

Daily Economic News Summary: 1 May 2015

1. India, Japan ink action agenda to boost trade and investment

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

In a boost to Prime Minister Narendra Modi's 'Make in India' campaign Japan and India have inked a five-point action agenda to increase bilateral trade and investment between the two nations. The five-point agenda includes development of selected townships in India as Japanese industrial townships, promotion of investment and infrastructure development, further development and cooperation in IT sector, enhancing cooperation in strategic sectors and Asia-Pacific economic integration.

2. India, Japan look to boost ties in IT sector; eye Internet of Things, Big Data

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

India and Japan on Thursday said new frontier of Information Technology (IT) such as Internet of Things (IoT) and Big Data along with high skilled Indian IT engineers and entrepreneurs can boost Indian and Japanese companies' creative business activities and promote innovation.

India's communications and IT minister Ravi Shankar Prasad and Japan's minister of economy, trade and industry Yoichi Miyazawa, in a joint statement, emphasized the need of business promotion and human resource interaction of both countries in the IT field and shared the view that the interaction will promote mutual investment.

3. Out to score on Ease of Doing Biz, Modi Sarkar hits peak form

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

Entrepreneurs keen on setting up new enterprises will be able to incorporate one by filing just one form against eight separate forms earlier, as part of the government's drive to make it easier to do business in the country.

The corporate affairs ministry will from May 1 have integrated company incorporation form to make compliance and reporting easier and convenient for corporate houses. This is part of the government's drive to improve India's ranking on the globally tracked parameter of ease of doing business.

This is a priority area for PM Narendra Modi, who has made it a personal mission to improve India's scores on this parameter. The government wants to reduce the time taken to register a company in India to one day.

4. Large cement manufactures hit by unseasonal showers

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

Sales volume for large cement companies fell in the three months ended March, traditionally a strong quarter before the June-to-September monsoon season slows construction activity, as unseasonal rain in many parts of the country that destroyed crops led to an unexpected drop in demand from rural areas.

Rural demand was expected to improve but that did not happen, said Shrenik Gujrathi, an analyst with Angel Broking Pvt. Ltd. *“With no change in the minimum support prices for agricultural produce this year and the unseasonal rain seen in the last quarter, rural demand was subdued,”* he said. *“In addition, demand from the infrastructure sector is yet to pick up.”*

5. Mumbai realty firms report good sales despite slowdown

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

A clutch of Mumbai-based real estate firms reported good home sales in the three months ended March even as a slowdown continues to subdue property markets and prices remain high.

An April report by Elara Securities (India) Pvt. Ltd said fourth quarter sales at a pan-India level across cities were muted despite marginal price correction across certain pockets. The market in the national capital region (NCR) remains under pressure and Mumbai continues to see sales volume only in select projects. However, Bengaluru and Pune remain resilient, the report said. *“Mumbai will continue to witness pressure on residential sales except some projects, which have the advantage of a good location and developer brand. High prices in the city will continue to be a dampener,”* said Adhidev Chattopadhyay, analyst, Elara Securities.

6. Toyota asks Govt to remove “Unique Regulations” in Auto Sector

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

Toyota Kirloskar Motor's Managing Director Naomi Ishii has asked Government to “eliminate unique regulations” like low tax for cars below a particular size to make the ambitious ‘Make in India’ programme successful in the auto sector. While noting that India had 5-10 times more regulations than Thailand or Indonesia, he also said ‘Make in India’ initiative will enhance

India's competitiveness. When asked to explain "unique regulations", he referred to the sub-4 meter regulation.

At present, cars with a petrol engine capacity under 1,200 cc or diesel engine under 1,500 cc and with a length shorter than four meters attract an excise duty of 12 per cent. However, if the length is more than 4 meters, the duty could go as high of 30 per cent depending on the size of the car.

7. Core Sector industries record 0.1% growth in March, lowest in 17 months

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

Registering a negative growth of 0.1 per cent in March, the eight core industries recorded their lowest performance in 17 months, due to a steep decline in production of steel, cement and refinery products.

The output had expanded by 4 per cent in March 2014. The previous low logged by the core industries was in October 2013 at (-) 0.6 per cent. The growth of eight core industries - coal, crude oil, natural gas, refinery products, fertilizer, electricity, steel and cement - was 1.4 per cent in February 2015.

For the full 2014-15 fiscal, the production growth of eight sectors also slowed down to 3.5 per cent, from 4.2 per cent in previous financial year ended in March, 2014.

By Harsha Hazarika