

## Daily Economic News Summary: 27 May 2015

### 1. Speeding up defence deals: Government to ease offset clause for procurement contracts

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

The government will allow defence procurement contracts to go through even if negotiations for offset agreements linked to them are not sealed, in a landmark change in rules aimed at cutting down the time taken in closing purchases.

The defence ministry has, however, mandated that winners of contracts must seal offset arrangements, under which they are required to set up local manufacturing units or enter into sourcing deals locally, within a year of signing the main deal. *"So what we decided is to delink the conclusion of the main deal from the offsets because it takes time to identify partners,"* Defence Minister Manohar Parrikar told ET.

### 2. 60% believe their economic condition has improved in last one year: IBN survey

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

In one of the biggest ever surveys conducted to review the one year performance of the Central Government, IBN Network commissioned Axis-My India Survey has found a whopping 72 per cent population expressing satisfaction with Modi Government.

The Survey attributed the satisfaction to three key factors: development, skilful governance and lower prices. Majority (56 per cent) says Narendra Modi effective Prime Minister, having helped improve India's image globally.

The Modi Government has scored high with over 60 per cent believing their economic condition has improved in last one year. 55 per cent feel corruption has either come down or remained the same, while 32 per cent contend it has gone up.

### 3. F&B to become a Rs 3.8 trillion industry by 2016-17, says study

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

India's food and beverages (F&B) industry will expand at an average annual pace of 24% to reach Rs.3.8 trillion in sales by the year ending 31 March 2017, a report predicted on Tuesday.

Fast-food joints, which have the largest market share at 45%, will grow by 16.6% a year, said the report by consulting firm Grant Thornton India and lobby group Federation of Indian Chambers of Commerce and Industry (Ficci), followed by casual dining (32% share) expanding 10.1% annually.

Standalone restaurants, which comprise 22% of the market, is the fastest-growing, the report said, while the cafe segment with 12% market share is growing at 10.7% a year. Although fine dining constitutes only 3% of the market, the segment is seeing a renewed interest, particularly from multinational chains, the report said.

#### **4. Foxconn plans 10-12 new Indian facilities by 2020: Chairman**

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

Taiwan's Foxconn Technology, the world's largest contract electronics manufacturer, is aiming to develop 10-12 facilities in India, including factories and data centres, by 2020, Chairman Terry Gou said on Tuesday.

The company could spend a "few billion dollars" on developing the facilities, said Gou, whose company's listed flagship unit is Hon Hai Precision Industry.

#### **5. Government forms 10 member panel to revisit PPP infra model**

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

Government constituted a 10-member panel under former finance secretary Vijay Kelkar to revisit and revitalise public private partnership (PPP) mode of infrastructure development. Finance Minister Arun Jaitley in his budget speech for 2015-16 had made an announcement regarding the same.

The terms of reference of the Committee include measures to improve capacity building in government for effective implementation of PPP projects, review of experience of PPP policy, analysis of risks involved in such projects in different sectors and existing framework of sharing of such risks between project developer and government. Among others, it will deliberate upon design modifications to contractual arrangements of PPP, international best practices as well as institutional context.

## **6. Google India aims to bring 20 mn SMEs online by 2017**

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

Google India on Tuesday announced the launch of a nationwide initiative to help small and medium enterprises (SME's) to go digital and get online presence on Google search and Google maps, without having to invest in a website or domain.

As part of this new initiative, Google India aims to get 20 million SMEs online by 2017 by using a simple mobile based app called, '**Google My Business**', that will help businesses to create and manage their business information across Google products for free in both Hindi and English.

## **7. Walmart to open two wholesale stores in Andhra, Punjab**

Source: **Times of India** ([Link](#))

Continuing with its measured expansion of wholesale stores in India, US retail giant Walmart plans to open two more outlets — in Visakhapatnam, Andhra Pradesh and Ludhiana, Punjab.

## **8. Ericsson ties up with Sun TV, Tata Sky**

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

Communications technology and services firm Ericsson announced on Tuesday that it is eyeing a bigger share in the Indian television and content delivery market, which is growing at 12% year-on-year. Content delivery networks include cable, satellite, wireless and IP, or Internet protocol, the firm said.

Ericsson announced tie-ups with direct-to-home (DTH) operator Tata Sky and Sun TV, the broadcast arm of the Sun Group, for its video compression technologies. The new technology will enable Sun TV to reach 95 million subscriber households with a higher quality broadcast and will power all its 33 channels.

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