

## Daily Economic News Summary: 22 April 2016

### 1. PM Narendra Modi to build brand BRICS

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

Narendra Modi's fourth visit to the USA in two years notwithstanding India is pulling out all stops to build Brand BRICS as it plans to host a series of key forums and meets outside the national capital to popularize this grouping of major economies in the run-up to the 8th edition of the Summit in mid-October in Goa. Even as it puts in place a robust partnership with Washington that would get additional momentum with Modi's proposed visit to USA in June Delhi is conscious to equally develop its relations with other UN Security Council permanent members -- Russia and China and emerging powers South Africa and Brazil - in what can be described as an exercise to counter the argument of Delhi's pro-US tilt. With this goal in mind the Modi government has planned a plethora of forums, workshops and meets beyond the national capital across sectors including sports, wellness, women and youth power, digital world and startups and urbanization to name a few. Official sources familiar with the developments told ET that the idea is to popularize a major foreign policy concept across the country that captures imagination of people and deepens people-to-people contacts among these five countries.

### 2. India pips China as top FDI destination in 2015: Report

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

India has replaced China as a top destination for foreign direct investment by attracting \$63 billion worth FDI projects announced in 2015, says a report. Also, there was an 8% increase in project numbers to 697, according to FDI Intelligence, a division of The Financial Times. Major companies such as Foxconn and SunEdison have agreed to invest in projects valued at \$5 billion and \$4 billion, respectively, in India in 2015, it said. India replaced China "*following a year of high-value project announcements specifically across the coal, oil and natural gas and renewable energy sectors*", the report said. "In 2015, India was for the first time the leading country in the world for FDI, overtaking the US (which had \$59.6 billion of greenfield FDI) and China (\$56.6 billion)," the report noted.

### **3. Ericsson, Nokia, Huawei and Cisco are betting big on India's "Smart Cities" project**

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

Global majors such as Ericsson, Nokia, Huawei and Cisco are betting big on India's 'smart cities' project, which is estimated to be an up to \$50 billion (Rs 340,000 crore) business opportunity over five years. Players like Ericsson and Huawei have started working on some of the projects in the country, while Nokia could soon bid for some projects. Cisco, on the other hand, is involved in more than 25 cities, including the government's 20 official smart cities shortlist. The government has defined a smart city in the Indian context as one that provides a decent quality of life to its citizens, a clean and sustainable environment, and supports the application of smart solutions. It has shortlisted 20 cities, including Pune, Jaipur, Surat, Kochi, Ahmedbad, New Delhi, Chennai, Visakhapatnam, Ludhiana and Bhopal, which will be developed as smart cities. The smart city market opportunity in India will be \$45-50 billion over the next five years, according to a report by Sustainability Outlook.

### **4. Domestic air traffic grew 24.6%, says IATA**

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

Domestic air traffic grew 25.25 per cent in March on a year-on-year basis as carriers flew 7.8 million passengers during the month. In the same month last year, airlines carried 6.2 mn, according to the data released by the Directorate General of Civil Aviation on Thursday. Average passenger occupancy rose to 80.7 per cent last month, compared to 78.8 per cent in March 2015. Travel demand remained strong as fares remained low due to weak oil crude oil prices. SpiceJet reported the highest load factor (91.1 per cent), followed by GoAir (86.6 per cent) and IndiGo(85.1 per cent).

IndiGo continued its leadership, growing its market share to 38.4 per cent in March. The market share of IndiGo and GoAir showed growth on a month-on-month basis, while it declined or remained flat for others. Jet Airways, along with JetLite, was second with 20.2 per cent market share and government carrier Air India had 14.7 per cent in March. Both the Tata-group airlines, AirAsia and Vistara, had zero flight cancellations. Vistara also topped the on-time performance at metro airports with 91.5 per cent on time flights.

## 5. Apple may get to open stores without 30% sourcing norms

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

The government is set to waive the requirement of mandatory domestic sourcing for Apple, paving the way for the global technology giant to open its own retail outlets in the country. Although Apple has been keen on opening its own stores, the policy requirement of mandatory sourcing of 30% of the goods from within the country proved to be a major hurdle since the market does not have vendors to meet its needs. Following a change in the policy last November, Apple has decided to seek government nod as the sourcing norms can now be waived for 'state-of-the-art' and 'cutting-edge technology'.

On Tuesday, the iPhone and iPad maker made a presentation before a committee headed by industrial policy and promotion secretary Ramesh Abhishek where it made a case for use of the special provision. Sources told TOI that Apple was a fit case for relaxing the norms. *"Their products certainly meet the requirement for waiving the local sourcing clause,"* said a source, adding that a final decision will be announced in a few days.

Sources said Apple has indicated that it may produce locally in the future, although its current sourcing from the country is limited to some chargers, which are being exported to markets such as China. During the presentation, Apple was also asked about its plans to sell refurbished phones in the country and the company is learnt to have responded that it had no immediate plans at the moment.

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**By Harsha Hazarika**