Daily Economic News Summary: 20 September 2016

1. Softbank eyes Indian solar manufacturing in boost to Narendra Modi's energy goal

Source**: Live Mint (Link)**

Japan's SoftBank Group Corp. is considering a manufacturing joint venture in India that could produce the solar panels needed to meet Prime Minister Narendra Modi's energy targets."SoftBank's strategy for India includes solar panel manufacturing," Manoj Kohli, executive chairman of SB Energy said in an interview in New Delhi. He ruled out making the panels through the company's existing joint venture, formed last year with Foxconn Technology Group and Bharti Enterprises Pvt. to generate about 20 gigawatts of solar power. While Modi seeks 100 gigawatts of solar capacity by 2022—a target second only to China—the country's manufacturers will need to ramp-up production in order to tap into the growth. Only about 40% of India's 1.2 gigawatts of annual solar-cell manufacturing capacity is operational, according to estimates by Bridge to India. Module manufacturing capacity is about 5.6 gigawatts, of which 60% capacity is operational.

2. Next Orbit to invest $100 million in Gujarat-based semiconductor project

Source: **Live Mint (Link)**

Growth-stage investor Next Orbit Ventures is investing $100 million in a semiconductor fabrication project based in Gujarat, a top executive said.The investment is being made out of Next Orbit Ventures's second fund, which is currently raising $750 million. The firm launched its second fund in November to invest mainly in firms that make semiconductor chips, and solar and LED components.

"We are coming as first investors into this fab project to back India's growing electronics market, which will reach $400 billion by 2020 as per the government of India's national policy of electronics 2012 estimates, and requires $100 billion of investment for achieving 'zero import' target," said Ajay Jalan, founder and managing partner at Next Orbit Ventures.

3. Buoyed by high returns, state-run oil firms to ramp up rural outlets

Source: **Live Mint** (Link)

State-run fuel retailers—Indian Oil Corp. Ltd (IOCL), Bharat Petroleum Corp. Ltd (BPCL) and Hindustan Petroleum Corp. Ltd (HPCL)—will add 1,300 rural outlets this fiscal year, 60% more than in the previous year, on the back of higher returns and rising sales. The three oil marketers added 800 rural fuel outlets last year, according to four executives from the three firms. The typical retail outlet costs Rs25-30 lakh to build (not considering land costs) in rural areas, compared to Rs60-80 lakh in urban areas and Rs1 crore on highways. Lower costs and increasing throughput at these locations mean they have a higher return on investment than city outlets do—16-18%, as against 12-14%—said the executives.

4. Mondelez to invest $15 million in global research centre in Maharashtra

Source: **Live Mint (Link)**

Mondelez International Inc., the maker of Cadbury chocolates and Oreo cookies, on Monday said it would invest about $15 million in building a global research, development and quality hub in Thane, Maharashtra.The investment is part of its $65 million outlay to develop a global research, development and quality (RDQ) 'Network of the Future' at nine locations around the world over the next two years, the company said in a statement.The investment will enable the company to better recruit, retain and develop talent across a range of science and technical disciplines while also creating a stronger presence in both emerging and developed markets, the company said.

"We're delighted that one of our nine technical hubs will be based in India," said Deepak Iyer, managing director, Mondelez India Foods Pvt Ltd , said in the statement.He said India has a strong legacy of research and development, which has contributed to product and process innovation. "With a focus on chocolate and beverages, this centre will combine the high-end skills of our local team with global learnings and best practices to develop products and processes for Mondelez International globally," he said.

5. Himalaya enters mothercare segment; eyes 6% sales in 2 years
Source: **Business Standard** (Link)

Herbal wellness and personal care firm Himalaya Drug Company on Tuesday announced foray into themothercare segment with the launch of a range of products and is eyeing up to six per cent contribution in its turnover in two years time. "We have forayed into the mothercare segment with a dedicated range of herbal products for women to be used before and after pregnancy... We expect mothercaresegment to contribute five-six per cent in our turnover in two years time," Himalaya Drug Company CEO Philipe Haydon told PTI.

The company, which reported a turnover of Rs 1,800 crore in the previous fiscal, is looking at Rs 2,100 crore sales in the current fiscal, Haydon said. At present, Himalaya's biggest vertical of personal care contributes 42 per cent to its total sales, followed by pharmaceutical 32 per cent, baby care 15 per cent, animal health 4 per cent and wellness 4 per cent.

By Nandini Malhotra