

## Daily Economic Newsletter: 3 August 2015

### 1. India to produce at least dozen billionaires among start-ups by 2020, says ASSOCHAM

Source: **The Hindu** ([Link](#))

India is expected to produce at least a score of billionaires and many times millionaires among the start-ups in the next five years with e-commerce, financial services and other technology driven fields generating the maximum interest, an Assocham study on start-ups has pointed out. *“India will be among the top Asian start-ups along with China and South-east countries. However, the structural problems in China are likely to create road blocks for the start-ups there and there is no such issue confronts the Indian start-ups,”* the paper said.

It said the maximum of value creation is expected in the fledgling e-commerce, music-entertainment, payment gate-ways and city transport aggregators such as radio taxis. The travel arena, especially in the ticketing and booking has already gained some level of maturity.

*“Within the e-commerce, a lot more verticals well beyond groceries and fashion and electronic items like mobile phones are expected to be created. Online food orders and cinema ticketing are already generating a good amount of volume. As the internet broad band increases in smaller cities, the trend is set to catch up in these areas,”* the paper pointed out.

### 2. Government announces highway projects worth \$93 billion to woo investors

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

Projecting the country's highways sector as a "unique opportunity" for investments, government has rolled out projects worth \$93 billion, including the \$45 billion flagship road building programme NHDP. Investment opportunities include "new models being rolled out both for greenfield (hybrid annuity) and brownfield projects (monetisation)," according to the Road Transport and Highways Ministry which has come out with a list of such projects.

To woo bidders, it said a "peep into opportunity" unfolds "20,000 kms of NHDP length with total investment of \$45 billion over next three years."

National Highways Building Project (NHDP) is government's flagship road building programme which envisages development of existing National Highways (NHs) into world-class roads in different phases. It is among the largest government-led PPP development programmes in the world.

### **3. Investors keen on India, need policy stability: Rothschild**

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

India is fast re-emerging as a good business destination among foreign investors, but they need greater assurances for stability of taxation and other policies before they start making strategic investments here, global investment banking giant Rothschild has said. *"The business community and the Indian nationals living outside the country trust this (Modi) government far more than the cynicism that has grown here lately,"* Rothschild India Managing Director Amitabh Malhotra said.

He said that a large number of business deals are taking place, although there has been some dip in the recent past and the majority of transactions are happening in the private equity space.

### **4. UTI MF crosses Rs 1 trillion mark: eyes leadership slots**

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

UTI Mutual Fund, the country's oldest fund house, has attained an asset base of over Rs one lakh crore with about one crore investor accounts and is now targeting leadership positions across various segments. Besides expanding its presence to smaller cities, the fund house is also looking to bolster its offerings in terms of pension and offshore market products, UTI Asset Management Company's Managing Director Leo Puri said.

UTI AMC, which runs UTI Mutual Fund, is also looking to launch an Initial Public Offer (IPO) to become the country's first asset management company to go public. Puri, a dual Masters degree holder from Oxford and Cambridge University of the UK, said UTI Mutual Fund has embarked on a robust growth path and is looking at leadership positions across various product segments.

*"We have an old legacy and that legacy was to democratize access to the capital markets. That mandate remains very relevant even today as we continue to have a very low penetration of 2-3 per cent of household participation despite all these efforts. Today we (UTI Mutual Fund) have folios of about one crore. The total industry is about 4.5 crore, so we have around 20 odd per cent of the total folios of the industry. But even if we double that, it would not be a very big penetration,"* Puri told PTI.

**5. Hyundai aims to cross 20% market share in PV segment by FY17**

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

Riding on newly launched sports utility vehicle Creta, Korean auto major Hyundai expects to cross 20 per cent market share in the Indian passenger vehicle (PV) segment in the next fiscal. The company, which has already received around 23,000 bookings for its recently launched Creta, has 17 per cent market share in the Indian passenger vehicle market.

*"We expect to gain 1 per cent market share immediately due to the response we have received for Creta. Going ahead, we will gain around 3 per cent market share in the passenger vehicle segment in the next fiscal, taking our share to over 20 per cent,"* Hyundai Motor India Senior Vice-President Marketing and Sales Rakesh Srivastava told PTI.

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