

## Daily Economic News Summary: 28 April 2015

### 1. PM's Visit: Seoul may pledge \$10B support

Source: **Economic Times**

Modi's maiden trip to South Korea as PM is scheduled for May 18-19, following his trips to China and Mongolia. The tour may fetch \$10 billion for his pet projects, including Smart Cities, Digital India and Swachh Bharat Abhiyan.

India and South Korea are negotiating terms for the package, which will be funded by South Korea's Export Import Bank and the country's export council to boost India's infrastructure spending.

### 2. Japan's delegation to present paper on doubling FDI to PM Narendra Modi

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

A Japanese delegation led by Minister for Economy, Trade and Industry Yoichi Miyazawa and comprising top executives of companies such as Suzuki, Toyota, Honda, Toshiba, Hitachi Tsumitomo, Mitsui and Mitsubishi are set to meet Prime Minister Narendra Modi this week to present a paper on doubling that country's direct investment in India.

This is the first such mission to seek an audience with Modi, after both nations made an announcement last September to double Japanese business enterprises as well as investment in India in five years. The paper that the group of more than 20 Japanese business persons is set to present will highlight their business plans in India.

### 3. PE investments in real estate up 85% in January-March period

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

Private equity (PE) investments in India's real estate companies rose 85% in the January-March period from a year ago. PE firms invested Rs.5,168 crore in real estate firms during the period, up from Rs.2,800 crore a year ago, the report from global property consultancy Cushman and Wakefield said. However, compared to the October-December quarter, the investment was 5.6% lower.

Improving macro-economic conditions and increasing capital requirements of the Indian real estate sector have sparked PE firms' growing interest in real estate firms.

#### **4. How Tata-SIA joint venture Vistara fared in first 100 days of operation**

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

Vistara, Tata-Singapore Airlines' full-service carrier, hasn't had a spectacular start. In operation for over 100 days — operating 35 daily frequencies to 10 cities with six aircraft — the airline reported load factors of 53.6% during the month of March, the lowest in the industry.

The average industry load factor, not counting Vistara, came to 79%. Vistara had, on an average, filled 58.6% of its planes in February and 45.4% in January. Other airlines like Jet Airways and Kingfisher Airlines had better initial results — 79% and 63% load factors, respectively, in their first months. Jet Airways, of course, had just one competitor in Air India.

Vistara said its loads must be seen in the context of its three-class configuration which none of its peers offer. More than one-third of the airline's seating capacity is premium — a combination of business and premium economy.

#### **5. Air Asia follows Vistara's footsteps, will add flights from Delhi**

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

AirAsia is exploring flights to Imphal, Kolkata, Lucknow, Raipur and Pune from its soon-to-be-launched Delhi hub. The airline will begin operations from Delhi on May 21 with flights to Bengaluru, Goa and Guwahati.

AirAsia India — a joint venture between Malaysian low-cost airline AirAsia, Tata Sons and Telestra Tradeplace — began operations from Bengaluru last June. AirAsia's entry to Delhi comes on the heels of Vistara's expansion.

## **6. India Ratings puts FY16 growth at 7.7%**

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

India Ratings, a Fitch group company, projected the country's economic growth at 7.7 per cent this financial year. The Union Budget assumes 8.5 per cent growth for 2015-16. The Reserve Bank of India's estimate is 7.8 per cent. And, 7.5 per cent is what was pegged by both the International Monetary Fund and the World Bank.

While the growth would be boosted by higher domestic consumption, demand abroad will remain lacklustre, India Ratings said. It projects industrial growth to be 6.5 per cent in 2015-16 against 5.9 per cent in FY15.

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