

Daily Economic News Summary: 25 May 2015

1. Simplified ITR forms by next week

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

The Finance Ministry will come out with simplified Income Tax Return (ITR) forms by the next week, replacing the controversial ones that have been put on hold. *"We will notify the new simplified ITR forms in a week,"* a top Government official said. The ITR forms were put on hold by the Ministry last month after the industry, assesseees and Members of Parliament voiced their reservations because of the cumbersome disclosure requirements. Talking to reporters, Finance Minister Arun Jaitley said 3-4 additions were made in the ITRs.

2. Indian mobile market to cross 300 Million devices in 2015: FICCI-EY

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

Mobile handsets market in India is expected to cross 300 million devices this year while only 46 million are likely to be built locally, says a report.

"The domestic market for mobile handsets is expected to cross 300 million devices in 2015, while the number of devices being manufactured locally is expected to be only 46 million," said a report by Ficci-EY titled *'Speeding Ahead on the Telecom and Digital Economy Highway'*.

In spite of India's market growing at a robust rate, almost 83 percent of the demand is met via imports, while domestic production and manufacturing continue to lag, the report said.

3. Domestic Air Traffic up 23% in April

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

Domestic Air Traffic grew 23 per cent in April year-on-year and IndiGo enhanced its leadership position, with 37.8 per cent market share in the month.

It was the fourth consecutive month of strong growth as air traffic expanded 23 per cent to 6.5 million in April from 5.3 million a year ago. In March, domestic air traffic had risen 18.8 per cent year-on-year. Passenger growth has been driven by low fares, which are about 20 per cent lower than last summer's.

Jet Airways remained number two, with 23.1 per cent share in April. Air India was third, with 16.2 per cent share.

4. GST and Land Bills priorities for the year ahead: Finance Minister

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

The National Democratic Alliance (NDA) government will push forward with a number of key reform measures through the next year, including Bills on public procurement, a bankruptcy code, resolution of contracts and enhancing ease of doing business at the entry point, said Finance Minister Arun Jaitley.

Speaking at a press conference to mark the completion of a year of the NDA government, Jaitley said one of the government's priorities was to get a constitutional amendment Bill for a goods and services tax (GST), as well as amendments to the land acquisition Act, passed in the monsoon session of Parliament. *"We have a clear road map for the next year. The first priority is to get the constitutional Bill on GST passed in the Rajya Sabha and the land Bill passed in Parliament. We have to start stalled projects. There is work to be done on as many as 16 stuck highway projects,"* he said.

5. CCI orders probe against Sweden's Ericsson

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

Fair trade regulator Competition Commission of India ordered a detailed probe against Swedish telecom giant Ericsson, after it 'prima facie' found the company in violation of the competition norms. The order follows complaints that the practices adopted by Ericsson with regard to royalty rates were discriminatory as well as contrary to FRAND (fair, reasonable, and non-discriminatory) terms, CCI said.

"The royalty rate being charged by Ericsson has no linkage to the functionality of the patented product rather it has linkage to the final price of the manufactured product in which the patent is being used. Ericsson seems to be acting contrary to the FRAND terms by imposing royalties linked with the cost of manufacturing product. Charging of two different license fees per phone for use of the same technology, prima facie, appears to be discriminatory," it said.

6. Two-wheeler makers on a scooter ride

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

In states with a large rural base, such as Uttar Pradesh, Bihar and Odisha, the share of scooters remains below 25 per cent. Guleria, however, is hopeful that with an improvement in rural infrastructure, the acceptability of this segment will increase. *“Currently, there are limitations in interiors, owing to smaller tyre size and ground clearance. If roads improve, the number of scooters could multiply in rural India,”* he says. HMSI claims to have a 56 per cent share in the scooter segment. Its volumes grew 32 per cent last year, it adds.

The second-largest player in the segment, Hero MotoCorp, saw scooter sales grow 10 per cent in FY15. *“We will be coming out with two new scooter platforms in the next two quarters. Our current scooter capacity is a million units and with the new launches, we look to gain market share,”* said a company spokesperson. Companies such as Honda and Hero also export scooters, with such shipments rising to 196,000 units last year. Other key players in the domestic scooter sector are TVS Motor, India Yamaha Motor and Suzuki Motorcycle India.

7. Summer holiday rush fuels business for travel firms

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

Tour companies have witnessed 20-25 per cent growth in domestic and foreign bookings in summer as holiday-goers are exploring newer destinations and taking advantage of exchange rate gains to travel to Europe.

Domestic tours have seen an upswing partly because Nepal packages have been cancelled after the recent earthquake. Tour operator Thomas Cook said bookings for domestic and outbound tours are up 20 and 26 per cent, respectively. Prices of foreign tours are lower by five-seven per cent compared with 2014 and this has boosted bookings for long-haul destinations.

8. Royal Orchid Hotels targets 50 hotels in two years

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

Bengaluru-based Royal Orchid Hotels is planning to expand its network to around 50 hotels in two years. The group, which operates 28 hotels, is set to add 8-10 hotels in India and abroad in the next one year, according to a senior company executive.

Having a strong presence in the south, the company is looking at expanding its network in the north and west.

9. Make in India: Ford may invest Rs 5000 crore in Chennai R&D centre

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

US automobile giant Ford Motor Company has decided to invest another Rs 4,000 to Rs 5000 crore in an R&D centre in Chennai, after investing a billion dollar in a second plant in Sanand, Gujarat, said people familiar with the development.

This development comes 10 months after its Global CEO Mark Fields promised Prime Minister Narendra Modi that he will do his bit for the government's Make in India campaign.

10. Civil Aviation Ministry not to regulate airfares after analysis, okays price structure

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

The civil aviation ministry has dropped its plan to regulate airfares. The decision, which spells a relief for airlines, came after the ministry's analysis of lowest and highest fares showed fares have come down or only marginally increased in the past few years.

The ministry has decided against regulating fares even as members of Parliament and a parliamentary panel urged it to put in place a mechanism. Its analysis since January-March 2014 on six key routes showed fares have lowered or marginally increased.

By Harsha Hazarika