

Daily Economic News Summary: 19 May 2016

1. Major FDI break under Make in India in Railways, French Alstom starts fencing in Bihar

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

Dubbed as the first major FDI project under Make in India initiative, the Rs20,000-crore electric locomotive factory at Madhepura in Bihar seems to be on track. French multinational engineering giant Alstom, which won the contract to work with Indian Railways in a joint venture (JV), has already started fencing and securing the 100 acre land already acquired for the factory. Bharat Salhotra, managing director of Alstom Transport, told ET in an interview that the project was getting full support from the state government.

2. Big-Bang reforms in 6-7 months: Suresh Prabhu

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

Railway minister Suresh Prabhu said big-bang reforms, including restructuring of the Railway Board, will happen in 6-7 months. In an interview to Mahendra Singh, he said questions were being raised about the pace of project implementation because he was focusing on implementation unlike his predecessors who just made announcements. Excerpts:

What do you have to say about slow pace of reforms?

Suresh Prabhu: *Big bang reforms like restructuring of railway board, accounting reform and setting up of a regulator are in the works. All are in process and will become a reality in 6-7 months. Lot of things are happening in the background. As far as restructuring is concerned, the process for unification and rationalisation of cadres has been initiated. Railways will approach the cabinet soon as the process for merger of cadre involves UPSC. The next step will be creation of posts of member (passenger business) and member (freight).*

The selection process for general managers and divisional railway managers is going to be changed. The ministry has written to the Appointments Committee of Cabinet. A draft proposal for railway development authority, whose mandate was widened from just tariff regulator, has been prepared and suggestions have been invited from different stakeholders.

3. India expects 9 lakh South East Asian tourists this year

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

Some 900,000 South East Asian tourists are expected to visit India this year, up by about 15 per cent as compared to last year, boosted by e-Visas and a wide range of marketing campaigns carried out in the region. *"We are expecting 15 per cent increase in South East Asian tourists visiting India this year, especially boosted by the introduction of e-Visa and our promotional campaign across the region,"* said R K Suman, Assistant Director at India Tourism office in Singapore. Last year, he estimated there was a 10 per cent on the year increase in South East Asian tourist visitors or over 754,000 to India. This year, some 900,000 tourists from the region are expected to visit India.

4. Expedia sees India growth coming from smaller cities

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

Global online Travel Portal Expedia expects growth in India to come from smaller cities in the country and is expanding its presence in these cities. Expedia, which says that India is amongst the top 3 markets in terms of size and growth in Asia, is strengthening presence in these smaller cities through the Travel Agent Affiliate Programme (TAAP) channel. *"We are strengthening presence in Tier II/III cities like Chandigarh, Jaipur, Ahmedabad, Goa, Nagpur, Lucknow, Coimbatore and Trichy through the TAAP channel - the TAAP programme helps us to get business from tier II and III cities for outbound and domestic travellers who are still more comfortable with the next door agent, thus help in increase our footprint,"* Jonathon Sinclair Neal, Chief Executive Officer of AirAsia Expedia (AAE) Travel, a joint venture between AirAsia and Expedia, told ET. Neal further said that 25 major Tier-II and III cities currently make up for 21.3 per cent of the Indian smartphone market, according to International Data Corporation (IDC) data.

5. Israel's leading hotel chain, Dan Hotels to venture into India

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

One of Israel's oldest and prestigious hotel chains Dan Hotels is set to venture into India with its first overseas facility coming up in Bengaluru. *"The construction of the 230-rooms hotel is underway and we hope to inaugurate it in about 10-12 months. Bengaluru offers us with a good potential for business given the presence of several Israeli hi-tech companies. We would also explore opportunities in other Indian cities after starting our operations in Bangalore,"* CEO of Dan Hotels Raffi Sadeh told PTI. The top-tier Bengaluru hotel will be the first facility

of the renowned chain outside Israel even though it maintains a marketing and sales office in New York.

6. Government slaps anti-dumping duty on steel pipes and tubes from China

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

Government has imposed a provisional anti-dumping duty for six months on seamless tubes, steel pipes , among others imported from China . In March, the Directorate General for Anti-dumping and Allied Duties (DGAD) had recommended to the Revenue Department to impose provisional levy on import of certain types of iron and steel pipes from China used in oil and gas exploration in a bid to protect the domestic industry from cheap imports. *"The Central Government... hereby imposes on the subject goods, ... an anti-dumping duty at a rate which is equivalent to difference between the landed value of the subject goods..."* the Central Board of Excise and Customs (CBEC) said in a notification.

The anti-dumping duty will be in the range of USD 961.33-1,610.67. *"The duty imposed under this notification shall be effective for a period not exceeding 6 months (unless revoked, superseded or amended earlier) from the date of publication of this notification in the Official Gazette and shall be paid in Indian currency ,"* it said.

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By Harsha Hazarika