

Daily Economic News Summary: 25 February 2016

1. Royal Enfield starts retail operations in Thailand

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

Homegrown niche bike maker Royal Enfield has launched retail operations in Thailand with the opening of its first store in the country. The company will sell its complete range of motorcycles, apparel and accessories in its first exclusive store in Thonglor, Bangkok, Royal Enfield said in a statement. Besides the opening of the showroom, the company also announced prices of its models to be sold in Thailand, ranging from THB 1,79,800 for the Bullet 500 to THB 2,19,800 for the Royal Enfield Continental GT 535cc cafe racer. Royal Enfield International Business Head Arun Gopal said: *"We believe that our future growth will come from our international markets such as Thailand where motorcycles are a popular medium of commuting."*

2. Vietnam invites India to explore resources in South China Sea

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

Vietnam on Wednesday invited strategic partner India to explore and exploit natural resources within the Southeast Asian countries 200-nautical-mile Exclusive Economic Zone (EEZ) in the South China Sea (SCS) region where China has deployed fighter jets besides surface-to-air missiles ratcheting up tensions. *"Vietnam has sovereign rights and jurisdiction within 200 nautical miles of our EEZ and continental shelf in accordance with UNCLOS 1982. We are determined to protect our rights and maintain regular activities in our sovereign waters. Accordingly, we shall continue to cooperate with other countries including India to explore and exploit resources within our 200-nautical-mile EEZ,"* Vietnam's Ambassador to India Ton Sinh Thanh told a select group of audience here amid fresh US reports on Wednesday that Chinese Shenyang J-11 and Xian JH-7 warplanes have been spotted on Woody Island in the disputed Paracel Islands chain over the past few days in SCS.

3. India set to seal major power deal in Bangladesh, beating China

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

A state-run Indian firm is poised to seal a contract to build a \$1.6 billion power plant in Bangladesh, beating out a Chinese competitor in the latest commercial tussle between the region's two dominant powers. After China's recent success in pushing development projects in Sri Lanka, a breakthrough in Bangladesh would be welcome news for Indian officials who have long fretted over Beijing's encroachment on to territory it considers its own back yard. India believes Bangladesh is a part of a "String of Pearls" China is building across the Indian Ocean that stretches from Gwadar port in Pakistan to Djibouti on the African coast where it is building a naval base.

After years of negotiations, Bharat Heavy Electricals Ltd (Bhel) will sign a contract to build a 1,320-megawatt (MW) thermal power station in Khulna in southern Bangladesh on 28 February, officials in New Delhi and Dhaka said. China's Harbin Electric International Company Ltd, which has power projects in Iran, Turkey and Indonesia among others, lost the bid on technical grounds, said a Bangladesh official, speaking on condition of anonymity since he was not authorized to talk to journalists. But Anwarul Azim, a spokesman for the Bangladesh-India Friendship Power Co. Ltd, a joint venture set up to build the coal-fired plant, said Bhel was the lowest bidder. The Indian government's external lending arm, the Exim Bank, has backed up Bhel's offer with nearly 70% funding of the project's costs at a soft interest rate of around 1% above Libor, the leading global benchmark for pricing transactions, an Indian government official said.

4. Chabahar Port: Govt gives nod to \$150 million credit to Iran

Source: **Indian Express** ([Link](#))

The Union Cabinet on Wednesday gave approval to shipping ministry's proposal for provision and operationalisation of credit of \$150 million from EXIM Bank for development of Chabahar Port in Iran. The Chabahar Port lies outside the Persian Gulf in Iran and will help in expanding maritime commerce in the region. India is negotiating this project to facilitate the growing trade and investment with Iran and other countries in the region, notably Afghanistan and also to provide opportunities to Indian companies to penetrate and enhance their footprint in the region. A MoU was signed between India and Iran in 2015.

5. E-tourist visa extended to 37 more nations

Source: **Times of India** ([Link](#))

Delivering on the commitment made by finance minister Arun Jaitley in his 2015-16 budget speech, the home ministry will extend e-tourist visa scheme to 37 more nations starting Friday, taking the number of beneficiary countries to 150. The countries added in the latest round include Albania, Austria, Bosnia & Herzegovina, Botswana, Brunei, Bulgaria, Cape Verde, Comoros, Cote D'Ivoire, Croatia, Czech Republic, Denmark, Eritrea, Gabon, Gambia, Ghana, Greece, Guinea, Iceland, Lesotho, Liberia, Madagascar, Malawi, Moldova, Namibia, Romania, San Marino, Senegal, Serbia, Slovakia, South Africa, Swaziland, Switzerland, Tajikistan, Trinidad & Tobago, Zambia and Zimbabwe. *"With this addition, the total count of countries under the e-tourist visa scheme will rise to 150, as promised in the last budget,"* a senior home ministry officer said. The move is timed just days ahead of the presentation of Union Budget 2016-17.

6. India get Uber's 1st centre in Asia

Source: **Asian Age** ([Link](#))

Uber Technologies Inc, the global leader in the hail taxi space, on Wednesday inaugurated its first Centre of Excellence in Hyderabad — the first in Asia and fifth across the world. *"The centre is designed to further improve product and operations, with a core focus to provide specialised support for critical incidents that require immediate attention. The center will provide support via multiple channels — email, phone and social media to ensure seamless experience before, during and after the ride,"* Uber India president Amit Jain said after inaugurating the centre. In 2015, Uber had signed a deal the government of Telangana to invest \$50 million. Uber's decision to set up its first centre in India over its rival China highlights the importance that it attaches to the Indian market. In China, Uber faces a strong competition from local player Didi Kuaidi. The Chinese rival has also spearheaded efforts to form a global alliance against Uber by investing in US hail taxi firm's rivals in different countries such as Lyft in the US, Ola in India and GrabTaxi in Southeast Asia.

By Harsha Hazarika