

Daily Economic News Summary: 9 October 2015

1. Government in FTA talks with Peru

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

The government is in advanced talks with Peru over a proposed free trade agreement, said Commerce Secretary Rita Teotia. Speaking at the Latin America and Caribbean Conclave organised by the Confederation of Indian Industry, she added an agreement facilitating more trade with Chile would soon be announced.

Current annual trade with Peru is \$1.1 billion. Major exports involve automobiles and cotton. India imports minerals and precious metals like gold. The secretary called for more trade in mining, information technology and allied services, and environmental technology. The Vice President of Costa Rica was present at the event, as were the ministers of foreign trade and industry from Nicaragua, Uruguay and Ecuador.

2. Foreign companies selected for preparing Smart City plans

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

Union urban development minister M Venkaiah Naidu on Thursday said there is a huge global interest in India's Smart City mission and companies from 14 countries like US, Canada, UK, France, Japan have been selected for preparation of Smart City plans for 42 mission cities.

Speaking at an event organised by FICCI in New Delhi, Naidu said that 88 Mission Cities have chosen consultants to assist them in preparation for their smart city plans. He said the mission has generated much interest abroad and companies from 14 countries including US, Canada, United Kingdom, France, the Netherlands, Spain, Italy, Belgium, Norway, Japan, Singapore, Hong Kong, South Africa and Abu Dhabi have been selected for preparation of city level Smart City Plans for 42 of the Mission cities.

"Think of Ecorys Nederland BV of Netherlands coming forward and winning the bid to prepare Smart City Plan for Bhagalpur in Bihar, Tractebel Engineering SA of Belgium being associated with smart city plan of Dharmashala in Himachal Pradesh, Haskoning DHV Consulting of Netherland with the little known Dahod in Gujarat, Mott MacDonald of United Kingdom with Jaipur, Deloitte Touche Tohmatsu of Japan with Bidhannagar in West Bengal, Data World of South Africa with remote Namchi in Sikkim," Naidu said naming the companies.

3. India among Kohler's 3 most strategic markets globally: David Kohler

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

David Kohler, president and chief operating officer of privately held Kohler Co., a manufacturing company best known for its plumbing products with global revenues of about \$6 billion, talks on the importance of India for the global business, how it compares with China and whether the new government has done enough to improve business.

Edited excerpts from an interview:

How does the India unit fit in with your global business?

India is absolutely one of our top three strategic markets.

We are number one in the US and we're number one in China. We're not number one in India yet—although we're the number one international brand here—but India is right up there in our three most strategic markets globally because we think if we can lead in India over time, as well as the US and China, that's really global leadership because of the importance that this economy and country will play over time.

How does India compare with China in that?

China was competing neck and neck with India. Now, India has pulled ahead in growth terms, since the slowdown in China in the last 12 months, and India is now the fastest growing geography globally.

4. Lacoste plans to double India store count over next five years

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

Lacoste, the premium French brand of clothing and accessories, plans to double its store count in India over the next five years. Having entered India in 1993, it has so far managed to open only 50 outlets across the country. *"The fiscal year ended March 2015 was bad, and we had to slow down our expansion. We closed the year about 5-10% below target. However, things are looking better this year. We plan to open nine new outlets in financial year 2016, and double our store count in five years,"* said Rajesh Jain, managing director and chief executive officer (CEO) of Sports and Leisure Apparel Ltd, which has exclusive rights to manufacture and market Lacoste products in India.

Over the next five years, Jain said Lacoste's sales in India are also expected to double from the current level. However, he declined to disclose revenue details. The company is yet to file its mandatory annual returns for fiscal 2015 with the Registrar of Companies.

5. Gionee to start assembling all phones in India

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

Smartphone maker Gionee on Thursday said it plans to start assembling all mobile phones in India by March, 2016, which will be sold exclusively in the domestic market. *"By March, 2016 we expect to assemble all phones that will be sold in India at two outsourced locations in the country. So, we will be selling all 'Made in India' phones in India. We will have first such phone before Diwali,"* Gionee India Country chief executive officer and managing director Arvind Vohra said. The company has partnered with Dixon Technologies and Foxconn for making phones in the country, with an investment of over Rs 300 crore in next three years.

6. If China is successful, India will be even more successful: Martin Sorrell CEO, WPP

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

Martin Sorrell, chief executive officer of WPP, the world's largest advertising conglomerate, is betting big on India, he told ET. Edited excerpts:

Martin Sorrell: *"The Indian economy is growing at a strong rate. Our business here is growing at 10 per cent. We are adding people, which is good for employment. We have 15,000 people here. If we continue to grow at 10 per cent, we will add another 1,000 jobs quite easy. And the odds are we will grow again by 10% next year. If you look at the BRIC countries, then India is the last man or woman standing. "*

Your revenues in India are currently at \$600 million. From where do you think the next \$600 million will come from?

Martin Sorrell: *"It will come a little bit from acquisition, but mainly it will come from organic growth. The media market is growing at 12.5 per cent. There will be acquisitions, but they will be small. When you are growing at \$60 million a year, you can't find a \$60 million revenue acquisition here in India. "*
