

Daily Economic News Summary: 3 March 2016

1. IMF projects 7.3% growth rate for India this fiscal

Source: **Indian Express** ([Link](#))

Bullish on India, the International Monetary Fund has projected a robust growth rate of 7.3 per cent for the country this fiscal, picking up to 7.5 per cent next year. The multilateral lending agency welcomed recent measures aimed at increasing public infrastructure spending, rationalising subsidies, creating more flexible labour and product markets as well as enhancing financial inclusion. *"India has a very good outlook at the present time. India certainly benefited from low oil and energy prices, one of the world's largest oil importers and that's raised the real income of all Indians,"* said Paul Cashin, India Mission Chief for the International Monetary Fund.

The agency's projections are lower than the government's estimate of 7.6 per cent growth in 2015-16 while Reserve Bank sees economy expanding by 7.4 per cent this fiscal. Indian government has taken some positive policy actions in terms of inflation targeting, subsidies and land and labor market reforms, Cashin added. *"Growth is projected at 7.3 percent for fiscal year FY2015-16, picking up to 7.5 percent in FY2016-17 (at market prices), supported by stronger domestic demand,"* IMF said. As per IMF's estimates the growth was same at 7.3 per cent in the fiscal 2014-15.

2. India will be fastest growing advertising market in 2016, says Maxus CEO Lindsay Pattison

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

India will be the fastest growing advertising market this calendar with total ad spend rising 15%, says Lindsay Pattison, global chief executive at media buying agency Maxus. *"The big growth driver will be ecommerce, followed by telecom, including the rollout of 4G services, the automobiles sector and fast moving consumer goods,"* Pattison told ET. Maxus is part of GroupM, the parent company of WPP's media agencies, that takes care of close to one-third of all media investments worldwide. Pattison is in India with her 11-member board to host the \$11-billion agency's first meet in the country. Emerging categories such as ecommerce and other technology startups are advertising heavily across mediums in the country to build brands and they are expected to continue doing the same, said Pattison, the only woman global head of a GroupM agency. The year is expected to see several new launches across the automobiles and consumer goods space, she said.

3. Work to begin on Rs 40K cr-bridge projects: Nitin Gadkari

Source: **Financial Express** ([Link](#))

The road ministry has drawn up a plan to start work on a whopping Rs 40,000-crore projects to spruce up around 1,500 pre-Independence era bridges that are now in a dilapidated condition and construct 208 rail over and under bridges (ROBs/RUBs) at unmanned railway crossings on the national highways. While the cost of over-hauling of the bridges would be around Rs 30,000 crore, an estimated Rs 10,200 crore would be spent on construction of the ROBs/RUBs, under the Setubharatam project, road transport and highways minister Nitin Gadkari told reporters here on Wednesday.

The minister said these outlived bridges would be constructed using pre-fabricated cemented material at 25 pre-cast fabrication industrial zones spread across the country. Use of such material, which is also environment-friendly, would lead to a 25-30% cost savings. These pre-fabricated structures could also be used in metro and building of low-cost houses. Stating that the construction of ROBs/RUBs was aimed at eliminating all railway crossings on the national highways by 2019 under the Setubharatam project, the minister said the programme would be launched by the Prime Minister Narendra Modi on Friday. In the first phase, 19 states would be benefitted under the Setubharatam programme. Andhra Pradesh would be the biggest beneficiary of the Setubharatam project as it gets 33 ROBs/RUBs in the first phase. West Bengal would be the second biggest beneficiary with 22 projects and the least would come in Uttarakhand, where only two unmanned railway crossings would be developed with ROBs/RUBs. Tender has been issued for around 65 such ROBs/RUBs.

4. Apple edges past Xiaomi to grab No.6 spot in India's top 30 cities

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

Apple, which was upstaged by Xiaomi in the world's largest smartphone market China last year, has struck back in the world's fastest-growing market. The maker of the iconic iPhone has grabbed the No. 6 spot in market share in India's top 30 cities, which make up 51% of the smartphone market, edging past Xiaomi after taking rapid strides in the highly competitive market.

Apple captured the No. 6 slot even in the price-sensitive tier-2 and tier-3 cities, which are the traditional strongholds of Indian vendors, according to data for the October to December 2015 period from US market research firm International Data Corporation, which was reviewed by ET. Apple topped the premium price segment of \$300 (Rs 20,000) and above, with an over 42% share across the 30 cities following the launch of the iPhone 6s and iPhone 6s Plus in the first half of the quarter and subsequent price drops of its earlier 5s, 6 and 6 Plus models, analysts

at IDC said. *"Apple leads in top 30 cities in the premium segment, and in tier-2 and 3 cities, it has considerably narrowed the gap with the competition,"* said Navkendar Singh, senior research manager at IDC India.

5. Government plans to set up more nuclear power plants

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

To meet the country's growing needs, the government plans to set up nuclear power plants in Bihar, Haryana and Punjab, Lok Sabha was informed today. Government aims to increase nuclear power generation capacity by three times in ten years. If it is 4,780 MW today, the same would go up to 13,480 MW, Union Minister Jitendra Singh said during Question Hour in the Lok Sabha. He said new places are being explored for setting up plants to generate nuclear power which would be a big source for meeting the growing energy needs. With regard to nuclear power programme, Singh, the Minister of State in the Prime Minister's Office, said the government is considering setting up new plants in areas not covered before.

A site has been identified for a nuclear plant in Razauli in Bihar's Nawada district in the last 18-19 months of the current government, he said. There has been a delay there due to water shortage since the current level of water available is not sufficient for the project, he said, adding that discussions are going on with the state government in this regard and work will start as soon as this problem is sorted out.

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By Harsha Hazarika