

Daily Economic News Summary: 31 October 2016

1. Facebook to bring its mobile-first marketplace to India, targeting OLX, Quikr

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

Facebook will bring its marketplace to India based on success of its pilot in the US and three other countries as it looks to disrupt the online classifieds market in the country. "It is currently being tested in US (and other countries). A specific model will be formed that is focused on the way business and consumers in India work and (this) will be implemented. The marketplace model makes discovery of products and business much more efficient," said Esme Lean, lead SME India, Facebook in a telephonic interview. She did not specify a time frame for the India launch. Last month, Facebook opened a mobile first marketplace on its platform in US, UK, Australia and New Zealand, allowing users to discover, buy and sell between themselves as part of a community. In India, this could potentially take on Naspers owned OLX and Tiger Global backed Quikr, who are competing heavily to dominate the Indian online classifieds market. India's digital classifieds industry is expected to grow three fold to \$ 1.2 billion (around Rs 7900 crore) by 2020, with horizontal classifieds cornering around 30 per cent of the share, according to joint study by Google and KPMG in September. Google says search trend reveals that non metros such as Pune, Ahmedabad, Chandigarh, Kochi, Coimbatore, Indore and Jaipur as seen four fold increase in local searches for e-services, real estate and Automobiles.

2. Andhra Pradesh, Telengana best places to do business in India

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

Andhra Pradesh and Telengana have emerged as the top states in terms of ease of doing business in the country. The second edition of the government's ranking of various states, released on Monday, showed that apart from the two states, the states of Gujarat, Chhattisgarh and Madhya Pradesh are also in the top five rank. Also released on Monday was a new index by the NITI Aayog which looks at implementation of reforms in making agricultural marketing easier in various states. The index showed Maharashtra, Gujarat and Rajasthan top the rankings. The State Implementation of Business Reforms, 2016 is based on the ranking by Department of Industrial Policy and Promotion (DIPP) tracks the level of implementation of norms by state governments making it easier to do business in. Last year, DIPP had finalised a total list of 340 reforms which it had asked states to implement. Haryana, Jharkhand, Rajasthan, Uttarakhand and Maharashtra — in that order, are those that are on the top ten.

3. Domestic pharma firms zoom past MNCs in growth, market share

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

Domestic pharma companies enjoy a 77 per cent share of the Indian pharma market, and this share has been consistently above 74 per cent in the past four years or so. When it comes to growth rates, Indian companies have been steadily beating the multinational pharma players hands down for the past many years. Industry insiders believe the trend is unlikely to reverse anytime soon. According to data from AIOCD-AWACS, the market research wing of All India Organisation of Chemists and Druggists (AIOCD), in terms of growth in moving annual turnover value, the Indian pharma market clocked 11.4 per cent growth in March 2013 over March 2012, while the Indian pharma companies grew 12.6 per cent whereas the multinational companies (MNCs) clocked 7.9 per cent. Similarly, the Indian companies clocked 8.9 per cent, 13.8 per cent and 13.1 per cent growth rates in FY14, FY15 and FY16, respectively. At the same time, MNCs lagged clocking flat growth in FY14 (when the moving annual turnover value remained stagnant at Rs 18,269 crore in March 2014 over Rs 18,263 crore in March 2013), followed by 9.8 per cent and 10.5 per cent growth rates in FY15 and FY16.

4. Nitin Gadkari urges private ports to cater to cruise tourism

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

Union shipping minister Nitin Gadkari on Saturday urged private port operators to create necessary arrangements for catering to passengers, pointing out to the prospects of cruise tourism in the country. “We have taken a decision to have passenger terminals at all major ports to cater to cruise tourists. There are over 200 private and minor ports in the country and I would also request them to have such facilities,” Gadkari said at the Mumbai Port Trust. He said the government is very keen to push cruise tourism, given its benefit to the local economy and wants the city port to become among the five best cruise tourism hubs in the world. The government is investing over Rs200 crore to build a modern international cruise terminal at one of the oldest ports in the country, the minister informed. A bulk of the ports built in the last 25 years since the country embarked on the liberalization journey have been privately owned or operated. All of them typically cater to the high-volume and revenue accretive trade segment, handling container, bulk and liquid cargos. A slew of names, including Adanis, Essar, Larsen and Toubro, etc., have entered the port segment in the past few years.

5. SBI cuts lending rates by 0.15%

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

The State Bank of India on Friday announced a cut of 0.15% in its benchmark lending rate under a new system of computation, signalling a further dip in borrowing costs ahead of the busy season. Private sector lender ICICI Bank was the first to announce a cut of 0.10% in its marginal cost of funds based lending rate (MCLR) across tenors, which was followed by a

similar move by the country's largest lender SBI, but of a larger measure of 0.15%. Under the revised rates, the one-year MCLR which determined a slew of products including home loans for SBI stands at 8.90%. The revised rates are effective from 1 November. SBI has kept the overnight MCLR, which is the most aggressive offering, at 8.65%, while the one month is at 8.75%.

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