

Daily Economic News Summary: 28 July 2016

1. India shines for Apple as China leads global dip

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

India has once again proven to be a bright spot for Apple. The American tech giant is enjoying a fast paced growth here at a time when worldwide business is slowing down due to reversal in the China region, the most critical market for the maker of iPhones. Apple CEO Tim Cook showered praise on the Indian operations as he announced quarterly results at the company's headquarters in the US. *"India now one of our fastest growing markets. In the first three quarters of this year, our iPhone sales in India were up 51% year-on-year,"* Cook said in an investor call after the results.

2. Medical Tourism sees healthy growth: 1.3L visas in 2015

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

India has seen a huge jump in the number of visas given to patients, indicating a further liberalization of the visa regime. The number of medical visas given in 2014 was 75,671, which increased to 1,34,344 in 2015, up by almost 80%. The first six months of this year has seen 96,856 medical visas issued. This follows the online tourist visa scheme that was initiated in 2013 and has gradually been increased to 150 countries. The highest number of patients in 2015 came from Bangladesh (68,034), followed by Afghanistan (19,644), Nigeria (5765), Iran (5656) and Oman (4728).

3. India inks \$1Bn deal with Boeing to buy 4 more P-81 aircraft for Navy

Source: **Indian Express** ([Link](#))

Adding more teeth to the Navy's surveillance capabilities, India on Wednesday signed a deal worth over \$1 billion with American defence and aerospace major Boeing for procuring four additional Poseidon-8I long-range maritime surveillance and anti-submarine warfare aircraft. The US has emerged as the biggest supplier of military hardware to India and with Wednesday's agreement, the total value of defence deals signed with the US in the last decade comes to around \$15 billion.

According to defence sources, the contract is a follow-on order to the eight P-81 planes worth \$2.1 billion bought by India in a direct deal with Boeing in 2009. The contract was inked during the ongoing visit of US Under Secretary for Defence on Acquisition Frank Kendall and is seen as a sign of growing Indo-US defence ties, defence officials said. India had last year signed a \$3 billion contract with the US through Foreign Military Sales route for 22 Apache and 15 Chinook helicopters. India is also working on a deal to get 145 pieces of M777 light-weight howitzers from the US, the sources said.

The acquisition of additional 'P-8I' will be a shot in the arm for the Indian Navy as the country has been building up its naval surveillance capabilities in recent times. Armed with deadly Harpoon missiles, light-weight torpedoes and rockets among others, the Navy is extensively using the P-8I to keep a strict vigil on the Indian Ocean, which has seen numerous Chinese submarine forays, including the docking of a nuclear submarine in Sri Lanka. The Navy will also be able to drop and monitor son buoys being used in the search for the missing AN32 aircraft of the Indian Air Force, they said.

4. Cabinet approves Bilateral Investment Treaty between India and Cambodia to boost investment

Source: **Press Bureau of India** ([Link](#))

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved Bilateral Investment Treaty (BIT) between India and Cambodia. The Treaty seeks to promote and protect investments from either country in the territory of the other country with the objective of increasing bilateral investment flows. The Treaty encourages each country to create favourable conditions for investors of the other country to make investments in its territory and to admit investments in accordance with its laws.

5. The Chatterjee Group buys 90% stake in Mitsubishi Chemical India

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

Purnendu Chatterjee-led The Chatterjee Group (TCG) has picked up a majority stake in Mitsubishi Chemical Corporation's (MCC) Indian unit in Haldia in West Bengal for an estimated \$48 million (Rs 322.27 crore) which has given TCG management control of the sick company. According to the share purchase agreement, of the 6.4 billion shares of MCPI (MCC PTA India Corporation) - the Haldia-based Indian entity of MCC, TCG will buy 5.8 billion shares or pick up 90 per cent stake in the company with MCC retaining 600 million shares.

The process of the share transfer will include conversion of the MCC loans to MCPI into common shares, and increase MCPI capital share with MCC as underwriter by the share transfer date, which is scheduled for the end of October this year. This will increase the percentage of the MCPI common shares held by MCC to a maximum of 99.4 per cent. After completion of the above capital increase, MCC will transfer all the shares except for a shareholding ratio of nine per cent to TCG on the share transfer date resulting in MCPI becoming a non-consolidated affiliate of MCC. With a total investment of around Rs 3,600 crore made in two phases, MCC's Indian entity has an installed capacity of 1.27 million tonne per annum and has a turnover of around Rs 6,000 crore. The total capital of MCPI is valued at Rs 739.3 crore.

6. Hero Electronix buys India Biz of Germany's TES DST Holding

Source: **Hindu Business Line** ([Link](#))

Electronics and technology solutions provider Hero Electronix on Wednesday said it has acquired India business of TES DST Holding Europe, an electronic design company headquartered in Germany. The new business has been acquired through Tessolve Semiconductor, in which Hero Electronix took strategic stake in April. With this new development, Hero Electronix now has a dedicated electronics system design arm — Tessolve Embedded Systems – that will focus on supporting the design and manufacture of innovative electronic products for global companies, the company said.

This acquisition is another step towards building Hero Electronix into a \$1-billion global digital products and solutions enterprise through investments in engineering-led and IP-driven businesses, the company said. Hero Electronix and its group companies plan to invest ₹1,000-1,200 crore in the next 5-7 years for expansion, it said. *“This acquisition will help us in offering sophisticated technological products that encompasses embedded software and hardware development for domains like automotive, avionics, transportation, industrial and home automation,”* Ujjwal Munjal, Founder-Director, Hero Electronix, said.

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