

Daily Economic News Summary: 13 January 2017

1. India, China top automatable job potential: McKinsey report

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

India and China together account for the largest technically automatable employment potential— more than 700 million full-time equivalents between them—because of the sheer size of their labour forces. This is a key finding of McKinsey Global Institute’s (MGI) report titled *A future that works: Automation, employment, and productivity*. According to the report, the automation potential is concentrated in China, India, Japan, the US and the largest European Union nations. More than half the wages and almost two-thirds of the total number of workers associated with technically automatable activities are in just four countries—China, India, Japan, and the US. These four together account for about \$6.3 trillion of the wages and 700 million employees of the global total potentially affected.

2. Transport ministry to explore 6 new mass rapid transportation technology

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

With an aim to revamp public transportation in the country, the ministry of road transport and highways has sought approval of Niti Aayog to experiment and introduce six latest mass rapid transportation technologies. These technologies include metrino, stadler buses, hyperloop, pod taxis, hybrid buses and freight rail road, pitched by metro-man E. Sreedharan. “Several transportation technology companies had approached and given us presentations based on which we had shortlisted them. Apart from foreign technology providers, E. Sreedharan has also pitched in a proposal for elevated freight rail road which seems to be very interesting,” a senior road ministry official said, requesting anonymity. Under the freight rail road proposal, elevated corridors would be built with rail lines where freight trucks can be placed and then they would move on rails at a high speed, reducing freight time and increasing freight quantity. The new

technologies are being explored as the current public transportation is unable to resolve the increasing traffic crisis in the country and they are more cost effective.

3. Airbus France to set up aerospace, defence cluster at Dholera

Source: The Hindu: Business Line ([Link](#))

Airbus France today signed an MoU with Gujarat government's Dholera Industrial City Development Ltd (DICDL) for setting up an aerospace and defence cluster at Dholera Special Investment Region near Ahmedabad. The agreement was signed during the ongoing Vibrant Gujarat Global Summit at Mahatma Mandir here. According to the Gujarat government, officials from Airbus France have already visited the place where the company wishes to start their operations. "Airbus France has signed an MoU with state government's DICDL for collaborating on setting up of aerospace and defence cluster," state government's Additional Chief Secretary, Industries and Mines, P K Taneja said.

4. Louvre Hotels takes majority stake in Sarovar Hotels

Source: The Hindu: Business Line ([Link](#))

France's Louvre Hotels Group, a subsidiary of Chinese travel giant Jin Jiang, has acquired a majority stake in India's mid-market warrior Sarovar Hotels, which has close to 75 hotels in the country. Both parties flatly refused to disclose deal size or the percentage stake sale though industry speculation is it is around the Rs. 340-crore mark and that Sarovar would have divested around 74 per cent. It may be recalled that Sarovar had held talks with other suitors including US based Wyndham Worldwide earlier but some of those negotiations had reportedly come unstuck because of disagreements in valuations or because the suitors wanted full control. Private equity players Bessemer and New Vernon which had invested in Sarovar Hotels in 2005 and held a 30 per cent stake have now exited the group, confirmed Ajay Bakaya, executive director, Sarovar Hotels.

5. Gujrat to ink MoU with Railways to make parts for bullet train

Source: The Hindu: Business Line ([Link](#))

In a major boost to small and medium industries in the state, the Gujarat government has signed a memorandum of understanding with the Indian Railways for manufacturing parts of the bullet train (high speed train) with a value of Rs. 67,000 crore. "We are signing an MoU with the Railways for manufacturing parts for high-speed bullet trains. This will attract business worth Rs. 67,000 crore to Gujarat industries," said Gujarat Chief Minister Vijay Rupani on the sidelines of a seminar on MSME at the 8th Vibrant Gujarat Global Summit on Thursday.

6. Indians' online spend to reach Rs. 8.75 lakh cr in 2018

Source: The Hindu: Business Line ([Link](#))

Total online spend by Indian consumers on domestic and cross-border purchases is expected to touch Rs. 8,75,600 crore in 2018, a report by payment platform PayPal said today. This is against an online spend of Rs. 4,92,500 crore in 2016, the third Annual Global Cross-Border Consumer Research 2016 said. Also, Indian online shoppers are estimated to have spent Rs. 58,370 crore on shopping from other countries in 2016, the report added. "The internet has truly democratised cross-border trade. The freelance economy has grown in India and a considerable number of Indians shop in the global marketplace," PayPal India Managing Director Anupam Pahuja said. Leading categories for which Indians shopped online across the border include clothing/apparel, footwear, accessories (bought by 54 per cent of cross border shoppers from a website in another country in the past 12 months). Consumer electronics (43 per cent) and cosmetics and beauty products (42 per cent) followed in the list.

By Rajnee Narula