

WEEKLY ECONOMIC BULLETIN



ITP Division
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India's economy will grow 7.6% in 2015-16, faster than last year

The Indian economy will likely grow at 7.6% in 2015-16, faster than the previous year's 7.2% but nearly one percentage point lower than earlier forecasts, government data showed, mirroring the possible impact of two successive drought years and plunging exports.

The country's "real" or inflation-adjusted gross domestic product (GDP) a measure of the value of all goods and services produced also grew at a slower 7.3% during October to December from 7.4% in the previous three months, data released by the Central Statistics Office (CSO) showed.

India, however, will remain the world's fastest growing major economy outpacing China's 6.9% expansion in 2015, its slowest since 1990 hit by a crippling industrial slow-down.

"The direction of the numbers is very positive. The policy and reform measures the government has undertaken in last one-and-a-half years are beginning to show results," economic affairs secretary Shaktikanta Das said.

The latest data comes barely three weeks before finance minister Arun Jaitley presents the annual budget for 2016-17 on February 29 amid heightened anticipation that he would announce measures to boost investment and create jobs.

Surprisingly, growth for the April-June quarter was marked up to 7.6% from a provisional 7% estimated earlier.

According to advance national income estimates, the manufacturing sector is estimated to grow at 9.5% from 5.5% in the previous year, although some experts say data from other sources such as household spendings, corporate earnings and tax collections and sales of goods and services are weak and do not point towards an industrial turnaround.

In January last year, the CSO released a new formula to calculate national income that covers a raft of activities from farm-level livestock to mega infrastructure projects.

The new methodology, which has changed the "base year" from 2004-05 to 2011-12, has stumped both experts and the uninitiated. While the base year of the national accounts is changed periodically to factor in structural and price changes in the economy, it is the new formula that has baffled analysts.

"The surprisingly robust pickup in manufacturing growth in the third quarter (October to December) relative to the second quarter (July to September) belies the trends available from various high frequency volume-based indicators, including the index of industrial production (factory output) for October-November 2015," said Aditi Nayar, senior economist at ICRA Limited, a credit rating and research firm.

According to the government's own mid-year economic analysis tabled in Parliament in December, power, fertilisers, and car production have been surging. In contrast, commodities such as steel, iron, aluminium, and cement are doing less well.

Growth in capital goods imports, a proxy for investment activity, has decelerated sharply from about 12% in April 2015 to barely positive territory.



Govt racing to build highways: Nitin Gadkari

The National Democratic Alliance (NDA) has kick-started construction of highways, resulting in reduced pressure on bank balance sheets, road transport and highways minister Nitin Gadkari.

Addressing Mint journalists at Mint Conversations (a platform where a special invitee interacts with Mint staff), Gadkari added the revival of investments in infrastructure ports, inland waterways and highways sector alone will contribute more than 2 percentage points to the country's gross domestic product (GDP) in the next two years and generate five million jobs.

"There were 384 highway projects worth Rs.3.80 trillion that were stuck when we took over. Now, only seven projects worth Rs.15,000 crore are left to be resolved," he said, adding the pace of making highways has gone up from 2km a day to 18km a day and he is hopeful of achieving a target of 21km a day.

As of end-September, the total stressed assets in the Indian banking system, including bad debts and restructured assets, stood at 14% of all advances. For state-run banks, this number was much higher at 17%. According to the Reserve Bank of India's (RBI's) financial stability report released in December 2015, as of June end, while the transport sector's share in total non-performing loans (NPAs) was 3.78%, its share in restructured advances was 14.64%.

Gadkari said the ministry is working on some of the concerns expressed by banks.

"There has been some positive movement in the roads sector. However, over-leveraging by some large firms remains a credit concern," said Vibha Batra, senior vice-president at rating agency ICRA Ltd. "Steel and the power sectors continue to be stressed," she said.

Outlining his vision for the roads sector, Gadkari said, "Prime Minister Narendra Modi has given me a 400-day challenge to complete highway projects and widening of roads, which I have accepted. You will be astonished to know that in the country with 52 lakh km of road network; only 96,000km is under national highways. Moreover, this 96,000km, which is just 2% of the road network, is catering to 40% of traffic," he said.

After Gadkari took charge, the roads ministry has approved the construction and widening of 1.52 lakh km falling under the national highway category. The target for 2015-16 is 2 lakh km, which the government is confident of achieving by March.

