

## Daily Economic News Summary: 25 July 2016

### 1. UK MP picks India for 1<sup>st</sup> Visit as post Brexit Min

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

Alok Sharma, the newly-appointed minister in-charge of Asia in the UK Foreign Office who chose India for his first official visit, today said the trip was to ensure "strongest possible" bilateral ties in the post-Brexit world. The Parliamentary Under-Secretary of State was appointed as minister for Asia and the Pacific in the Foreign and Commonwealth Office (FCO) by Prime Minister Theresa May in a Cabinet reshuffle following last month's referendum in favour of the UK leaving the 28-member European Union (EU). *"I am delighted that India will be my first official visit since taking up my appointment as a Foreign Office Minister,"* Sharma said before leaving the UK for a three-day visit to India, which will also cover Mumbai. The Conservative party MP for Reading West will hold talks with Indian government ministers, senior officials and business leaders to make clear that *"India and the UK share a dynamic future on the world stage."*

### 2. India's smartphone revolution: 35 units, 37000 jobs in 2 years

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

India has seen about 35 new smartphone factories in the past two years, with a production capacity of about 18 million devices a month, since the central government had announced a tax rationalisation for electronics products to boost local electronics manufacturing. The new manufacturing units have generated employment for 37,000 people and led to fivefold increase in capacity. According to an official in the electronics and information technology ministry, overall mobile phone production capacity was about 68 million units in 2014, 100 million in 2015 and 350-400 million till July this year. With India becoming a global hub for mobile phone manufacturing, the government has set a target of 500 million devices a year by 2020, riding on an incentive policy and availability of good talent.

*"Production capacity has reached 350-400 million in July 2016. The government has set up a task force with a vision to produce 500 million phones by 2019-20 and create five million jobs. The aim of the initiative is to export 120 million phones,"* Pankaj Mohindroo, Indian Cellular Association (ICA) founder and president, told Business Standard. He said by 2020, the industry could reach Rs 3 lakh crore. *"With the target, for which the task force is working and*

*we have achieved initial success, manufacturing activities have gone up in the country,”* Mohindroo added. The new units that have come up include that of Foxconn with five facilities, Micromax, Lava International, Intex Technologies, Videocon, Vivo Mobile, Celkon Mobiles and Flextronics.

### **3. India an island of calm in a choppy world: Barclays CEO Jes Staley**

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

India is an island of calm in a world beset by turbulence, said Jes Staley, CEO of Barclays, one of Britain’s biggest banks. PM Narendra Modi’s policy changes are making it easier to do business in India while Europe is wracked by Brexit and other emerging markets are shaky following the commodities collapse. Staley joins global Chief Executives officers such as John Chambers of Cisco and Satya Nadella of Microsoft who have endorsed Modi’s economic management. India is better protected because against global uncertainty because its economy is not as dependent on export income and benefits from the decline in commodities, the Barclays CEO said.

### **4. Apple leases more than 40,000 sq ft office space in Bengaluru**

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

Apple has agreed to lease more than 40,000 square feet to lease more than 40,000 square feet of office space in Bengaluru, where the US based iPhone maker intends to set up a development centre, three people familiar with the matter said. The New facility is at Galleria, a 3 Lakh square feet office space that belongs to Standard Brick Tile Company in North Bengaluru. Tens of thousands of developers in India make apps for iOS, the mobile operating system that is the foundation for iPhone, iPad and iPod touch.

**5. Boeing to deliver two Dreamliners to Air India this year: Dinesh Keskar**

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

US aircraft maker Boeing Co. will deliver two Dreamliners to Air India (AI) this year and four more next year to complete the airline's order of 27 of these aircraft, even as the national carrier grapples with glitches in its fleet of 787-8 planes. Once described as a "game changer," AI was one of the launch customers of the Boeing 787-8 and had started inducting them in its fleet about four years ago. Since then, the airline has allegedly been facing a series of technical glitches and other malfunction issues with regard to the Dreamliner fleet.

Boeing senior vice-president of sales (Asia Pacific and India) Dinesh Keskar said two Dreamliners would be delivered this year. *"The delivery of Dreamliners start in November this year... It (delivery) is on schedule. First plane in November and the next in December. Four more in 2017,"* he told *PTI* in an interview. Air India currently has 21 Boeing 787-8 in the fleet. It has not taken delivery of these planes since May 2015. In January 2006, it had placed orders for 68 Boeing aircraft, including 27 Dreamliners and 41 B-777 and B-737-800. Occasional glitches have forced Air India to ground these planes multiple times, causing long flight delays and significant loss of revenue. Playing down instances of operational woes faced by some planes, Keskar asserted there was no delay in the delivery schedule for Air India.



**By Harsha Hazarika**