

Daily Economic News Summary: 5 October 2016

1. Double-digit growth spurs airlines to increase flights by 21% during winter

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

Indian airlines will operate 21% more flights in the winter season that starts at the end of this month, the Directorate General of Civil Aviation (DGCA) said on Tuesday. There will be 16,600 departures a week in the winter season schedule effective 30 October, compared with 13,744 at the same time last year. Domestic air traffic in India has been growing at a pace of more than 10% annually for the past two years. It grew nearly 24% in August from a year ago. As many as 8.38 million passengers flew in August. The number of airports that do not have any flights rose in the past one year even though the aviation ministry has been pushing for greater regional connectivity. Airports that do not have any flights include Mysuru, Porbandar, Nanded, Durgapur, Puducherry and Car Nicobar. Flights to Gujarat's Bhavnagar were withdrawn earlier this year but have now resumed, according to the DGCA.

Among the major airlines, the biggest increase comes from IndiGo (InterGlobe Aviation Ltd), which will see its domestic flights jump by nearly 42% as it adds more Airbus A320neos to its fleet. The two other airlines with a fleet of more than 100 aircraft—Air India Ltd and Jet Airways (India) Ltd—will increase their domestic presence by 7.48% and 1.76%, respectively. Both Air India and Jet Airways have major international operations, while most other airlines are focused on domestic market.

2. Xiaomi says sold over 500,000 smartphones in India in 72 hours

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

Chinese smartphone maker Xiaomi said it has sold over half a million smartphones in India in the last 72 hours owing to the festive sales being run by e-commerce firms such as Amazon India, Flipkart and Snapdeal, a top company executive said. "Between the five platforms that we are available on we sold two phones every second," said Manu Jain, head of India operations at Xiaomi. The company, which took 30 days to sell half a million phones last festive season, geared up with higher stock availability and timed its new product launches to make the most of the current festive season.

"Redmi Note 3 was the best selling phone on Amazon during the last three days of sale and Redmi 3S and 3S Prime were the top selling phones on Flipkart," Jain said, adding that the company is out of stock for most of its products. The company is working towards making more stock available as it nears Diwali, a peak sale period for most brands in the country. "You can expect another event from us on the Mi portal before Diwali," said Jain.

3. Bharat Petroleum plans Rs1,000 crore terminal on west coast to import LPG

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

State-run Bharat Petroleum Corp. Ltd (BPCL) is planning to build a terminal on the west coast to import liquefied petroleum gas (LPG), two company officials aware of the development said. “We are looking for land on the west coast either near Kandla (in Gujarat) or somewhere close to it. We will be finalizing this in the next six months. Coastal location will be most apt for the terminal,” a BPCL official said on condition of anonymity. BPCL did not reply to an email seeking comments. According to the second official, the terminal will have a capacity of 2 million tonnes per annum (mtpa), and will cost Rs1,000 crore. BPCL is already building an LPG import terminal in West Bengal. This April, it received environmental clearance for the Rs694 crore terminal as well as storage, bottling and bulk distribution facilities at the Haldia dock complex in West Bengal.

4. RBI interest rate cut buoys realtors’ hopes ahead of festive season

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

As the Reserve Bank of India (RBI) reduced the key interest rates by 25 basis points on Tuesday, real estate developers expect that the rate cut, in combination with the upcoming festive season, would revive demand in the sector saddled with sluggish sales. “With the rate cut at this festive season, the sluggishness in the real estate sector would come to an end and as a result of the implementation of the new Real Estate Regulatory Act coupled with the rate cut; more new projects would come up,” said R. K. Arora, chairman of Nodia-based developer Supertech Ltd. Several real estate developers have unveiled various offers to attract buyers during the upcoming festive season and expect the rate cut to add to the demand. Supertech had launched special offer for the festive season under which the buyers will get a gift card of Amazon upto Rs.2 lakh, free club membership, and free car parking on every purchase of flat in various projects at Noida, Greater Noida, and Gurgaon.

5. IMF revises India's growth to 7.6% for FY17 and FY18

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

The International Monetary Fund (IMF) on Tuesday raised projections for India’s economic growth by 0.2 percentage points to 7.6 per cent for 2016-17 and 2017-18. The projections came in at a time when the Fund said global economic growth will be subdued this year, following a slowdown in the US and Britain’s vote to exit the European Union. It, however, retained global economic growth at 3.1 per cent for 2016 and 3.4 per cent for 2017. In its World Economic Outlook, IMF also kept gross domestic product (GDP) expansion for China unchanged at 6.6 per cent in 2016, which would decelerate to 6.2 per cent in 2017. That way, India would keep its position of the fastest-growing large economy that it snatched

from China in 2015-16. “India’s GDP will continue to expand at the fastest pace among major economies, with growth forecast at 7.6 per cent in 2016–17,” it said in its outlook released three days ahead of its annual meetings with the World Bank in Washington.

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