

## Daily Economic News Summary: 13 October 2015

### 1. France to cooperate in Smart City, Railways & other projects

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

A delegation led by French envoy Francois Richier today met top officials of Union Territory administration and discussed a range of areas of cooperation including the Smart City project and providing high-speed connectivity between Chandigarh and Delhi. Delegation also called on Punjab and Haryana Governor Kaptan Singh Solanki, held detailed discussions with Adviser to Chandigarh Administrator, Vijay Kumar Dev and other top UT officials.

In a joint press conference with Dev here this evening, Richier said, the visit of the delegation to Chandigarh today was a followup of the visit of Prime Minister Narendra Modi to France in April this year, during which it had been agreed upon by the Indian and French sides to cooperate in various areas including the ones of relevance to Chandigarh. *"During the Indian Prime Minister's visit, the two countries had discussed a range of areas of cooperation including two which are directly of relevance for Chandigarh-Railways and Smart City projects,"* Richier said.

### 2. India-Israel to sign pact on Double Tax Avoidance during President Mukerjee visit

Source: **NDTV** ([Link](#))

India and Israel will sign a double taxation avoidance pact and explore ways to ramp up engagement in diverse sectors during President Pranab Mukherjee's three-day historic visit to the Jewish state, the first by an Indian Head of State, beginning tomorrow. Ahead of his visit, Israel said the main focus of the trip will be on "political side" though both sides will deliberate on enhancing ties in a range of areas, while calling the visit marking of a "historic political milestone."

Spokesperson in the Israeli Embassy Ohad Horsandi said the two countries will also ink a pact on cultural exchanges but a number of MoUs planned for signing during President Mukherjee's "landmark visit" could not be finalised. Both sides were in talks to ink MoUs on renewable energy and water sector. The pact on tax avoidance will help plug loopholes in tax evasion and ensure that the Indian or Israeli companies are taxed only where they have permanent establishments. President Mukherjee today arrived in Palestine after concluding his visit to Jordan. He will begin his three day-Israel visit tomorrow during which he will hold talks with President Reuven Rivlin and Prime Minister Benjamin Netanyahu among others.

### **3. August industrial output growth at 6.4%; retail inflation rises 4.41% in September**

Source: **Financial Express** ([Link](#))

Industrial output growth beat expectations to surge 6.4% in August from a revised 4.1% in the month of July, while retail inflation moved up to 4.41% in September, compared with 3.74% in the previous month, according to government data released on Monday. Analysts were expecting industrial output growth at 4.8% in August, and 4.3% rise in retail inflation, according to a Thomson-Reuters poll.

Manufacturing grew 6.9% in August, compared with -1.1% a year before, while mining rose 3.8%, against 1.2% in the same period last year. Electricity generation picked up 5.6%, thanks to an unfavourable base (The segment grew 12.9% in August last year). Food inflation — for long an irritant in the consumer price index (CPI)— stood at 3.88% in September, compared with 2.2% in August. This indicates that despite a deficient monsoon season, prices of most food items have not gone up, except for pulses which rose 23.65% in September, according to the data. However, some analysts point at a pick-up in core inflation.

### **4. E-commerce firms planning strategy around NDA's optic fibre rollout**

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

E-commerce firms such as Amazon and Snapdeal are firming up a strategy to leverage the opportunities offered by the National Democratic Alliance (NDA) government's efforts to connect 250,000 villages in India by 2019. This includes initiatives such as forays in regional languages and assisted shopping on e-commerce platforms through rural kiosks.

At the heart of this is the Rs.20,000-crore National Optical Fibre Network (NOFN), which aims to utilise the existing fibres of state-run units such as BSNL, Railtel and Power Grid to connect gram panchayats and blocks, an the growth of the e-commerce market. The Internet and Mobile Association of India (IAMAI) estimated the Indian e-commerce market at \$13.5 billion in 2014. This also comes in the backdrop of the government's plan to set up Rs.5,142 crore "rurban" project that entails the creation of 300 "smart village clusters" in the next three years. These will be built as economic hubs offering employment opportunities, bridging the urban-rural divide and reducing distress migration.

A Snapdeal spokesperson, said in an emailed response, *"Wider connectivity will strengthen the system both on the demand and supply side. Currently, more than 70% of our sales volumes come from Tier II and III towns and the hinterland. Our experience says that the average Indian consumer in non-metro regions is very aspirational, but has limited access. Online shopping allows the consumers to order products from a wide range of brands/sellers available at different price points, without needing to travel to a bigger town."*

## 5. OnePlus ties up with Foxconn to manufacture smartphones in India

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

Chinese smartphone vendor, OnePlus, has joined the Make in India bandwagon and announced its plans to manufacture smartphone in India. OnePlus has tied up with Foxconn for the local production of its smartphones at the Sri City facility in Andhra Pradesh. The first batch of made in India handsets will be available by end of 2015.

Company's founder and CEO, Pete Lau made the announcement stating, *"Today is a big day for us. Producing smartphones in India is one of the most important decisions that we have made so far at OnePlus, and we are thankful to the Government of Andhra Pradesh and Foxconn for helping us make this happen. India being one of our biggest markets worldwide, we are committed to a long term sustainable growth path. This move will strengthen our presence and help us step up momentum in India."* OnePlus plans to manufacture all the upcoming devices at this 30,000 sq ft Foxconn facility, which has the capability to manufacture 500,000 units a month. Xiaomi smartphones are already being manufactured at this factory.

## 6. Axalta Coating Systems plans to double its production capacity in India

Source: **Economic Times** ([Link](#))

Axalta Coating Systems, an American coatings supplier for the automobile industry, is planning to double its production capacity in India in a bid to wrest market share in original equipment manufacturers' segment, which is being dominated by Kansai Nerolac and Asian Paints. The \$4.3-billion company is keen to increase its presence here at a time when the Indian automobile market is growing at a sluggish pace. *"We are adding an automotive OEM coatings development laboratory to double capacity at our plant in Savli, Gujarat, which will help us attain the target of increasing our sales numbers from the Asia Pacific region to 25% of our global sales within the next 5 years,"* Charles W. Shaver, chairman and CEO, Axalta Coating Systems, told ET.

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