

Daily Economic News Summary: 27 July 2016

1. Mercedes, GE among “Make in India” investors: Govt

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

Domestic and foreign companies like Mercedes Benz India, General Electric, Toshiba and PepsiCo have made investments under the government's 'Make in India' scheme between 2014 and 2016, Parliament was informed today. "Investments have been made under the 'Make in India' scheme between 2014 and 2016 by domestic and foreign companies like Mercedes Benz India, International Tractors Limited, Jaya Montupet, Isuzu Motors, General Electric, Toshiba Transmission and Distributions Systems India Private Limited and PepsiCo," Minister of State for Finance Arjun Ram Meghwal said in a written reply to the Rajya Sabha.

2. AERA exempts small aircrafts from landing fee, will boost regional connectivity

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

The Airports Economic Regulatory Authority (AERA) has corrected the anomaly in its earlier tariff orders and has exempted aircrafts with 80 seats or less from being charged a landing fee, a move that's going to give a fillip to the regional connectivity plan.

3. Centre re-imposes MEP on potato

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

After a gap of more than a year, the Centre on Tuesday re-imposed minimum export price (MEP) of \$360 per tonne (around Rs 24 a kg) on potatoes to boost domestic supplies. The MEP on potatoes was scrapped in February 2015 after prices slumped. Imposition of MEP means exports of potatoes priced above Rs 24.24 a kg won't be permitted. The average retail price of potatoes has risen by Rs 4 per kilogram and was hovering around Rs 30 per kg in many parts of the country since the start of this month, mainly due to heavy rains in potato growing areas and some loss to standing crops. Potato production in 2014-2015 crop year was estimated at around 48 million tonnes (mt), up from 42 mt the previous year.

4. Yamaha establishes second R&D centre in India

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

Yamaha Motor Research & Development India Pvt. Ltd (YMRI) on Tuesday announced that it has established its second research and development (R&D) centre in India to ensure “optimum utilization of resources” and to focus on the “enhancement of the capability and the capacity”. The new centre located in the premises of India Yamaha Motor Ltd’s (IYM) facility in Kanchipuram district, near Chennai, has been set up at an investment of Rs.66 crore and is part of the Rs.1,500 crore investment that Yamaha has already committed to ‘Make in India’ by 2018. *“The objective of the new centre is to develop models for India and eventually, the global market. The Chennai centre shall be the second main pillar for YMRI. By collaboration with the current development power in Surajpur centre, we aim to strengthen more of the cost reduction and attractive product development in the Chennai centre. The key role of this India Integrated Development Center is to develop optimized specifications for the Indian market,”* said Yasuo Ishihara, managing director, YMRI.

IYM has been broadening its scooter portfolio to gain a market share in the growing demand for scooters. Scooters currently make up 51% of Yamaha’s sales in India (including Nepal), while its motorcycle sales are at 49% (as of 1 June, 2016). Scooter sales for the month of May were at 53% of the total 62,748 units sold. *“The market reached 16 million units in 2015 and is expected to continue to grow at a decent pace going forward, led by scooter segment. Yamaha has seen rapid growth in sales numbers with 2016 first-half sales growth at 45% over last year,”* the company said in a statement.

5. Amazon brings premium service “Prime” to India

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

US-based online retail giant Amazon has launched its 'Prime' subscription programme in [India](#) to woo customers with free one-day delivery as it looks to stay ahead of competitors like Flipkart and Snapdeal. Amazon.In will offer free one-day and two-day deliveries to 'Prime' members in over 100 cities as well as early access to its exclusive offers as it aims to build a base of loyal customers in the country. Prime Video, which will include Amazon original TV series and movies besides other Indian and global content, is expected to be launched as a part of this service later. Amazon Prime comes to India almost three years after its global launch. Prime has been a major driver of repeat purchases for Amazon in the US. While Amazon does not disclose the number of Prime members, reports suggest there are over 60 million members in the US.

Amazon is betting big on the burgeoning e-commerce market in India. Recently, its chief Jeff Bezos had said the company will invest USD 3 billion in India, taking its total investment

committed here to over USD 5 billion. *"We are very excited to bring Prime to our customers in India. With Prime, guaranteed one-day delivery becomes an everyday experience instead of an occasional indulgence, and with no minimum purchases, it provides unlimited convenience all year long,"* Amazon India VP and Country Head Amit Agarwal said.

6. China's Fosun to buy Gland Pharma for \$1.3Billion

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

Shanghai Fosun Pharmaceutical (Group) Co. Ltd, the Hong Kong-listed company controlled by billionaire Guo Guangchang, will acquire 96% stake in India's Gland Pharma Ltd for \$1.3-1.5 billion (Rs.8,700-10,000 crore), according to two persons in the know. The Hyderabad-based Gland Pharma is backed by global private equity firm KKR & Co. The deal will be announced in a day, said the first person close to the development.

Established in 1978, Gland Pharma develops and manufactures generic injectables, primarily for the US market. It also sells its products in India and other semi-regulated markets. Its manufacturing facilities are approved by the US and UK drug regulators. On 9 May, Fosun Industrial Co. Ltd, a unit of the Chinese drug maker, made a non-binding proposal to existing shareholders of Gland Pharma, the company said in a statement to the Hong Kong stock exchange on 16 May. Fosun was in race with US pharma firm Baxter International Inc. to buy Gland Pharma, said the second person. Advent International, Baxter and Torrent Pharmaceuticals Ltd are among contenders for Gland Pharma, *Reuters* reported in April.

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