

Daily Economic News Summary: 14 March 2016

1. 46 countries to participate in Defence Expo in Goa

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

With more than 977 companies and 46 countries registering for the upcoming Defence Expo scheduled in Goa, the Defence Ministry has said the event is steering the path of steady growth. "Defexpo India 2016, the ninth in the series of biennial Land, Naval and Internal Homeland Security Systems Exhibition, will be held at Naqueri Quitol in Quepem taluka of South Goa from March 28-31, 2016," the Ministry said on its website designed for this internationally famed event. "Defexpo India is clearly steering the path of steady growth and has been receiving overwhelming and unprecedented international response with each edition," it said. This is for the first time that the Expo will travel to Goa from Delhi.

According to the Ministry, till date 977 companies and 46 countries have registered for participating in the Expo. For this edition, countries like USA, Russia, Sweden, Republic of Korea, Switzerland, United Arab Emirates and Portugal amongst others have confirmed their participation.

2. Lagarde lauds India's fiscal policy

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

Amid persistent global economic uncertainty, International Monetary Fund (IMF) Managing Director Christine Lagarde on Sunday backed the government's fiscal policy and lauded its efforts and those of the Reserve Bank of India (RBI) to clean bank balance sheets. Terming India's fiscal stance of consolidation and higher capital spending "appropriate and sensible", Lagarde said investments in major infrastructure projects are the right way to stimulate economy. *"We consider the fiscal stance adopted by India is appropriate and a very sensible objective has been set. It is just the right one that has been set under the given circumstances,"* Lagarde said at the end of the three-day Advancing Asia conference the hosted by India and the IMF.

Finance Minister Arun Jaitley stayed on course the fiscal consolidation path for 2016-17, with a fiscal deficit target of 3.5 per cent of the gross domestic product (GDP), despite challenges on revenue expenditure side. The government has also pledged higher government spending on infrastructure and agriculture sectors in the next financial year. With this, the government is *"trying to eliminate as many bottlenecks as possible and reap the benefits of agriculture and manufacturing. So their fiscal stance is right,"* said Lagarde.

3. Indians are embracing new drinks: Patron Spirits Global COO Dave Wilson

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

Tequila brand Patrón is probably one of the most mentioned alcohol brands by the music industry and sells over 3.5 million cases globally, but Patrón Spirits International AG, the makers of the ultra premium tequila brand, are trying to shake off the image of a product that needs to be slammed back in a shot glass with salt and lime. In Mumbai to gauge the business potential and forge stronger bonds with its distributors, Dave Wilson, president, international, and global chief operating officer (COO) for Patrón, spoke to *Mint* about the challenges of selling a luxury alcohol brand in a highly regulated market like India and the company's investments in modern marketing. Edited excerpts:

How do you build a luxury tequila brand in a highly regulated advertising market like India?

Dave Wilson: *It can be challenging, and it is probably easier in other parts of the globe. But we have to do it primarily through trade education—with great mixologists and opinion makers. We wish we could bring everyone to our hacienda (estate) in Mexico, because you would see how we make Patrón and why it is so special. We have to overcome misconceptions about our brand. We tend to get lumped with tequila which is a shot with salt and lime. But Patrón is a completely different spirit. It's really one to be sipped and savoured. Within the next few weeks, we hope to bring the virtual reality tour of our facility (in Mexico) to India. We invested close to \$2.5 million to produce it and it's like actually being there. Eventually they are going to try and add the actual aroma of the cooked (Weber Blue) agave to the experience. When I joined Patrón about three years ago, 3% of our total marketing budget was spent on modern marketing, now it's close to 50%. A lot of it was totally redoing our websites, but also taking it to mobile... We can demonstrate our level of transparency through social and digital applications. It's a 3.5 million cases brand and it's produced in very, very small copper pot stills, 50 litres at a time.*

4. Two Coke bottlers to invest Rs 510 Crore in Haryana

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

Two bottling partners of the US-based beverage maker Coca-Cola Co.—Kandhari Beverages Pvt. Ltd. and Enrich Agro Food Products Pvt. Ltd—will together invest Rs.510 crore in Haryana to expand manufacturing capacity. The two companies signed pacts with the state government to this effect on the second day of the Happening Haryana Global Investors Summit on Tuesday. The proposed investment is expected to create 325 new jobs, the companies said in a joint statement. Kandhari Beverages will invest Rs.300 crore to set up multiple high-speed manufacturing lines for juice, energy and sparkling drinks at Saha in Ambala by 2018. Enrich

Agro Food Products will invest Rs.165 crore to set up a new manufacturing line for beverages in Rohtak by 2018 and the remaining Rs.45 crore will be spent on a packaging unit for Coca-Cola system.

The investment plan comes less than a month after Hindustan Coca-Cola Beverages Pvt. Ltd (HCCBPL), the largest bottling partner of the American beverages maker, decided to halt manufacturing at three of its plants in Andhra Pradesh, Meghalaya and Rajasthan as the US giant faced challenges from activists over alleged reduction of groundwater. HCCBPL operates 24 bottling plants and covers about 65% of bottling operations for Coca-Cola in India. In 2012, Coca-Cola had said that it invest \$5 billion in India by 2020.

5. Kate Spade set for India launch later this year

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

For more than two decades, Kate Spade has perfected the art of playful sophistication. Launched with a single handbag, the brand's charming wit, quirky aesthetics, bright colours and sumptuous silhouettes have garnered a cult following spanning continents. And now, the candy-coloured favourite brand of Park Avenue princesses will be in India later this year. The newly-formed partnership will leverage Reliance Brands' market expertise and the increasing global demand for Kate Spade products to establish a network of stand-alone stores across major cities later this year. The first store will open in Delhi. *"Expanding into India is an important next step for Kate Spade & Company as we continue to progress along our geographic expansion axis of growth and building global brand engagement,"* said a statement from Craig A. Leavitt, CEO of Kate Spade and Co. The boutiques will stock a diverse mix of signature Kate Spade products—handbags, shoes, clothing, eyewear, stationery, jewellery and watches—that will be priced similar to the US rates.

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By Harsha Hazarika