

## Daily Economic Newsletter: 15 May 2015

### 1. Cherry Blossom fest to boost tourism in NE

Source: **Hindustan Times**

Aimed at boosting tourism and local economy in the North East of India, the first Cherry Blossom Festival was launched in Shillong, Meghalaya. This is done by the Institute of Bioresources and Sustainable Development (IBSD), a national institute of the Department of Biotechnology.

The festival is a part of the central government's efforts to boost tourism potential of North East.

### 2. Fuel prices, MFG items pull WPI inflation down by (-) 2.65% in April

Source: **The Daily Pioneer** ([Link](#))

With the downward trend of retail inflation, deflationary pressure has been continuing for the sixth month in a row. Hoping for a better environment for the industry as well as common man, drop in fuel prices and manufactured items has pulled the inflation to a new low of (-)2.65 per cent in April. The sentiment, however it seems, has prompted industry to demand a rate cut by the Reserve Bank of India (RBI).

Inflation, as measured on the Wholesale Price Index (WPI), has been in the negative zone since November, 2014.

### 3. Central bank eases norms for infrastructure debt funds

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

The Reserve Bank of India (RBI) allowed infrastructure debt funds (IDFs) to invest in sectors where there are no project authorities, amending earlier rules where IDFs were required to sign three-way agreements that included the project authority as one of the parties.

In a notification issued, RBI said IDFs, which are functioning, either as non-banking finance companies (NBFCs) or trusts, will be allowed to undertake investments in projects without a project authority. These include both PPP (public-private partnership) and non-PPP projects.

#### **4. Property prices rise 10% CAGR in 4 years**

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

According to Reserve Bank of India's (RBI) All-India Residential Property Price Index, in the past 19 quarters, the housing market has witnessed an upward trend in prices. It was released on 7 May along with the survey, *Recent Trends in Residential Property Prices in India: An exploration using housing loan data*.

The realty index showed a compounded annual growth rate (CAGR) of 10.5% between the first quarter of 2010-11 and third quarter of 2014-15, at an all-India level. The index moved from 107 points to 172 points during this period. However, the index shows that property prices remained almost stagnant between the fourth quarter of 2013-14 and the third quarter 2014-15.

#### **5. FDI in e-commerce: Centre starts talks with e-tailers, lobby groups**

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

The government initiated consultations with online retailers and industry lobby groups on allowing foreign direct investment (FDI) in e-commerce.

Several issues including taxation, definition of e-commerce, a level playing field between e-commerce and bricks-and-mortar companies, and inclusion of e-commerce within the framework of domestic trade policy were discussed in the meeting with Commerce Minister Nirmala Sitharaman.

#### **6. Nitesh Estates, Goldman Sachs to invest up to \$250 mn in real estate**

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

Investment bank Goldman Sachs Group Inc. and realty firm Nitesh Estates Ltd will jointly invest up to \$250 million (around Rs.1,600 crore) in profitable commercial real estate assets in India, in yet another so-called platform deal between an investor and a developer.

The announcement comes a day after Bengaluru-based developer Nitesh Estates said it has acquired the Park Plaza mall at Koregaon Park in Pune. Goldman Sachs has backed the acquisition with \$37 million.

\*\*\*\*\*

By Harsha Hazarika