

Daily Economic News Summary: 21 May 2015

1. Modinomics, 3.0 plan central drives for global growth: Park

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

South Korean President Park Geun-hye on Tuesday said “Modinomics” and South Korea’s “3.0 economic plan” could together become central drivers for boosting the global economy while Prime Minister Narendra Modi promised personal attention to make India a better place for business. The two leaders made the remarks while addressing the first meeting of a newly set up India-South Korea CEOs forum in Seoul. In her remarks, Park also proposed strengthening cooperation between the two countries in manufacturing, creative industry and new energy industries,

2. Hyundai Motor Group plans expansion in infra sector in India

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

Hyundai Motor Group expressed its desire to expand its business into sectors like construction and railways in India, where it is currently the largest exporter of cars. Hyundai Motor Group's Chairman Mong-Koo Chung Tuesday met Prime Minister Narendra Modi to exchange ideas on Korea-India auto industry cooperation and mutual development.

3. Make in India: Luxury carmakers like Mercedes Benz firm up plans of local manufacturing

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

Last month Maharashtra chief minister Devendra Fadnavis tweeted that his government cleared a Mercedes-Benz India's investment proposal in Chakan, which was stuck for clearances for over a year in just 15 days.

With the Centre and several state governments taking up the 'Make in India' drive earnestly, the manufacturing sector in the country looks set for a resurgence and luxury carmakers are among the first ones to announce new investments, thanks to steep import duty on premium cars as well as the fierce competition for leadership.

4. Mark Zuckerberg wants India to like Internet.org

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

Facebook's billionaire cofounder Mark Zuckerberg is pulling all stops to swing opinion in India in favor of Internet.org, even as he explores alternatives to subsidize access to certain Internet services including Facebook.

Zuckerberg in recent weeks initiated dialogues with key people in India's startup and technology world to convince them of the virtue of Internet.org, a partnership stitched by the social networking giant that allows certain services including Facebook to be provided free of data charge to users.

5. India seeks greater crude imports from Latin America, focus also on Africa

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

Trying to expand its source of crude oil beyond the Middle East and the Persian Gulf region, India is seriously targeting Latin and Central American nations and even Africa for sourcing cheaper shipments of crude. Petroleum Minister Dharmendra Pradhan, who is currently on a tour to Mexico and Colombia, is leading a delegation of top level officials of ONGC Videsh Ltd (OVL), Indian Oil Corporation (IOC) as well as leading private sector oil players like Cairn India and Adani Gas, with the aim of establishing long term contact with these nations for seeking long term supply of crude.

In fact once he comes back from his Latin America tour, he would be off to Nigeria on May 29, where the focus again would be sourcing crude from the African nation. The main aim behind the Nigeria tour would be to present India as a refining hub and according to sources close to the development, IOC is eager to develop Nigerian refineries as well as source crude from there.

6. India economic growth to better China's in 2015-16: UN report

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

India's economic growth is projected to surpass that of China's in 2016 with the GDP expected to zoom by 7.7 per cent, according to a UN report which said India will help accelerate growth in South Asia. The mid-year update of the UN World Economic Situation and Prospects (WESP), stated that India's economy is projected to grow by 7.6 per cent this year and 7.7 per cent in 2016, overtaking China.

China is projected to grow by 7 per cent in 2015 and 6.8 per cent next year. The report termed South Asia's economic outlook as 'largely favorable' since most economies are expected to experience a strengthening of growth in 2015-16 on the back of stronger domestic consumption and investment, and a pick-up in exports.

7. Air Asia looking for a third hub after Delhi

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

AirAsia India, which has announced flights from Delhi and made the city its second hub, will soon add a third hub. The airline's first hub was Bengaluru, where it has parked three of its five aircraft while the rest are in Delhi. CEO Mittu Chandilya told ET that three to four hubs in India fit into the Indo-Malaysian airline's strategy.

"We will grow to three hubs and are in the process of deciding on the third. The low cost model needs two hubs in a country like India. In our model, we need four hubs as we are a point-to-point carrier," said Chandilya. *"Extra cost in a hub is spares and maintenance and can be offset by giving it on contract. We are building a footprint for growth for the future."*

8. India opposes WTO move to expand ITA products list; it will hurt Make in India initiative

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

India will oppose any expansion of the products list under the Information Technology Agreement of the WTO whereby the signatories, including India, committed to total elimination of customs duties on IT and electronics products.

The department of electronics and IT (DeitY) has said any such move would hurt the Make in India initiative and discourage investments towards local manufacturing of electronics products where the country had attracted Rs 22,000-crore investment proposals from multinationals last year.

9. US hotel chain Best Western scouts for franchise partner to expand in India

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

US hotel chain Best Western is scouting for a new management partner to expand its presence in India, according to three people familiar with the matter, as the company gears up for growth in the country's hospitality sector.

Eight years after signing on a franchise partner in India, which it calls an "important" market, Best Western has fallen behind targets due to what industry experts say are quality considerations and the absence of a strong sales and distribution network.

By Harsha Hazarika