

Government News

India wishes to work with S Korea for Make in India: Prez

President Ram Nath Kovind said March 8th, that India looks forward to South Korea's participation in flagship projects and as a key partner towards rapid industrialization. Kovind said South Korea's participation in the flagship projects such as Make in India, Clean India, and Digital India would be vital. The president emphasized that both countries share democratic values and a common economic vision, where there is also a unique convergence of strategic interests, once again calling out for participation of South Korea.

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India growth story credible; GDP to grow at 7.3% in FY19: World Bank



The Indian economy is "credible" and expected to grow at 7.3 percent next fiscal driven by private consumption, investment and exports according to World Bank. In 2019-20, it has projected the growth rate to be higher at 7.5 percent. The Indian economy is "credible" and expected to grow at 7.3 percent next fiscal driven by private consumption, investment and exports. India's GDP growth saw a temporary dip in the last two quarters of 2016-17 and the first quarter of 2017-18 due to demonetisation and disruptions surrounding the initial implementation of GST (Goods and Services Tax). However, the GDP growth is projected to reach 6.7 percent in 2017-18 and accelerate to 7.3 percent and 7.5 percent in 2018-19 and 2019-20 respectively. Services will continue to remain the main driver of economic growth and industrial activity is also poised to grow, with manufacturing expected to accelerate following the implementation of GST. India has been growing steadily with decreased volatility. However, a growth of over 8 percent will require continued reform and a widening of their scope aimed at resolving issues related to credit and investment, and enhancing competitiveness of exports.

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'India's steel imports from S.Korea, Japan may rise'

India is likely to witness an increase in steel imports from South Korea and Japan in the near term due to global readjustment of trade patterns after the U.S. imposed a 25% import tariff on the commodity, rating agency ICRA said in a note. Both South Korea and Japan, which have free trade agreements (FTA) with India, are expected to raise their exports to countries with which they have such pacts, following the move by the U.S. Together, the two countries exported about 5 million tonnes (mt) of steel to the U.S. in calendar 2017. However, the impact of U.S. tariffs may not be significant in the medium term as 26 mt of affected imports to that country would be absorbed by the 25 mt increase in the global demand elsewhere, especially in emerging economies. Also, Chinese steel exports had been declining in the last two years, providing an opportunity to other countries to fill this gap left by China and diverting volumes away from the U.S.

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India to meet solar capacity addition target of 10,000 Mw

India is set to meet its target of adding 10,000 MW of solar capacity in 2017-18, almost twice that of the increase in 2016-17. The country had added 5,526 MW of solar capacity in the last fiscal, which was itself a record at the time. The capacity addition is expected to accelerate further in 2018-19. India has declared an ambitious target of 100,000 MW of solar capacity by 2022. Karnataka is now the new No. 1 in solar among Indian states, with a total capacity of 3,657.52 MW as of end-February. Telangana follows in second place, with a cumulative 3,282.67 MW of solar projects. Rajasthan is in third place, with 2,317.11 MW, and Andhra Pradesh in fourth with 2,170.32 MW. Gujarat has fallen to sixth place with 1,587 MW, behind Tamil Nadu at 1,822.57 MW.

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India is now the world's third-largest electricity producer



India now generates around 1,160.1 billion units of electricity in financial year 2017, up 4.72% from the previous year. The country is behind only China which produced 6,015 terrawatt hours (TWh). 1 TW = 1,000,000 megawatts) and the US (4,327 TWh), and is ahead of Russia, Japan, Germany, and Canada. The country's installed power generating capacity of 334.4 gigawatt (GW, or 1,000 megawatts) as of January 2018 is the world's fifth-largest. Over the last five years, India put up 99.21 GW of additional capacity. Of this, 91.73 GW came from thermal sources, 5.48 GW from hydro, and 2 GW from nuclear sources. However, production levels are not enough to meet the rising demand which has outstripped supply by about 7.5%, the report said. So India now plans to tap the \$14.94 billion opportunity in the power-transmission market, according to the IBEF. Over the last 17 years, foreign direct investment (FDI) in the sector has reached \$12.97 billion, accounting for 3.52% of all FDI inflows into the country. India also intends to add around 100 GW of power capacity between 2017 and 2022, focusing more on hydro, renewable, and gas-based power, besides looking at the adoption of clean coal technology.