The minister reiterated his position on auto fuel norms BS-VI (Bharat Stage-IV) stating that he was in talks with the petroleum minister to advance the supply of the new grade of fuel for metros such as Delhi; the target date is 1 April 2020.

"While our focus would be on bringing BS-VI fuel as early as possible, we are focusing on innovative technologies such as electric cars and are in talks with Tesla to bring their products into the Indian market as soon as possible. Electric vehicles are the future and am happy to share that firms like Mahindra have also started to invest in developing electric cars," said Gadkari.

Disclosing his ministry's plan for toll roads in the country, the minister said the National Highways Authority of India (NHAI) is going to tie up with Axis Bank Ltd and ICICI Bank Ltd for electronic tolling, where stickers are affixed to cars and the toll will be automatically deducted from the commuter's bank account. "People in India need to understand that if they want good services, they have to pay for it."

He added that there is a specific formula used for calculating toll taxes and that the government has no plans to waive off toll taxes. However, his ministry has sent a note to the Union cabinet on rationalizing the toll structure.

Source: Livemint

Aster DM Healthcare plans IPO, eyes acquisitions in India

Dubai-based Aster DM Healthcare plans to come out with an initial public offering (IPO) in India, where it is looking to expand substantially for which it is also scouting for acquisitions.

The company, which operates a total of 15 hospitals, 80 clinics and 200 pharmacies in the Middle East and India, has earmarked an investment of Rs.250 crore in India in 2016 on three hospital projects.

"There is a big opportunity in healthcare in India as there is a huge demand-supply gap. We are looking to expand our operations substantially," Aster DM Healthcare chairman and managing director Azad Moopen told PTI.

He, however, declined to share details of the expansion citing silent period due to the company's upcoming IPO under which it is looking at listing in India this year. At present, majority stake is held by promoter family of Azad Moopen and over 30% by PE firms.

Moopen declined to elaborate on the amount of fund planned to be raised from the public offer. In India, Aster DM Healthcare currently has three hospitals in Kerala, two in Maharashtra and two in Telangana and is looking at a total of 2,700 beds in India across facilities by 2016.

This year, it will commission a 500-bed hospital in Bengaluru, Aster CMI, besides adding to its large facilities Aster Medcity in Kochi and Aster MIMS in Kozhikode. Overall, the company is planning a 35% increase in number of beds with addition of 850 beds across Bengaluru (500 beds), the UAE (two hospitals with 250 beds) and Qatar (80 beds).

"We will continue to focus on growth in West and South India. For that we are also open to acquisitions of brownfield projects," Aster DM Healthcare Executive Director and CEO (Hospitals and Clinics, GCC) Alisha Moopen said.

The idea is to acquire standalone facility with 250 beds or above if it is in states where the company is already present or a network of multiple units if it is in a new state, she added.

Aster is not new to acquisitions and recently it had acquired a majority stake in Sanad Hospital in Saudi Arabia for Rs.1,600 crore in one of the largest healthcare acquisitions in West Asia. In the financial year 2015, the company had a turnover of around Rs.3,800 crore with majority of revenues coming from GCC (Gulf Cooperation Council) operations.

Source: Press Trust of India



International auto-part firms eye India

The growth potential in the under-served Indian automobile market and the consequent demand for auto components has drawn a lot of interest from foreign manufacturers who are attending the Auto Expo-Component Show in the capital. The four-day show begins Saturday. A total of 600 international component firms are showing a range of automobile components and solutions to tap into the rising domestic market, especially the passenger vehicle segment.

In the last edition of the Component Show in 2014, 450 foreign exhibitors had participated. The total number of exhibitors, including domestic ones, has grown to 1,500 now against 1,200 in the previous edition.

Vinnie Mehta, director-general of Automotive Component Manufacturers Association, a local body, said there was rising interest in international manufacturers to understand trends in India.

Bajaj entry-level bike

Bajaj Auto on Friday launched a new variant of its entry-level motorcycle CT100 priced at Rs 30,990 (ex-showroom Delhi).

The new variant, CT100B, delivers a fuel economy of 99.1 kmpl (kilometre per litre) and comes with a two-year warranty, the company said in a statement.

79,000 visit Auto Expo

A total of 79,000 visitors came to the Auto Expo as it opened to the public on Friday. The first day of last Expo in 2014 had seen 75,000 visitors. The Expo ends on Tuesday. Siam (Society of Indian Automobile Manufacturers) expects a total footfall of 700,000 at the Expo against 560,000 a year ago.

