

Daily Economic News Summary: 8 July 2015

1. India overtakes US as 3rd largest steel producer: Tomar

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

India has overtaken the US to become the world's third largest steel producer and is working towards achieving 300 million tonnes (MT) target in the next 10 years, said Union Steel & Mines Minister Narendra Singh Tomar. *"So far India was the 4th largest steel producer in the world only after China, Japan and the US. However, during the first five months of this calendar year, India has achieved the 3rd position in the global steel production,"* Tomar said.

Addressing a meeting of the Parliamentary Consultative Committee, attached to his Ministries, in Bengaluru, Karnataka, the Minister said Indian steel industry is growing at a reasonably good pace and last year the growth in crude steel production in India was more than 8 per cent. "However, per capita steel consumption is quite low, 60 kg as against the world average of 216 kg. The low consumption no doubt indicates huge growth potential for Indian steel industry. India has fixed a target of 300 MT production capacity by 2025 and the steel ministry is working out action plan and strategies to achieve this target," he said as per an official statement issued here.

2. Huawei bets big on affordable smartphones; eyes 10% market share

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

Chinese telecom gear maker Huawei is betting big on the affordable smartphone segment in India (sub Rs 15,000) and aims to garner 10 per cent share of the category in next one year. Huawei, which is the world's third largest handset company, has launched four new devices today priced between Rs 5,499 and Rs 9,499.

"Currently, the affordable smartphone market in India has the largest market share, which is up to two-thirds, 66 per cent approximately, of the total smartphone market share," Huawei Telecommunications India Director Sales (Devices Business) P Sanjeev told PTI.

3. Textile sector outlook stable with downside risks: India-Ra

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

The country's textile industry has a stable outlook for the current fiscal on account of robust domestic demand, lower input costs and competitiveness in apparel exports, says a report by India Ratings & Research (Ind-Ra).

Although India has a small share in the global textile trade, it is well positioned to gain from weak input prices and growing demand for apparels and made-ups. The trends, if sustained in FY16, are likely to improve the financial metrics of garment manufacturers, Ind-Ra said.

The agency has maintained a stable outlook on its rated textile companies as they are likely to show ratings stability on growing domestic demand, competitiveness in apparel exports and an overall improvement in credit profile.

4. Etihad beats Gulf rivals to become fastest growing foreign airline

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

Etihad has emerged the fastest growing international airline to India with 55 per cent capacity addition over last August. Jet Airways remains the number one airline serving foreign routes from India based on the number of seats offered and passengers flown.

Air India and Emirates rank second and third in both categories. Jet Airways flew 6.3 million passengers on foreign routes from India in 2014-15. According to a report on [anna.aero](#), a website that analyses airline route planning, Etihad is deploying 29,971 one-way weekly seats from India to Abu Dhabi in August, an addition of 55 per cent over the same month last year.

5. Government increases daily minimum wage to Rs 160 per day

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

The government has increased minimum wage across the country to Rs 160 a day from Rs 137 with effect from this month. It has raised the threshold after two years on the basis of average increase in the consumer price index for industrial workers during this period. Labour minister Bandaru Dattatreya on Tuesday said he has written to all chief ministers and lieutenant governors to take necessary steps to fix minimum rates of wages in respect of all scheduled employments in states and union territories not below the revised level.

"While reviewing the movement of CPI-IW (consumer price index for industrial workers) during April 2014 to March 2015 over the period April 2012 to March 2013, it was observed that the average CPIIW has risen from 215.17 to 250.83. Accordingly, the NFLMW (national floor level minimum wage) has been revised upwards from existing Rs 137 to Rs 160 per day with effect from July 1, 2015," Dattatreya said. In order to have a uniform wage structure and to reduce the disparity in minimum wages across the country, NFLMW is fixed on the basis of the CPI-IW. The NFLMW was last revised from Rs 115 to Rs 137 per day in July 2013.

6. India set to become full member of SCO at summit this week

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

India looks to be set to join the regional security grouping Shanghai Cooperation Organisation (SCO), led by China and Russia, as a full member at the group's summit in Russia later this week, which will be attended by Prime Minister Narendra Modi. Full membership in the SCO could give India greater clout in Central Asia at a time it is seeking to step up its economic engagement with the region.

The SCO, a Eurasian political, economic and security grouping, was founded in 2001. It comprises Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. India has been attending SCO meetings as an observer since 2005.

India formally applied for SCO membership prior to the summit in Dushanbe, Tajikistan, in September 2014. SCO foreign ministers met in June in Moscow and they made a positive recommendation on India's application. Pakistan is also set to be included as a member of the grouping along with India.

7. India starts work on green power corridors

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

Faced with an ambitious green energy target of 175,000 megawatts (MW) by 2022, India has started work to set up transmission corridors to supply green power across the national grid.

State-owned Power Grid Corp. of India Ltd (PGCIL) plans to construct transmission links for 10,000MW solar capacity that may involve an investment of about Rs.9,000 crore.

Of the total 100,000MW solar power capacity planned, 20,000MW will come from solar parks and 40,000MW each from roof-top and distributed generation projects. The government plans to set up 25 such solar parks. India has around 300 days of sunshine per year.

“Given the nature of solar power, setting up the transmission system is a challenge. The PGCIL plans to build the inter-state transmission system for nine such solar parks,” said a government official requesting anonymity.

By Harsha Hazarika