

## Daily Economic News Summary: 29 October 2015

### **1. India is crucial to Facebook;s mission to connect next billion people to Internet: Mark Zuckerberg**

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

Facebook founder Mark Zuckerberg said that India is crucial to the company's mission to connect the next billion people to the Internet, and added that one job is created for every 10 people that get access to Web, as he pitched connectivity as a tool for removing poverty. *"India is the world's largest democracy... When you have a mission of connecting a billion people in the world, you can't do that without connecting everyone in India,"* Zuckerberg told a cheering crowd of around 1,000 students and guests at IIT-Delhi. *"Over a billion people in India do not have access to the Internet,"* he said.

*"For every 10 people that get access to Internet, one job is created and one gets lifted out of poverty. There's just a tremendous opportunity in India,"* he added. Zuckerberg said that Facebook had made investments in introducing new types of schools in Africa. *"Hope to bring them to India too."* The 31-year-old billionaire was addressing his first town hall in India - Facebook's second largest market after the US with around 137 million users - on his second visit to the country. His visit comes around a month after his public meeting with Prime Minister Narendra Modi on the latter's recent trip to the US.

### **2. Weak rupee, high import tax factors behind high prices; company investing in India for long term: Apple**

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

Apple has acknowledged that the higher pricing of iPhone 6s and 6s Plus in India and some other markets due to foreign exchange fluctuations has had an impact on their sales, but said it's investing for long term in the country. *"We've adjusted some prices around the world for the launch of iPhone 6s and 6s Plus... Obviously when we increase prices around the world, it's normal to see some impact on sales rates,"* Luca Maestri, Apple's chief financial officer, said in response to a query about the currency movement and impact on demand in terms of volume units and revenues in some regions like India, Japan, and parts of Europe during the Cupertino-based company's fourth quarter earnings call on Wednesday. But Maestri also said it was too early to arrive at any conclusion. *"...because the phones have been out there just for four weeks, so it's bit early to tell. But so far we were encouraged by the response,"* the Apple CFO said.

### **3. India's startup boom echoing in ad campaigns**

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

Every one is obsessed with start-ups. According to software lobby group Nasscom, India is one of the first five largest start-up communities in the world, with the number of (technology) start-ups crossing 4,200—a growth of 40%—by the end of 2015.

A start-up, many believe, is launched every day in India. Some think that's a conservative estimate. So far this year, start-ups have attracted investments of \$5 billion, according to Nasscom. Several students at the Indian Institutes of Technology (IITs) and Indian Institutes of Management (IIMs), India's premier educational institutions, are taking the plunge and starting something instead of joining a big-name consulting firm or tech company.

### **4. Amazon's JV Cloudtail is its biggest seller in India**

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

Cloudtail India Pvt. Ltd, a joint venture between Amazon.com Inc. and N.R. Narayana Murthy's Catamaran Ventures, has become the biggest seller or merchant on Amazon India's platform, underlining how the world's largest online retailer has used loopholes in the law to deploy a mix of the marketplace and the direct-selling business model in India.

Cloudtail is now the key growth driver for Amazon India, generating at least 40% of the company's sales in some months, three people familiar with the matter said. Cloudtail is particularly dominant in electronics and fashion sales, two of the three largest categories for Amazon India (promoted by Amazon Seller Services Pvt. Ltd). Since it launched as a seller on Amazon in July 2014, Cloudtail has expanded aggressively. Its capital was increased to Rs.500 crore last month from just Rs.500,000 last July, according to documents available with the Registrar of Companies (RoC). The equity capital has been pumped in jointly by Amazon Asia and Catamaran through an entity called Prione Business Services Pvt. Ltd. Apart from the Rs.500 crore in equity capital, Cloudtail has access to secured loans totalling Rs.300 crore, RoC documents show.

## **5. India is in a magic moment: Ericsson India head Paolo Colella**

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

"India is in a magic moment," says Paolo Colella, head of Region, Ericsson India, in his first media interaction since taking over on September 1. Speaking to ET's Romit Guha and Danish Khan, Colella noted India's potential as a market, given the focus on digitizing India and the explosion of mobile data. He added that the country could well be an exporter of new business models revolving around mobiles.

### **What are your first impressions of India as a country and as a business market?**

*I find India thrilling and fast moving. India is in a magic moment from the business perspective - with the government's agenda to develop Digital India, to India being the third largest market for startups. If you combine that with improving infrastructure, fiber optics and 4G deployment, and 3G doing well, the next year would be phenomenal. India is developing a digital identity around mobile. In future, India could be the exporter of new business models that are centered on mobile.*

## **6. India is a complicated market and needs to be understood by playing here: Carlos Ghosn**

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

Carlos Ghosn, the 61-year-old CEO of Renault-Nissan alliance, has taken charge of various automotive companies when they were staring down the barrel, and managed to turn them around in quick time. Not only did Ghosn revive them, he transformed them into profit making and innovative ventures. Today, he heads three global automotive firms -- the French car maker Renault, Nissan Motors and the Russian automaker AVTOVAZ. Ghosn, who speaks four languages fluently, is delighted at the response the alliance's new offering the Kwid got, and is ready to bet big on the Indian market.

In a free-wheeling chat with ET's Nabeel A Khan in Tokyo, Ghosn touches on all the buzzing issues. Edited excerpts.

### **Where does India feature in Nissan's overall mid-term plan?**

*India is a market with highest growth of about 7-8% growth in 2015 against the large markets around the world. We think India is in a situation where it can be on top in terms of growth compared with the large markets. It is very rare that one or two carmakers have over 70% market share, so India is the only one of this kind. This opens up an opportunity for small players like us. India is a complicated market and needs understanding. You need to understand*

*this market by playing here -- it's a trial and error thing. So, whatever mistakes we have made, we are correcting them. That's the way you learn here; Kwid is a result of this trial and error method.*

## **7. Japan's NTT Communications to invest Rs 1000 crore in India**

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

Japan's NTT Communications expects to spend about Rs 1,000 crore over the next three years in India as the company is applying for a national long-distance licence and expanding its data centre business, President and Chief Executive Tetsuya Shoji said. *"We are looking to cater to Indian demand. We have invested 20 billion yen (Rs 1,079 crore) in three years and we see a similar investment horizon going forward,"* he told ET. The company is applying for a long-distance licence to interconnect its data centres and client locations with optical fibre cables, he said. There were no synergistic assets available to be bought in the market. There are companies such as Tulip Telecom that ran optic fibre to service corporate customers' Internet connectivity, and are now stressed assets. However, Shoji said none made a good fit for NTT. While the company may opt to lease some unused optic fibre cables, it is not looking at an acquisition at the moment.

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By Harsha Hazarika