The Expo at Pragati Maidan has eight dedicated international pavilions—China, Japan, Taiwan, South Korea, Canada, the UK, France and Germany. The French and South Korean pavilions are an addition over the last Expo.

A representative of the South Korean delegation said there was keenness among industry players to work with the Indian automobile industry. A total of 11 South Korean players are displaying components, especially electronic auto components, where the dependence on imports is significantly high.

Manufacturers from the UK are participating under the aegis of SMMF, the British counterpart of ACMA, to explore opportunities in Indian automotive manufacturing. British companies want to invest in India, put up manufacturing facilities for electric cars and also collaborate in R&D for efficient fuel solutions.

Arvind Balaji, ACMA president and joint managing director of component maker Lucas-TVS, said, "This is the second year when the Component Show is being organised separately from the Motor Show. It has given us more space and attracts focused visitors.

We have had a record 1,500 participations this time. This shows that India is a market of the future. Everybody wants to establish a position in the country." The rising focus of international players means greater competition for quality and market share for the domestic players, many of which have a tie up with foreign companies.

Another highlight of the show is the Innovation Pavilion, spread over 100 square metres, and created to draw attention to the latest innovations which auto component companies have indigenously designed, developed, tested and validated in India. Companies such as Sona Koyo, Lucas-TVS and Brakes India showcased their innovations. ACMA has chosen 'Make Quality & Technology in India' as its theme this year. The component industry also made efforts to raise awareness about counterfeit products being sold in the replacement market through its 'Asli-Naqli' pavilion.

The \$38.5-billion component industry gets almost 30 per cent of its revenue from exports. The Automotive Mission Plan (AMP 2026), unveiled by the government last year, has set a target of a turnover of \$223 billion by 2026 for the auto components sector, backed by strong exports ranging between \$80-100 billion, from the current \$11.2 billion.

Source: Business Standard

Ferring to set up R&D centre with US\$ 250 million investment

Ferring Holding SA, Switzerland-based research-driven, specialty bio-pharmaceutical company, is planning to set up its R&D centre in Hyderabad at an estimated investment of \$250 million, said a top official of Telangana government.

Frederik Paulsen, chairman and Ashok Alate, India head of Ferring, met Telangana chief minister K. Chandrashekar Rao on Monday to brief him about the Swiss company's proposed investments.

The Telangana government assured all approvals as per the Telangana State Industrial Project Approval and Self Certification System (TSIPASS) to Ferring's proposal, including allotting 10 acres land at Genome Valley at Shamirpet, the hub of biotech and life-sciences companies some 40 kilometres from Hyderabad.

In addition to an R&D centre, Ferring is planning to make Hyderabad its commercial hub and manufacturing base, said Telangana industries secretary Arvind Kumar.

Ferring, founded by Frederik Paulsen in 1950 in two rented rooms in Malmö, Sweden, is a world leader in peptides or small proteins, with revenues of €1.5 billion in 2015.

The company makes products for reproductive health, gastroenterology, urology, orthopaedics and endocrinology.

Ferring has two plants in India, both in Maharashtra.

The Telangana government also signed memorandums of understanding with various pharmaceutical and biotech companies for investments worth Rs.1,000 crore on the first day of BioAsia 2016 on Monday, an annual industry event.

Source: Livemint

India-UAE to ink 16 pacts; investment, oil and IT top agenda

United Arab Emirates leader and Crown Prince of Abu Dhabi Mohammed bin Zayed Al Nahyan is set to arrive in India along with seven ministers on a visit. The visit is expected to witness signing of a landmark civil nuclear cooperation pact among agreements across sectors including a deal on security and information sharing to combat terrorists.

On his maiden visit to India in official capacity, Zayed Al Nahyan, chief architect of the UAE's counter-terror partnerships including that with India, also hopes to push bilateral trade and investments.

"India and the UAE hope to sign 16 agreements during the visit of Abu Dhabi crown prince. This includes a pact on civil nuclear cooperation involving power stations and setting up research and development centres," the UAE's envoy to India Ahmed AR Albanna told media persons, referring to the upcoming visit of the crown prince within six months of Prime Minister Narendra Modi's trip to the Gulf nation.

The UAE leader is scheduled to visit the country for three days, but he may extend the trip to attend the first day of the 'Make in India Week' in Mumbai on Saturday where business leaders from his country are among the participants.

