

Daily Economic News Summary: 26 April 2016

1. FDI in India reaches record \$51 billion in 11 months of FY16: DIPP

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

Foreign Direct Investment into India touched the "highest ever" mark of \$51 billion during the April-February period of last fiscal ended March 31, DIPP Secretary Ramesh Abhishek said today. The Secretary the Department of Industrial Policy and Promotion (DIPP) said that healthy business climate has been created in the country so that investments are promoted. *"We have had a record inflows of FDI in this country, more than \$51 billion from April to February (2015-16) and that is the highest ever,"* he said here at a Ficci function. Abhishek said that ease of doing business is critical for creating a suitable business climate and the government is a making lot of efforts to improve it.

2. Amazon CEO Jeff Bezos inducts India MD into core team

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

In a sign of the success Amazon has had in India, its country managing director Amit Agarwal has been inducted into founder & CEO Jeff Bezos's S-team, a set of senior (the S stands for senior) leaders who have a direct line to Bezos and play a crucial role in important decisions that the \$107-billion e-commerce behemoth makes.

In an email to select employees last week, Bezos said, *"Please join me in welcoming Amit to S-team. Amit and our India team are doing remarkable things. Amit and his experience in India will be a key resource for all of us on S-team as we work to figure out what it is to be a true global company,"* he said. Confirming the development, Amazon India said, *"Agarwal's inclusion in Amazon's S-team is a recognition of how excited the Amazon leadership is with our progress and how committed we are in delivering on our ambition to transform how India buys and sells."* Under Agarwal's leadership, Amazon has captured a significant market share of India's e-commerce market in less than three years of commencing operations.

3. International hotel chains like Marriott, Starwood looking to scale up properties in India

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

International hotel chains Marriott, Starwood, Carlson Rezidor and InterContinental Hotel Group are scaling up the number of properties in India by 2020, moving faster than their local rivals, widening their presence to strengthen their negotiating position with online travel agencies and take on new age disruptors such as Airbnb. US operator Marriott, which has 32 hotels in the country, has over 35 units in the pipeline across its seven brands. Carlson Rezidor runs 76 hotels and has a target of 170 operational and under-development properties in India by 2020. British hospitality chain InterContinental Hotel Group wants to triple its business over the next 3-5 years in India, its third-biggest growth market. Overseas hotel chains currently own almost half the branded rooms offered in the country and are set to surge ahead of their Indian rivals by 2020. With more rooms in their control, hotel operators will be in a better position to negotiate rates with online travel agencies, while a wider presence in the country will help them to compete with room aggregators.

4. Germany's Villeroy & Boch plans to sell products online in India

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

Germany-based ceramics company Villeroy & Boch will start selling its products online in India in the next 12 to 18 months. Villeroy & Boch, which was set up in 1748, sells bath and wellness and tableware products. It has been operating in India through a joint venture arrangement with Genesis Luxury for the past three years. *"We are considering the option of selling online in India, and will do so in the 12 to 18 months, or maybe earlier,"* said Nicolas Luc Villeroy, head of the tableware division of the company and the seventh generation member of the Villeroy family. *"We are analysing the two options of selling through our own website and through other online companies, and the better one would be to go with specialised portals here."*

5. India can give returns of up to 30% this year: Brian Jacobsen, Wells Fargo Funds Management

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

Indian markets could return 30 per cent in 2016, said Brian Jacobsen, chief portfolio strategist at Wells Fargo Funds Management. In an interview to Sanam Mirchandani, Jacobsen said India is his favourite market from a valuation perspective and also because the downside from current levels is limited. Edited excerpts:

What kind of returns do you expect from India in 2016?

Brian Jacobsen: *We will probably see about 30 per cent returns. A lot of it will depend upon fund flows from developed market investors. For that to happen, commodity prices have to stabilise and the Federal Reserve should not be too aggressive and hasty in hiking rates. If these factors pan out, we could see a significant re-pricing of Indian equities. For EMs as a whole, we expect about 20 per cent returns.*

6. Avaya will keep investing in India: CEO Kevin Kennedy

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

Communications technology provider Avaya Inc is seeing double-digit growth in India and will continue to invest in the country as it is a high-growth market, says Kevin Kennedy, chief executive of the US-headquartered company. In an interview with ET's Muntazir Abbas, Kennedy talks about Avaya's India business, its key digital initiatives and how the company plans to be a part of the India growth story. Edited excerpts:

How is Avaya's India business doing?

Kevin Kennedy: *It is seeing double-digit growth. From being a traditional products company, Avaya is now a widespread communications solutions provider. We have rolled out services in the mid-market segment and also have solutions based on return on investment (RoI) to meet the needs of enterprises. We have also started looking at the government business and have had some recent wins.*



By Harsha Hazarika