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Need to devise technologies that will help in constructing and operating metro systems in the sustainable manner: Hardeep Puri

Addressing the inaugural session of the COMET 2018 meeting on March 6th, Sh. Hardeep Puri, MoS(I/C) Housing and Urban Affairs acknowledged the effort of Communities of Metros, i.e. the COMET in bringing together Metro professionals from all over the world and providing opportunity for mutual sharing of knowledge and ideas for improvement in the performance of the Metro rail sector globally. Observing that holding of this meeting in India as a significant relevance to the metro rail in India as the country has undergone a metro rail revolution in the last decade, the minister informed that from a humble-beginning of just 8 km in 2002, 425km of metro lines are operational as of now in 10 different cities across the country. With many cities planning for metro rail and in next few years, the network length of the Metro in India is expected to cross 700 km. In addition to this, regional rail transit systems are also being planned to unclog the cities, the minister said. He emphasized on the need of devising technologies that will help in constructing and operating Metro systems in the sustainable manner and urged the participants to take with them valuable inputs from the conference which will help them provide better services to the passengers.

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Construction of New National Highways

The Central Government has taken new initiatives for the development of new Express Highways and elevated roads for easing the traffic in major and strategically important cities in the country. The details of the projects on which work has been initiated during the last three years, along with their approximate cost estimates and current status can be referred according to the graph in the article. The government is taking comprehensive and innovative strategies for road safety and security and technological innovations to combat and address various road traffic problems. Please refer to the article for details of the measures being taken.

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Business News

Made-in-India 160 km per hour train to run from June

India's first indigenously manufactured semihigh-speed train capable of speeds of 160 km per hour will be rolled out in June. The train will be self-propelled on electric traction like the metro and won't require a locomotive to pull it. Apart from the high speed, the train can accelerate quickly, helping to cut travel time. It is set to be deployed in place of one of the premium Shatabdi Express trains. This will be the first ever semihigh-speed train that is being manufactured by Indian Railways on its own. The train set would be able to run at the speed of 160km per hour, making it the fastest in the country. If successful, these trains will gradually replace all Shatabdi trains. ICF, one of the leading coach manufacturers for the Indian Railways, is now moving towards making high-end train sets under the government's 'Make in India' initiative. ICF will be producing a record number of 2,500 rail coaches including 1,100 LHB coaches this year, which will be the highest ever for the ICF facility. The factory now plans to manufacture light body aluminium trains based on European standards. The aluminium train set is likely to roll out in 2020 and it is expected to be leapfrog for rail technology in India.

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Hyundai to make 1 million cars in India

Hyundai Motor India Ltd., (HMIL), India's second largest car manufacturer, would cross the one-million mark in car production after 2020, according to a top official. Last year, the company produced 6.78 lakh units, and this year it is planning to produce and sell 7 lakh units of which 25% will be for export markets, which is to be followed by 7.50 lakh units next year. During 2019, the company plans to increase the production by 50,000 units through debottlenecking and increasing per hour output. In the last 20 years, HMIL had invested about Rs. 21,000 crore in its two plants at Sriperumbudur, near Chennai. Currently, the firm had an annual installed capacity of seven lakh units. HMIL contributed to about 15% of Hyundai's global volume and is expected to maintain the momentum. The company would deploy Rs. 6,500 crore over three years for development of nine new models. HMIL plans to roll out new models from 2018.

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Fixed-term employment extended to all sectors to boost ease of business

The government has extended the facility of hiring workers on fixed-term employment to all sectors to improve the ease of doing business, meeting the announcement made in the Union Budget. It has also given in to a major demand of the trade unions — that no permanent employee be moved to fixed term employment. Initially, the facility for hiring on fixed term contract was available only for the apparel manufacturing sector as per the Industrial Establishment (Standing Order) 1946. According to the notification to amend the order, words "fixed-term employment in apparel manufacturing sector" will be replaced by "fixed-term employment" meaning that facility would be available for all sectors. This facility will aid industry to employ workers in sectors which are of seasonal nature and witness fluctuation of demand and hence requires flexibility in employing workers.