On Friday, a business delegation of about a hundred people is expected to participate in the India-UAE economic symposium in Mumbai. The nuclear cooperation agreement to be signed with the UAE will be India's first with any West Asian nation. The UAE has civil nuclear pacts with France and South Korea, both of which have nuclear cooperation agreements with India as well. The remaining 15 pacts will cover security cooperation and information sharing in the light of bilateral counter-terror partnership; industrial cooperation, aerospace, finance, renewable energy, IT, cyber security and investments among other areas.

Albanna said that the joint statement that will be released after Modi-Al Nahyan meeting will deal with details on the counter-terror partnership. "This visit in many ways will reinforce the vision that was put in place by Modi's visit to the UAE last August and will uplift ties to strategic cooperation and strategic coordination on all regional issues and other major global issues," he said.

The UAE has deported a number of ISI-backed terror operatives and Islamic State (IS) radicalised youth to Delhi. Its leader's visit comes in the backdrop of the UAE handing over three Indian IS sympathisers to India last month, taking the total number of radicalised youth deported by the country since last year to a dozen. The UAE has set up two centres with the radical and extremist groups and individuals.

The country had come out in India's support within hours of the Pathankot attack and even suggested that the terror strike should be investigated, in what was seen as an indirect reference to Pakistan. The UAE envoy said that his country supports peace process between any two countries and that it would be glad to further India-Pakistan peace process if need be. Last year, during Prime Minister Modi's visit to both Abu Dhabi and Dubai, India and the UAE had announced a comprehensive counter-terror partnership that called for delinking terror from religion and denounced state-sponsored terrorism in an indirect message to Pakistan, the strong ties between Pakistan and the UAE notwithstanding.

The ministers expected to accompany the crown prince include the minister of state for foreign affairs, the minister of



interior affairs (brother of the crown prince), the minister of energy, the minister of economy, the minister of labour, the minister of state for renewable energy and minister of state for India.

Besides security matters, the key objective of the visit is to strengthen economic and investment ties. The UAE has identified key sectors including railways, housing, ports, roads and renewable energy (mainly solar) for investments in India as part of the \$75-billion investment fund announced during PM Modi's August 2015 trip by the Abu Dhabi Investment Authority. The authority and the Indian government held a brainstorming session in Delhi last week on investment proposals. Albanna said that government-funded private players from his country are also expected to make investment commitments in India this week. India is the UAE's biggest trading partner, with the figure touching \$ 60 billion last year.

Source: The Economic Times

Renault India to export Kwid, ramp up production

French automobile maker Renault would start exports of its car Kwid to SAARC countries and the car's parts to Brazil from March onwards and grow over 100 percent in the domestic market, a top official of the group's Indian subsidiary said.

The company would sell more than 100,000 units in the domestic market in 2016, launch a revamped Duster model and ramp up production of its car Kwid to 10,000 units next month, he said.

"Currently we are not big exporters of cars. But starting next month we will be exporting Kwid's parts to Brazil and completely built units (CBU) of the car to SAARC countries. We are also exploring African countries," Sumit Sawhney, country CEO and managing director, Renault India told reporters here late on Tuesday.

Without putting a number to export target, Sawhney said the company has also opened a parts distribution centre here where auto components are sourced and shipped out to Renault's other vehicle plants. According to him car segment priced less than Rs.8 lakh is logging growth for the industry. On Renault India's domestic plans Sawhney said the company is on target to have five per cent market share by 2017 as the current market share is around four percent.

He said the company will not only expand its distribution network to 240 by 2016 end but also introduce a mobile workshop. "The mobile workshop will be a proper workshop that can service around six cars a day. Our Lodgy car has been remodelled as a workshop. These vehicles can reach smaller towns for servicing," he added.

According to him, Renault India has over 100,000 bookings for its Kwid model and is the number two in its segment. He said Renault India's customer profile is equally distributed among first time car buyers, those who buy for replacement of their existing cars and also those who want additional car for the family.

"Around 14-15 percent are female buyers who get the vehicles registered in their names," he added.

Queried about the company's readiness to have its cars compliant to Bharat Stage VI (BS VI) emission norms by 2020 Sawhney said: "We are capable to meet the norms and are ready." According to him, the issue is the availability of quality fuel by 2019 so that vehicle manufacturers can test their engines.

"Cars fitted with Euro IV norms compliant engine can run with fuel used for Euro III engines. But a Euro VI emission norm complaint car can run only when it has the appropriate fuel," Sawhney added.



Source: Indo-Asian News Service

BSNL seeks partnerships with pvt sector

State-run BSNL is seeking partnerships with private sector rivals to generate revenue and return to profitability in a couple of years. To improve earnings and cut losses, BSNL has drawn up a strategy to use its underused network and forge agreements with private telecom players. This will also mean minimal capital expenditure, according to a senior BSNL executive.

