Daily Economic News Summary: 4 June 2015

1. Job creation increased by 118% in July-December 2014: Survey

Source: **Economic Times** (Link)

The Narendra Modi government's sharp focus on employment generation through Make in India and Skill India initiatives appears to have paid off, with India adding more than double the number of jobs between July and December 2014 compared to the corresponding period of the previous year. According to a labour ministry survey released on Wednesday, 2.75 lakh jobs were created in eight key sectors during the six months, an increase of 118 per cent over 1.26 lakh jobs created in the year-ago period.

The number of jobs created in the October-December quarter at 1.17 lakh was, however, less than 1.58 lakh jobs created in the previous quarter or 1.82 lakh jobs created in the April-June quarter.

2. India adds 26 million mobile subscribers in Q1: Ericsson

Source: **Economic Times** (Link)

India grew the most in terms of mobile subscribers across the world with 26 million net additions in the first quarter this year, a report by telecom equipment maker Ericsson.

Ericsson said the total number of mobile subscriptions in the quarter reached about 7.2 billion globally, including 108 million new subscriptions. *"India grew the most in terms of net additions (+26 million), followed by China (+8 million), Myanmar (+5 million), Indonesia (+4 million) and Japan (+4 million),"* Ericsson said in its mobility report.

3. Chinese Smartphone maker Phincomm to invest $100 million in India in 3 years

Source: **Firstpost** (Link)

China-based mobile handset maker Phicomm, which entered Indian market with the launch of 4G smartphone, will invest USD 100 million over the next three years on R&D and marketing.

"For the next three years, we plan to invest USD 100 million, including the local team, R&D centre and marketing," Phicomm CEO Min Zheng told PTI.

The company is also exploring manufacturing in India though the final call is yet to be taken. Zheng said the company is targeting the youth to expand presence to grab 5 percent share of mobile handset market in five years in the country.

4. Mumbai fast turning into stopover capital

Source: **Times of India** (Link)

Mumbai raked in a whopping $3.3 billion from visitors who stayed overnight in the city in 2015, making it the fourth most lucrative market in the Asia Pacific for overseas spenders. Bangkok in Thailand saw the highest visitor spend in the region in 2015 - $12.4 billion followed by Taipei ($9.3 billion) and Tokyo ($8.4 billion).

As many as 4.75 million people have till now stayed overnight in Mumbai in 2015 - all set to record the highest number of international visitors who stopped by in the city in the past five years with almost half a year to go before year end.

5. Airbus Group consolidates units in India under single company

Source: **Live Mint** (Link)

Aircraft maker Airbus Group has consolidated its units in India under Airbus Group India Pvt. Ltd headed by President Pierre de Bausset. India is the first international market, where local operations have been brought under a single company as part of the group's 'one-roof' policy.

"Given India's importance for us, we have implemented a new organizational structure there with Pierre in charge. There will be more internal coordination, pooling of resources and basically a far more efficient engagement with our local stakeholders. Formation of a single company will also greatly support our Make in India plans and allow us to take a leap in our relationship with the country," said Airbus Group chief executive officer Tom Enders in a statement.

6. Organisation for Economic Cooperation and Development pegs India's GDP growth at 7.3%

Source: **Economic Times** (Link)

India's economic growth will remain strong and stable in 2015, the Organisation for Economic Cooperation and Development (OECD) said in its latest outlook on Wednesday, forecasting a 7.3 per cent growth for the country. The economy could grow over 8 per cent if ambitious structural reforms such as goods and services tax, land and labour laws were approved by the parliament, the Paris-based think tank said.

It expects a pick-up in corporate investments in India on the back of government measures to improve ease of doing business and the 'Make in India' campaign. It has pegged the 2016 economic growth at 7.4 per cent in the Economic Outlook report.

7. Don't charge premium: India tells OPEC

Source: **Times of India** (Link)

India strongly reiterated its long-standing demand for fair pricing of crude and urged Opec, the cartel of oil exporting countries, to stop charging premium from Asian buyers. Addressing an Opec seminar in Vienna, oil minister Dharmendra Pradhan said Opec was not justified in asking Asian buyers to pay more to subsidize transportation cost to distant consumers, particularly in the West.

In the backdrop of changed dynamics, where oil trading has turned from a sellers' market to a buyers' market, Pradhan stressed upon better trade terms from Opec such as selling oil without payment guarantee and extended credit period. India had first articulated the collective demand of Asian buyers for scrapping the Asian premium at a conclave of key buyers from Asia and sellers from West Asia — billed as 'Mini Opec' — organized in Delhi by then oil Minister Mani Shankar Aiyar in January 2005.

8. Service Sector shrinks for the 1st time in 13 months: HSBC

Source: **Times of India** (Link)

Services sector contracted for the first time in 13 months in May as orders turned sluggish and companies raised prices, stated an HSBC survey, raising fresh concerns about the real economic growth at ground level.

A composite HSBC index for the manufacturing and services sectors also fell in May to the lowest level in seven months. The data comes at a time when concerns are being raised in various quarters about the economic recovery process and forecast of deficient monsoon is resulting in renewed fears about inflation and on other macroeconomic fronts.

9. FDI dips 40% in Mar to 2.11 billion; lowest in four months

Source: **Pioneer** (Link)

Foreign direct investment (FDI) in India declined by 40 per cent year-on-year to $2.11 billion in March 2015, the lowest in the last four months of 2014-15 fiscal, according to the data available with Department of Industrial Policy and Promotion (DIPP). Previously, in November 2014 the FDI was the lowest at $1.53 billion. FDI in India was at $3.53 billion in March 2014. *"However, during the 2014-15 financial year, foreign fund inflows grew 27 per cent, year-on-year, to $30.93 billion as against $24.29 billion in 2013-14,"* DIPP said.

Amongst the top 10 sectors, services received the maximum FDI of $3.25 billion in 2014-15, followed by telecommunication ($2.89 billion), automobiles ($2.57 billion), computer software and hardware ($2.20 billion) and pharmaceuticals ($1.52 billion). During the entire financial year, India received the maximum FDI from Mauritius ($9.03 billion), followed by Singapore ($6.74 billion), the Netherlands ($3.43 billion), Japan ($2.08 billion) and the US ($1.82 billion).

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