

## Daily Economic News Summary: 8 June 2015

### 1. Japanese agency ready to finance projects in Arunachal Pradesh

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

As part of Japan's growing engagement with India, the Japan International Cooperation Agency (JICA) is willing to finance infrastructure projects in Indian border areas that abut China, like Arunachal Pradesh. This comes in the backdrop of multilateral lending agencies often expressing reluctance to do the same.

In 2009, China protested the inclusion of a water management project in Arunachal, parts of which India's northern neighbor lays claim to, as part of a \$2.9 billion loan that Asian Development Bank (ADB) had promised India. The row forced ADB to introduce a disclaimer in its project documents that, while stating that it has no position on territorial disputes, effectively discourages applicants from pushing for assistance for projects in disputed areas.

In response to a direct question about the JICA financing projects in Arunachal Pradesh, Shinya Ejima, chief representative, JICA India Office, said: *"It depends upon the decision first by the Indian government and also the government of Japan. But, as far as JICA is concerned, I don't think (there's) any problem in Arunachal because JICA is the lending, implementing agency of Japanese foreign assistance."*

### 2. PM Narendra Modi to unveil SMART City, AMRUT projects on June 25

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

Prime Minister Narendra Modi will formally launch the Rs 98,000 crore Smart City and AMRUT projects on June 25, in an attempt at transforming the urban infrastructure burdened with ever-growing population.

Modi will announce the implementation guidelines for the two big-ticket urban renewal projects - Smart City and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) - at Vigyan Bhawan in the presence of senior officials from state governments and Union Territories dealing with urban affairs including municipal commissioners and mayors.

*"It (June 25) will be an important day for the urban development sector and thereafter the main challenge for state governments and urban local bodies to get things going for making effective use of huge investments by the Centre and other sources in the sector,"* said Urban Development Minister M Venkaiah Naidu.

### **3. Regulatory hurdles hampering India's economic growth: Vodafone**

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

UK-based telecom giant Vodafone has said the present "regulatory challenges" in India are hampering economic development but the country offers a good long-term investment opportunities for global firms.

The telecom major further said the current structure for airwaves auction in the country and piecemeal release of new spectrum are creating capital constraints for operators looking to provide quality services for subscribers.

*"Spectrum auction structures combined with the piecemeal release of new spectrum, leaves less capital available for investment in bringing high quality services to more of the country, and this is exacerbated by other ongoing regulatory challenges,"* Vodafone Group Chairman Gerard Kleisterlee said in the annual report for 2015.

### **4. Air traffic continues to grow despite shocks: IATA**

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

The growing number of people from the developing world taking to air travel has injected resilience in the airline industry through a continued growth of global air traffic despite the sector being regularly subjected to unanticipated shocks from external factors, IATA has said.

The shocks experienced so far by the industry have ranged from the 9/11 terror strikes and shooting down of MH-17, to the past oil crises, volcanic eruptions and diseases like SARS.

Noting that the future growth of global air passenger traffic *"will undoubtedly be subject to unanticipated shocks"*, the study by the International Air Transport Association (IATA) says *"in the past, global air passenger traffic has always seemed to bounce back strongly from short-term upheavals"*.

### **5. Government further relaxes norms for companies**

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

In a raft of changes to make it easier for businesses to operate in the country, the government has relaxed norms for private companies including those pertaining to related party transactions, acceptance of deposits and auditor appointments. Compliance requirements under the Companies Act, 2013, have also been made for government, nidhi and not-for-profit or Section 8 companies.

Relaxing the norms for the four categories of companies, the Corporate Affairs Ministry has come out with four separate notifications issued on June 5. The latest move comes close on the heels of the Ministry setting up an eight-member panel to address issues related to the new companies law and suggest necessary changes.

## 6. Shell looks to expand retail network in India

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

Global oil & gas giant Royal Dutch Shell Plc, a \$421-billion company, is eyeing investment opportunities in the Indian downstream segment, especially with the recent deregulation of diesel prices and opening of the market. The company is planning to expand its retail outlet network utilising its existing licence to set up 2,000 fuel stations.

The Netherlands-based energy and petrochemical group might also look at the upstream exploration and production segment and is pinning its hopes on the indications that the government would introduce an open acreage licensing policy (OALP).

*"We are looking to expand retail outlet network. The price deregulation happened not so long ago. There are many things we have to get in place. Running a retail station starts with land acquisition, and that takes time. We are doing some work to devise a realistic growth plan,"* Yasmine Hilton, country chairman, Shell Group of Companies in India, told Business Standard. *"We have the potential to grow. We are looking at the right opportunities,"* added Harry Brekelmans, member of the company's executive committee and director (projects & technology), who was also present.

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