An official of the department of telecommunications said, BSNL wanted to use its network, which is lying vacant at several places, optimally. The latest partnership being planned is with direct-to-home firm Tata Sky to offer BSNL's broadband subscribers video-on-demand. BSNL is also in preliminary discussions with Hathway and Den Cable for similar arrangements. "This has the potential of giving us revenue of Rs 300-400 crore annually," Anupam Shrivastava, chairman and managing director, BSNL, told Business Standard.

Experts said the best way out for the loss-making government undertaking was to allow private players to use its nationwide infrastructure and network. Private operators need not set up infrastructure all over again in rural areas. The company will mainly be investing in technology upgrades of its network and in more towers. It is also trying to come up with an attractive voluntary retirement scheme for employees.

BSNL is close to signing an agreement with Reliance Jio Infocomm, wherein the Mukesh Ambani company will use BSNL's network and infrastructure for voice services through intra-circle roaming arrangements. "We have done some testing with Reliance Jio. They will use our 2G and 3G networks to offer services to their customers and we are looking to offer 4G services to BSNL customers using their network," Shrivastava said. BSNL is also in talks with Aircel, Airtel and Telenor for similar intra-circle roaming agreements. To share its network for intra-circle roaming, BSNL has fixed charges at 25 paise a minute for voice, 25 paise a megabyte for data and 5 paise per SMS for any telecom operator. Intra-circle roaming could potentially create a revenue stream of Rs 3,000 crore in three years, Shrivastava added.

BSNL will come out with expressions of interest next month for a revenue-sharing model to launch 4G services. The services will be launched by the end of this year through partnerships with private network equipment providers, in a deal estimated at about Rs 1,200 crore. BSNL holds spectrum in the 2,500 MHz band in 14 circles, where it will launch 4G services. It has spectrum across India, except in Gujarat, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Kolkata, and does not operate in Delhi and Mumbai, where MTNL operates.

Recently, the company announced a soft launch of 4G services from Chandigarh with speeds of up to 100 Mbps. The service in Chandigarh is available only to employees, while customers can visit the 4G centre to experience it. After a successful pilot, BSNL aims to get into partnerships with equipment providers.

"We will not incur any capital expenditure on launching 4G services. We will go for a revenue sharing model with private equipment players and they will install equipment required for 4G, while we will offer spectrum," Shrivastava said.

The focus is now on offering 4G services through Wi-Fi hotspots. "We have set up 620 hotspots, which will be increased to 2,500 by the end of this financial year. By end of the next financial year, we will take the number to 40,000 on a revenue share and capital expenditure model," he added.

For BSNL, mobile services contribute Rs 13,500 crore, out of which 10 per cent comes from the data segment. "Data is going to be focus for BSNL and this will enable the revival of the company," he said. "We earn Rs 7,500 crore from broadband services. Going forward, the company expects revenue from combined data and broadband services to at least double to Rs 15,000-16,000 crore in the next two-three years."



DIPP pushes for 100% FDI in marketplace e-tail

E-commerce companies, many of them unicorns (valued at \$1 billion or more), could get full foreign direct investment (FDI) if a proposal of Department of Industrial Policy and Promotion (DIPP) passes muster.

Press Trust of India reported on Tuesday that the government was considering permitting 100 per cent FDI in the marketplace format of e-commerce to attract more foreign investments. This follows a recent meeting of top officials in DIPP, and the department of economic affairs and corporate affairs.

A DIPP official told Business Standard that the proposal to allow FDI in e-commerce marketplace had been in the works for quite some time. It is believed that while DIPP is bullish on permitting no-holds-barred FDI in the sector, finance ministry is yet to give a green light to the proposal. If it does get a go-ahead, online marketplace FDI rules would be a part of the detailed guidelines to be issued soon.

At present, while no foreign investment is permitted in e-commerce, there are no rules for those operating in the online marketplace format. Major online players, including Flipkart, Snapdeal, Amazon.in, Shopclues and Paytm, which are funded by marquee international investors, operate as marketplace firms, thereby skirting the FDI hurdle.

E-commerce companies have been in the news for the funds they have raised from foreign investors and the high valuations that have followed.

An online marketplace is seen as a technology platform where multiple sellers are hosted. But players in this space have often been under the scanner of regulatory agencies, courts and domestic retail lobbies over the FDI loophole.

