.

### **4. SBI among 4 new foreign banks allowed to operate in Myanmar**

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

The State Bank of India (SBI) is among four new foreign banks given preliminary approval to open 100%-owned branches in Myanmar, the latest move by the Southeast Asian nation to woo investment to the country long ruled by the military and hit by Western sanctions. The four new banks that have been given initial approval by the Central Bank of Myanmar are Vietnam's Bank for Investment and Development, Taiwan's E.SUN Commercial Bank, South Korea's Shinhan Bank and the State Bank of India. *"After due consideration, the Licensing Committee has decided to grant preliminary approval to prepare for commencement of banking operations in Myanmar to four Foreign Banks,"* the apex bank said. The Central Bank of Myanmar said the preliminary approval is valid for 12 months during which the successful applicants will have to fulfil commitments made, take all necessary measures to ensure functional banking operation from day one of business and will have to comply with requirements laid down by the Central bank of Myanmar.

## 5. French firm DCNS sees 4000 jobs under “Make in India” initiative

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

Over 4,000 jobs are likely to be created locally over the next five years with French company DCNS looking to source key components for its global ocean thermal projects under the Make-in-India initiative, a top official has told ET. DCNS, which is currently executing the Scorpene submarine contract with the first boat likely to be commissioned in October, is now focusing on India for its future Ocean Thermal Energy Conversion (OTEC) projects that generate energy by exploiting the difference in temperature on the Ocean surface with waters deep below. *“Building up on our defence ecosystem, a future OTEC project could have local content of more than 60% of order values - key systems like platform, heat exchangers and pumps being manufactured by Indian MSMEs. This will possibly create as many as 4,000 jobs locally over a span of 4-5 years under Make in India,”* Bernard Buisson, Managing Director of DCNS India said.

## 6. India a bright spot for growth and investment, says EY’s Mark Weinberger

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

With a presence in 152 countries across the globe, **Mark Weinberger**, EY's global chairman, has a better feel of the pulse of the global economy than most CEOs. So when the 54-year-old Weinberger says that global CEOs are looking at India along with US as the world's top investment destinations, his voice carries heft. During his annual visit to the country, Weinberger spoke in an interview to *ET* about India's tax reforms, the budget and audit rotation. Edited excerpts:

**Many experts see India as a shining spot in a tumultuous global economy. What's your take?**

**Mark Weinberger:** *I think relative to the rest of the world, India is a bright spot from the point of investment and growth. Now I see that from many vantage points. We did a survey around the world and India was number one for attractiveness for investments for the next three years. So that is a general assessment.*

*We are in 152 countries and we have got 2,000 clients who talk to our people. They are thinking about where they want to invest and India and the US occupy the top two spots. Why is India the place where people would look at? First of all, the political security India offers relative to other emerging markets, then there is non-reliance on commodities, the fiscal discipline which was shown in this budget... Maybe we will see an interest rate reduction here in India which would be a growth opportunity.*

*The fiscal discipline coupled with some good policies, like Make in India, help attract investments. And Prime Minister Modi's trips around the world have brought a lot of commitments back to India for direct investment. Foreign direct investment (FDI) has gone up when it is going down in rest of the world.*



**By Harsha Hazarika**