

Daily Economic News Summary: 28 April 2016

1. Apple eyes India for future growth

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

For tech giant Apple, India is the last bastion of growth, even as its revenues fell for the first time in 13 years in the quarter ended March. Globally, its flagship iPhone's sales fell by 16 per cent during the quarter; but in India, its sales grew by 56 per cent. On Wednesday, Apple reported a 13 per cent drop in revenues at \$50.6 billion, while profits slid by 22 per cent to \$10.5 billion for the March quarter.

Growth of iPhone sales in the US and China (the company's two largest markets) has turned negative, after hitting saturation point. About \$50 billion of Apple's stock value was also wiped away. Tim Cook, chief executive officer, Apple, brushed away worries that demand for smartphones globally had hit a peak by saying that penetration still stood at only 42 per cent. He said there was still room for growth, especially in emerging markets. *"For example, in India, our iPhone sales were up 56 per cent from a year ago,"* he told an investor call. While India is indeed the only bright spot for Apple, the country contributes to just one per cent of overall iPhone sales. So it is unlikely that it will offset the global decline in the short term, according to telecom analyst Counterpoint Technology Market Research.

However, with a base of just 220 million smartphones in the country, which is less than 30 per cent of the population, the long-term potential of India is huge. Nine out of 10 smartphones sold in India run on Android, the mobile operating system of Google, with average price points of less than Rs 10,000. Apple has two per cent market share in unit values and 10 per cent in value terms. However, Apple attributes the low sales numbers of the iPhone to the slow mobile internet speeds in India as most consumers are on 2G or 3G networks and expects the faster 4G network would help consumers realise the utility of iPhone.

2. PM Modi to revamp Varanasi ghats with country's first e-boats

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

In his first direct outreach to the famed boatmen of the Ganga at Varanasi, Prime Minister Narendra Modi will launch the country's first e-boats when he visits his constituency on Sunday. The idea is part of the plan to help reduce pollution in the congested heritage city. PM Modi will flag off a fleet of 11 e-boats on May 1 after an interaction at one of the Ganga ghats with boatmen from the nishad community and the target is to replace the traditional row boats in

Varanasi with 3,000 medium-sized battery-operated boats within the span of a year. The plan is to make it easier for boatmen to row who would only have to steer the boats run by batteries charged through solar power. *"The aim is to make it 100% green. Since the diesel engines will be done away with, the e-boats will generate no noise,"* said Sushanshu Mehta, who has developed the concept and whose foundation has initiated the project.

3. Isuzu Motors opens manufacturing plant in Andhra Pradesh

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

Isuzu Motors India today opened its manufacturing plant here and rolled out its India-made D-Max pick-up. The facility was inaugurated by Andhra Pradesh Chief Minister N Chandrababu Naidu. The initial production capacity of the plant is 50,000 units per annum and can be scaled up to 1,20,000 units, Isuzu Motors President Masanori Katayama said. *"We are very happy to start our local manufacturing operations in India. India is one of the biggest automobile markets and also one of the fastest-growing economies in the world. India is a key part of Isuzu Motors' global growth strategy,"* he said. *"This new plant in India will not only cater to requirements of the growing Indian market, but will serve as a key manufacturing hub for Isuzu's global operations."* Isuzu had earlier committed an investment of Rs 3,000 crore for the Indian project.

4. Amazon's Kindle store has seen 200% growth year-on-year in India

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

Amazon's Kindle store has seen 200% growth year-on-year in India and at 3.3 million, it is on track to catching up with the US market. In an interview with ETtech, Amazon's principal product manager Kathryn Abel talks about India growth plans, the new Kindle Oasis launch and plans to improve its e-book recommendations. Edited excerpts:

How is the India business for Kindle performing?

Kathryn Abel: *We have grown 200% year-on-year in India, and the growth is driven by three things — the book selection, Kindle Unlimited and Kindle Direct Publishing. The Kindle India store now has over 3million books as compared to the US store which has been around for over 7-8 years and has around 4.4 million books. India is really on track to catch up to the same or similar selection to the US. We've also witnessed that customers read more books once they subscribe to the Kindle Unlimited program.*

5. 2020 store opening target will be met: Krish Iyer, President & CEO, Walmart India

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

Chinese e-commerce major Alibaba, preparing for a direct India entry, had recently declared it was bigger than American chain Walmart in terms of revenues. Walmart India, which has restricted itself to the cash-and-carry or wholesale business, is however not showing any signs of taking on the Chinese rival in this market. Krish Iyer, president & chief executive officer at Walmart India, tells *Nivedita Mookerji & Karan Choudhury* the company is focused on its own business, not looking at competition. Edited excerpts:

How would you compare your investments in social initiatives across geographies with your scale of business in a particular country? Where does India figure in the scheme of things, as you only have 21 cash and carry stores here and no retail outlets?

Krish Iyer: *I would not be able to comment about other countries but India is a long-term play for Walmart and because of that, these things make a lot of sense in terms of bringing a holistic approach to the market, even with the cash and carry business. Our current focus is entirely cash and carry and is a significant part of Walmart's global business. We have cash and carry business in other parts of the world, too.*

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By Harsha Hazarika