Daily Economic News Summary: 7 September 2015

1. Govt speeds up business visa approval process

Source: **Live Mint** (Link)

Prime Minister Narendra Modi's government, aiming to boost trade ties with countries such as China and Iran, has decided that visa applications from foreign businessmen and trade delegations will be approved or rejected within a week's time. The commerce ministry has been complaining that delays by the home ministry—sometimes extensive—in clearing business visa applications were holding back attempts to improve ties with important trading partners.

The home ministry has already taken Iran off a list of countries that draw special scrutiny from security agencies for providing visas after the Gulf nation reached a deal with Western countries in July, agreeing to limit its nuclear programme in exchange for removal of economic sanctions.

"Both the home ministry and the Prime Minister's office are on the same page that no visa application will be delayed for more than one week primarily for business delegations coming to India even from countries like Iran and China," a senior government official said, requesting anonymity. *"Once an application comes to the home ministry for a security check, it will be processed within one week and sent back to Indian missions."*

2. India eyes energy assets abroad in low price regime

Source: **Live Mint** (Link)

Driven by the National Democratic Alliance (NDA) government's desire to secure energy assets in a low price regime, state-owned firms such as ONGC Videsh Ltd (OVL) have stepped up their acquisition efforts and inked confidentiality agreements for around half-a-dozen potential opportunities. OVL said last week it is buying a 15% stake in a unit of Russia's OAO Rosneft, the world's largest publicly traded oil firm, for $1.3 billion.

With the agreements on the deal reached during a meeting between Russian President Vladimir Putin and Prime Minister Narendra Modi in Ufa in July, experts believe it is an example of the government's emphasis on tapping diplomacy to secure India's economic interests. *"OVL has been given huge targets. At any given point of time, OVL is looking at a number of opportunities. It has signed a number of confidentiality agreements,"* said a person aware of the development requesting anonymity.

3. US based software firm Aricent to invest $500 mn in India after 3 years

Source: **Economic Times** (Link)

Communications software firm Aricent plans to invest USD 500 million or about Rs 3,000 crore in India over the next three years to boost its product development capacity in the country. "From a corporate perspective, Aricent will be investing USD 500 million in the next three years in India, as it is the key geography for us," Aricent Chief Strategy Officer Payal Koul Mirakhur told PTI.

The US-based company develops software in communication segment and most of these software are made to control or manage function of hardwares in a system. "*We are a high growth company, growth is our focus. We want to increase our delivery capability by the same percentage out of our delivery centres in India. We will make this investment in people, lab and research and development,"* Mirakhur said.

4. After a long lull, hotels wake up to a rosy dawn

Source: **Economic Times** (Link)

After a long stretch of slowdown, Indian hotels registered a pickup in demand for rooms during the first half of this year, on the back of an improved economy and slowdown in supply of new rooms. Countrywide occupancy crossed 60% for the first time in the past four years, according to data compiled by hospitality data aggregation company STR Global in partnership with Horwath HTL-India. *"Improved occupancy, tentativeness on rates and slowing supply — these sum up the 2015's first half performance,"* said Vijay Thacker, director, Horwath HTL — India.

According to the report, while markets such as Mumbai and Goa saw occupancy rates crossing 70%, New Delhi and Pune have crossed 65% and Bengaluru and Chennai crossed 60%. Chennai and Pune stood out from the other markets as they have recovered from the supply surge in the recent past. While Chennai gained 8.6 points occupancy since the first half of 2013, Pune gained 8.2 points since the first half of 2014. The reduced supply of new rooms has benefited hotels in Mumbai, Bengaluru, Hyderabad, Pune, Ahmedabad and Jaipur which have seen the highest Revenue per available room (Rev-PAR) in the past four years.

5. E-tailing shows promise, to post 35% growth in 5 years: Study

Source: **NDTV** (Link)

India's e-commerce industry is likely to clock a compounded annual growth rate (CAGR) of 35 per cent and cross the $100-billion mark over the next five years, from $17 billion at present, according to an Assocham-PricewaterhouseCoopers study.

Riding on the strong growth momentum of 2015, the e-commerce sector is estimated to see a 72 per cent jump in the average annual spend on online purchases per individual in 2016, from the current level of 65 per cent, the study said. In contrast, shopping malls are suffering from lesser footfalls leading to around 25 per cent vacancy rate, along with a 30 per cent drop in rentals in the last one year, according to the study. It observed that the trend in Indian malls is in line with the declining number of footfalls in retail space in over 200 shopping malls across the US, the UK and other countries.

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