Recently, the Delhi High Court had asked the National Democratic Alliance government to probe 21 e-commerce players for alleged violation of FDI rules.

However, clarity is expected in the online commerce space as Prime Minister Narendra Modi has backed it as a model for the future.

The recent start-up action plan, announced by the prime minister, is also meant to benefit a large number of e-commerce players among other internet companies.

Flipkart's Sachin Bansal, Snapdeal's Kunal Bahl, and Paytm's Vijay Shekhar Sharma, which are all likely to benefit if 100 per cent FDI is allowed in e-commerce marketplace, had interacted with Modi at the start-up event in January.

Many of the big names in the investment world including Masayoshi Son, founder of SoftBank, too, met the prime minister at the event.

SoftBank is an investor for many top internet companies in India including Snapdeal and Ola. Ahead of the 2014 Lok Sabha election, Modi had addressed retailers and asked them to embrace technology and e-commerce.

E-commerce is growing at a fast clip in India. In 2015, the market had risen from \$5 billion to \$8 billion. A Goldman Sachs report has projected that e-commerce in India could breach the \$100-billion mark by 2020.

As for FDI, the rules in the retail sector have remained complex and numerous, resulting in confusion. FDI norms for multi-brand retail, single-brand retail, wholesale, e-commerce, market place are all quite different from each other.

After years of a total ban on foreign investment, the United Progressive Alliance government allowed up to 51 per cent FDI in multi-brand or supermarket segment that's operated by the likes of Walmart and Tesco.

But it was left to the states to decide who wants foreign players and who does not.

Of the other categories in retail, 100 per cent FDI is permitted in single-brand as well as in cash-and-carry or wholesale business. While no FDI is allowed in e-commerce activities, the online marketplace has been out of the purview of any rules.

Indirect tax to help meet FY16 target

The finance ministry said on Wednesday that tax collections stood at Rs 10.7 lakh crore in the first 10 months of FY16. This constituted 73.5 per cent of the Budget estimates (BE) of Rs 14.5 lakh crore.

According to the ministry, direct tax collections might fall short of the Budget target of about Rs 8 lakh crore in FY16 but it would be offset by robust indirect tax collections. As such, direct tax collections might have a lower figure in the revised estimates of 2015-16, compared to BE, while the indirect tax mop-up would have a higher figure than BE of Rs 6.5 lakh crore. The ministry hoped it would meet tax collections target in FY16.

Amid critics doubting the latest gross domestic product (GDP) numbers, which showed the economy growing 7.6 per cent in FY16, Revenue Secretary Hasmukh Adhia said the latest tax figures supported the GDP data. On the first upload on YouTube by the finance ministry, Adhia said direct tax collections were up 10.9 per cent at Rs 5.2 lakh crore till January of FY16 over that in the year-ago period, while indirect tax mop-up grew 33 per cent to Rs 5.4 lakh crore. Within direct tax collections, corporate tax rose 10.4 per cent and personal income tax by 11.8 per cent.

Source: Business Standard

We make in India for the world: Oracle CEO Safra Catz

Emphasising that India is a great source of intellectual capital for the company, Safra Catz, global co-CEO of Oracle Corporation announced a further expansion of the India operations.

On her maiden visit to the country post her elevation as the CEO, Catz said that close to 40,000 of the Oracle's global employee base of 1,30,000 people are stationed in India. "We have nine regional development centres and over a week or so, we will announce an expansion" said Catz.

She was speaking at the Nasscom India Leadership Forum, which kicked off in Mumbai on Wednesday. Catz said that the reason behind the company's focus on the country was the strong developer skill set. "Our entire product lines are done out of here, India is our front office...it is from where we serve the world," she said.

Catz who shared the CEO's position at Oracle along with Mark Hurd focused a significant part of her address on the future of the technology which lies in cloud. "Moving to the cloud is the single largest opportunity we have to face it in our careers," she said. Catz equated the disruption being caused by cloud to the one caused by the Internet at the turn of the century.

By moving to the cloud Customers have the opportunity to acquire what they need quickly, pay for what they use, scale up quickly in case of peak demand, turn capex into opex and change their mind and do different things at the same time, she said. "Move in the Y2K brought them here (customers) and this (cloud) should carry them into the future, she said.

Though Catz didn't spell out the India expansion plans she said that it is an unbelievable source of intellectual capital. "The technology knowledge is so deep and we are making it in India for the world." Catz also called Prime Minister Narendra Modi's make in India and Digital India project not just ambitious but also inclusive.

Source: The Economic Times



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