

## Daily Economic News Summary: 20 April 2016

### 1. Number of foreign visitors on the upswing

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

Foreign tourist arrivals increased by 12.1% to 8.17 lakh in March 2016 as compared to the same period last year. The maximum tourists came from Bangladesh (14.07%), followed by the UK (13.16%) and US (11.84%). Tourism ministry data also reveals that the first three months of 2016 witnessed a 10% growth over the same period last year, with 25.08 lakh foreign tourists visiting India between January and March. The figure for last year stood at 22.81 lakh. Foreign exchange earnings (FEE) increased by 9.8% from \$1.783 billion in March 2015 to \$1.958 billion in March 2016. FEE from tourism during January-March 2016 was \$5.986 billion, up 6.8% from last year.

### 2. India Inc. on M&A spree: March deal tally at \$5.4 Billion

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

Corporate India's merger and acquisition spree witnessed a significant uptrend in March as deals worth \$5.4 billion were announced, an eight fold jump over the same period a year ago, a Grant Thornton report says. According to the tax, assurance and advisory firm, there were 48 M&A deals in March this year, while in the same month last year, the figure stood at \$677 million by way of 43 transactions. The surge in M&A deal value was primarily due to two deals valued over a billion dollars. The first being acquisition of Tass-Yuryakh oilfield for \$1.3 billion by Indian Oil Corp, Oil India and a unit of Bharat Petroleum. The other was Tokyo-based Yokohama Rubber Co's acquisition of off-highway-tyre manufacturer Alliance Tire Group for \$1,200 million. Due to the significant uptrend in M&A transaction value in March, the deal tally for the first three months of the year stood at \$8,925 million, a 31 per cent jump over January-March 2015.

### **3. Transsion Holdings to shift manufacturing base to India**

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

China's Transsion Holdings, the largest handset player in Africa, plans to shift phone manufacturing from the continent and China to India as it charts out entry plans into the fastest growing smartphone market in the world, which includes targeting the low-end segment. The company, which operates in Africa through three brands — Tecno, Itel and Infinix — and leads the feature phone segment, will launch in India by the end of June with Itel smartphones, followed by Infinix by the year end and Tecno by end of the fiscal flowing into 2017. Its to-be-launched phones—three models each in the feature and smartphone segments—will be priced in the Rs 700-10,000 range with features such as front camera on feature phones and quick charging, entering a segment dominated mainly by Indian home-bred players such as Micromax, Lava, Intex, Karbonn and Maxx in an intensely competitive market.

Feature phones still make up around 60% of the Indian handset market, but the proportion is fast getting skewed in favour of smartphones. *"The idea is to shift the whole manufacturing to India over a period of time,"* said Sudhir Kumar, chief executive officer of Itel India, part of parent Transsion Holdings. The first move will be a factory in Noida, for which the company will acquire land.

### **4. Most Hitches in Rafale deal addressed: Govt**

Source: **The Hindu** ([Link](#))

Most of the hitches in the negotiations with France for the direct purchase of 36 Rafale fighter jets have been addressed, and the remaining issues will be taken up at the next meeting of the Defence Acquisition Council (DAC). *"I can only tell you that most of the hitches have been addressed. A few things will be addressed when the matter possibly comes up before the DAC at the next meeting, and I think thereafter the road shall be clear,"* Minister of State for Defence Rao Inderjit Singh said on Tuesday speaking to journalists on the sidelines of a Air Force-CII seminar on Make in India. The next meeting of the DAC, the highest decision-making body in the Defence Ministry, is likely to be chaired by Defence Minister Manohar Parrikar on April 21. India and France have been holding talks for a year to conclude a government-to-government deal.

## 5. Andhra Pradesh factory to be Mondelez's hub for India: Daniel Myers

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

Mondelez International plans to make India one of its global production hubs, says Daniel Myers, vice president for integrated supply chain. In an interview to ET, Myers says India is one of the critical markets for the company that sells the Cadbury Dairy Milk chocolates and Oreo biscuits. Edited excerpts:

### **Several global companies find the state of infrastructure in India a huge roadblock to growth**

**Daniel Myers:** *From the time I have started working in India, the infrastructure has improved. We are investing clearly to have more world class manufacturing across India. We have invested almost \$200 million in our Sri City (Andhra Pradesh) factory. In addition, in the last three years, we've spent well over a \$100 million in our existing facilities. So, it's important to us that we partner with the Indian government. Our manufacturing lines have competitive advantage. The technology that we are putting up in our Sri City factory is one of the first 'Lines of Future' that we have put anywhere in the world. We are focusing on reinventing our entire manufacturing network.*

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**By Harsha Hazarika**