

## Daily Economic Newsletter: 21 October 2015

### 1. India asks BRICS to invest; woos with low corporate taxes

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

India today asked BRICS partners to invest in its flagship programmes like 'Make in India' and 'Skill India', asserting that the government has laid down a clear roadmap for lowering corporate taxes which has created immense opportunities for foreign investors. While addressing a meet of BRICS (Brazil, Russia, India, China and South Africa) Ministers of Industries, External Affairs Minister Sushma Swaraj also made a strong pitch for removal of structural impediments for increasing trade engagement amongst members of the group. *"We have laid down a clear roadmap for lowering corporate taxes. There is also a renewed thrust on public investment in infrastructure. All these create immense opportunities for companies from BRICS countries to work in India,"* Swaraj said. India also invited the BRICS partners to actively participate in its flagship initiatives including 'Make in India', 'Smart Cities' and 'Skill India'.

### 2. Tirupati on “Make in India” map as Indian, Chinese handset cos check in

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

After the Chinese giants, a bunch of domestic companies and some more investors from across the border are now entering the mobile manufacturing arena and are set to invest around Rs 2,000 crore in a telecom hub that will manufacture handsets as well as components. Four domestic mobile handset players — Micromax, Karbonn, Lava and Celkom — and Vikin Communications, a Chinese firm, will be among the first set of manufacturers to check into the proposed hub in Tirupati. Headsets player Guangdong Wivtak Technology and microphone and speakers maker Huicheng Acoustic Technology are also setting shop in the 120 acre facility.

Sources said the new production facility will result in creation of around 10,000 jobs. These are among the latest set of investors, including Xiaomi, Gionee, One Plus and Asus, who have docked into the Indian mobile manufacturing space over the last 12-15 months. Xiaomi and Gionee have started manufacturing, while One Plus and Asus have announced manufacturing plans.

### **3. Fiat India CEO Kevin Flynn to break into top league with new line of products, improved dealer margins**

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

For Fiat Chrysler Automobiles, the Indian market has been an enigma. The Italian-American automaker is making another attempt to unlock it, addressing dealer problems and reworking product plans under its new India Chief Executive Officer Kevin Flynn. Chrysler was one of the oldest companies to make vehicles in India, in as early as the 1940s. In partnership with the Walchand group, it launched a Plymouth car and Dodge truck. Later, local automaker Premier tied up with Fiat to make the Fiat 1100. While both Plymouth and Fiat 1100 are favorites among collectors of vintage models, latest cars from the now merged entity are mostly missing from India's crowded roads.

In September, the company, known also as FCA, sold just 539 cars in India. Its monthly count is often five to eight units per outlet and its products in India are dated — except a few facelifts — compared with those from rival automakers. Several top-level executives — the head of sales, head of marketing and the senior sales planning executive — left the company in recent months, and the new India chief executive has launched another round of restructuring to revive the brand. *"I'm learning and dealing with this business in a multitude of levels. No loss of faith in this country,"* Flynn, an Englishman who spent six years in South Africa before relocating to India seven months ago, told ET in an interview.

### **4. Accessible India: Disabled friendly initiatives to earn firms brownie points from Modi Government**

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

India Inc will soon have an incentive to design disabled-friendly buildings and human resource policies. A new index, likely to be unveiled by Prime Minister Narendra Modi on December 3 as part of 'Accessible India' campaign, will rate companies across public and private sectors for disabled -friendly initiatives. December 3 is celebrated as the International Day of Persons with Disabilities.

The Modi government will kick off the exercise with a rating of 10 private companies from different sectors including textiles and manufacturing, said an official, who did not wish to be named. The campaign will involve a number of programmes aimed at making India more disabled friendly, he said. The proposed index will give credits to companies for disabled-friendly office buildings, the number of disabled persons on their rolls, investment in training and career development of the disabled staff and the quality of facilities provided to them.

## **5. Airtel raises \$400 million more from sale of Africa assets**

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

Bharti Airtel Ltd, the world's fourth largest telecom service provider by revenue and subscribers, has raised \$400 million more from the sale of telecom towers in Africa, taking to \$1.7 billion the proceeds from an effort to monetize its assets in the continent to reduce debt, mimicking a strategy it has adopted successfully in its home market.

India's largest phone company will lease back the towers from the buyers, which make up 60% of the total towers the company owns in Africa, as part of the so-called asset-light approach. Proceeds of the deals will help reduce the company's debt, which stood at \$10.7 billion at the end of June. The company took on most of the debt when it bought the Africa assets of Kuwait-based Zain in 2010 for almost \$10 billion, as well as from spending on new spectrum acquisition in India and technology deployment.

The \$1.7 billion it has raised from the sale of 8,300 telecom towers includes the sale of base stations in five African countries for \$1.3 billion that Bharti Airtel announced in July. Bharti Airtel had an estimated 12,000 towers in Africa before the July sale, meaning that the effort to monetize assets in the continent is still a work in progress. *"Tower sales and lease back shall continue to remain a strategic priority for Airtel in all its operating countries across Africa and accordingly the balance towers will also be disposed over a period of time,"* the company said in a statement on Tuesday.

## **6. Reliance Capital to buy Goldman Sachs mutual funds business in India**

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

Reliance Capital Ltd's (R-Cap) asset management unit has signed agreements to acquire mutual fund business of Goldman Sachs Group Inc. in India—Goldman Sachs Asset Management (GSAM)—for Rs.243 crore (\$37.5 million) in an all-cash deal, the company said in a statement on Wednesday.

GSAM India has total assets under management (AUMs) of Rs.7,132 crore (\$1.1 billion) as on 30 September. This includes Rs.2,172 crore (\$334 million) of AUMs in the central public sector enterprises (CPSE) exchange-traded funds (ETFs). With this acquisition, Reliance Capital Asset Management Ltd, part of Anil-Ambani led Reliance Capital, will become the exclusive fund manager for the government's CPSE ETFs.

GSAM India currently manages 12 mutual fund schemes, including 10 ETF schemes, and is the largest ETF provider in India. The boards of both the companies have already approved the

transaction, which is expected to be completed by end of this fiscal year, subject to regulatory approvals, the statement said. As a part of the transaction, RCam will extend employment offers to all of GSAM India's employees dedicated to supporting the ETF business.

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