

Daily Economic News Summary: 12 May 2016

1. After Mauritius tax treaty, government looking to rework pact with Singapore

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

After successfully amending the 33-year-old India-Mauritius tax treaty to prevent loss of revenue and round-tripping, New Delhi is now looking to start talks with Singapore to tweak the double taxation avoidance agreement (DTAA) with the nation to plug any similar leakages. Singapore is the second-biggest source for foreign direct investments (FDI) into India after Mauritius, accounting for over 16% of cumulative inflows so far. *"We will start negotiations with them soon,"* said a senior government official. Changing the accord will put an end to confusion over the bilateral tax treaty between India and Singapore. The capital gains tax benefit under this agreement is linked to the capital gains tax provision in the India-Mauritius tax treaty. However, this parity is not automatic and the India-Singapore treaty will have to be amended to clearly spell out the changes.

2. Indian economy projected to grow 7.3% in 2016: UN report

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

Notwithstanding delays in domestic policy reforms, India's economy is "slowly gaining momentum" and is projected to grow by 7.3 per cent this year, a UN report today forecast. The World Economic Situation and Prospect report, in its mid-2016 update, said India is expected to achieve a 7.5 per cent GDP growth in 2017 and the economic prospects of the South Asian region will be "contingent" on the growth trajectory of India and Iran. *"India's economy is slowly gaining momentum, with an expected GDP growth of 7.3 and 7.5 per cent in 2016 and 2017, respectively. Despite some delays in domestic policy reforms and enduring fragilities in the banking system, investment demand is supported by the monetary easing cycle, rising FDI, and government efforts towards infrastructure investments and public-private partnerships,"* the report, released here said.

3. Smartwatch maker Pebble forays into India, eyes 1 lakh unit sales in one year

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

Smartwatch maker Pebble today announced its foray into India's nascent but growing wearables market and said it aims to sell about one lakh units in the next one year. Pebble has partnered Amazon to launch smartwatches in, priced Rs 5,999-15,999. It is bringing four models from its portfolio to the country. *"India is a key part of our strategy. Already, we estimate that 20,000 people have bought Pebbles from various channels. With Pebble now officially launching in India, we expect to sell about 1,00,000 units in the first year,"* Pebble founder and CEO Eric Migicovsky told PTI.

4. India's electricity consumption to touch 4 trillion units by 2030

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

India's electricity consumption will increase four times from about 1.1 trillion units to 4 trillion units by 2030. "Despite massive roll-out of energy efficient schemes, we still see a possible 10 per cent jump in the electricity growth annually for the next 15 or 16 years," Coal and Power Minister Piyush Goyal said while delivering keynote address at a conference on 'The Future of Electricity' here yesterday. *"Indian electricity sector, to my mind, is possibly the biggest business opportunity the world has to offer today. So India is a bright spot offering a huge trajectory of growth in the electricity consumption going forward,"* he added.

The fresh demand for power will come from the 230 million people who will get electricity for the first time, the elimination of diesel generation sets because of access to power and from increased economic activity coming from the Make in India campaign, he said. The minister said power consumption is expected to grow at 10 per cent annually over the next 10-15 years, and higher personal incomes and the emphasis given to domestic manufacturing activities will significantly increase power consumption despite improvements in energy efficiency.

5. MV Augusta ties up with Kinetic Group rolls out 3 models, including super premium F4 RC

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

MV Agusta, the Italian superbike brand part-owned by Mercedes-Benz's AMG unit, on Wednesday launched the most expensive two-wheeler in the Indian market — the F4 RC that comes with a price tag of more than half a crore rupees. Just one of the 200 exclusive F4 RC to be produced in 2016 will come to India. It will be available in September, and the price will be Rs 50.01lakh before local levies and insurance in Pune. The price is similar to that of an entry-level E-Class Merc. MV Agusta, which is entering India in a partnership with Pune-based Kinetic group, launched three superbikes here: the F3, F4 and Brutalle 1090.

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By Harsha Hazarika