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Lotte Chilsung Beverage Taps India with Korean Rice Wine



Lotte Chilsung Beverage Co., the beverage maker of South Korean retail giant Lotte has begun exporting the Korean rice wine makgeolli to India as it moves to expand its presence in the overseas market. The 4.5 percent alcohol by volume canned product, dubbed Rahua, is now available at major stores in Delhi, according to the company. Demand for makgeolli has been rising with the overall popularity of Korean culinary culture in Rahua. Lotte Chilsung Beverage plans to expand its distribution channel to central and southern parts of India down the road. Along with the launch of makgeolli exports, the beverage maker also began exporting its premium beer Kloud.

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India's booming cloud market is set to be worth \$4.1 billion by 2020

Over the last two years, the public cloud services market in India has seen phenomenal growth—reaching \$1.8 billion in 2017, up from \$1.3 billion in 2016. By 2020, this figure is expected to reach \$4.1 billion. Today, India is second only to China as the largest and fastest-growing cloud services market in Asia Pacific. With a robust GDP growth rate of 7.2% in Q3 FY18, and rapidly rising internet penetration, India is poised for booming expansion in this sector. In recent months, global majors such as Google, Alibaba, Amazon, and Microsoft have all opened data centers in the country. India's local players are not far behind—NxtGen is pushing AI development through its DevCloud; ESDS is leading the race for smart city hosting managed services, and CntrlS is putting India on the global map as Asia's largest tier 4 data center. Although the country is still overcoming inconsistencies in high-speed internet connectivity, power supply, bandwidth, and optical fiber connections, interest in the cloud is being driven by the increasing need for business innovation and agility, the ability to scale fast in a competitive market, and the government's thrust towards Digital India.

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16 Korean companies sign MOU with Andhra government to set up ancillary units

Nearly 16 companies on March 19th signed memoranda of understanding with the Andhra Pradesh government for setting up auto ancillary units to cater to Korean auto maker Kia car's manufacturing facility coming up in Anantapuramu district. The MoUs were signed by representatives of the South Korean companies and State Industries Secretary Solomon Arokia Raj in the presence of Chief Minister N Chandrababu Naidu and Industries Minister N Amarnath Reddy at the Secretariat. The companies will invest 737 million USD (Rs 4,790 crore) and provide 6,583 jobs. The auto giant Kia Motors is setting up its first car manufacturing plant in India at Erramanchi in Anantapuramu district with an investment of 1.1 billion USD. The state government is developing a Korean City in the region to promote various industrial units that will cater to the facility.

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India Solar Goal's Secret Weapon: Rooftops of Small Business

Prime Minister Narendra Modi's government seeks to achieve 100 gigawatts of solar installations by 2022. Of that, 40 gigawatts is expected to come from rooftop installations. Small businesses, which contribute about a third to India's \$2 trillion economy, suffer from high power tariffs and erratic supply causing them to fall back on expensive and polluting diesel generators to keep the lights on. Rooftop solar is the fastest growing segment in renewable energy in India, driven by large customers, according to Bloomberg New Energy Finance research. The contribution of small- and medium-sized companies was limited until recently, said Shantanu Jaiswal, the New Delhi-based research head for NBEF India. The companies were constrained by their understanding of technology and the ability to arrange upfront capital but now both of these issues are being addressed. The price for solar power in India has fallen to 2.44 rupees a kilowatt-hour (3.7 cents), among the lowest in the world. The cost of rooftop solar in India for residential and commercial customers is comparable to some of the sunniest parts in Australia and U.S., as per NBEF. The World Bank is also stepping in with a \$625 million loan to support India's solar rooftop program. The funds will be used to provide loans and guarantees to small businesses, Simon Stolp, lead energy specialist at the World Bank said.

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