

Daily Economic News Summary: 2 November 2015

1. India become world's 7th most valued "nation brand"; US on top

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

India has moved up one position to become the world's seventh most valued 'nation brand', with an increase of 32 per cent in its brand value to \$2.1 billion. The US remains on the top with a valuation of \$19.7 billion, followed by China and Germany at the second and the third positions respectively, as per the annual report on world's most valuable nation brands compiled by Brand Finance.

The UK is ranked 4th, Japan is at fifth position and France is sixth on the list. While India and France have moved up one position each since last year, all the top-five countries have retained their respective places.

2. Indian medical tourism industry to touch \$8 billion by 2020: Grant Thornton

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

As healthcare turns costlier in developed countries, India's medical tourism market is expected to more than double in size from USD 3 billion at present to around USD 8 billion by 2020, a report says. According to a CII - Grant Thornton white paper, cost is a major driver for nearly 80 per cent of medical tourists across the globe. The cost-consciousness factor and availability of accredited facilities have led to emergence of several global medical tourism corridors - Singapore, Thailand, India, Malaysia, Taiwan, Mexico and Costa Rica. *"Amongst these corridors of health, India has the second largest number of accredited facilities (after Thailand). The Indian Medical Tourism market is expected to grow from its current size of USD 3 billion to USD 7-8 billion by 2020,"* Grant Thornton India's National Managing Partner Vishesh C Chandiok said.

3. Domestic Air traffic to soar 3 fold to 218 million by 2025: Report

Source: **NDTV** ([Link](#))

The number of air travellers in the country is slated to rise more than threefold to 218 million by 2025 from 70 million in 2015 and each metro requires a second greenfield airport to handle the traffic, a report says. According to the report commissioned by Vistara airline and conducted by industry body CAPA (Centre for Asia Pacific Aviation), aviation can contribute 5 per cent to the country's GDP or USD 250 billion by 2025. This would mean the existing airports in the metros would not be able to meet the rising demand.

By the turn of 2015, international traffic to the country would be 120 million, up from 51 million, the report said, adding that this would further jump to 254 million by 2035, while the domestic load would stand at 527 million by 2035. Similarly, the report pegs the fleet strength to rise more than threefold to 1,084 by 2025 from 394 in 2015 and further to 2,564 by 2035. The report called for increasing investment in airport infrastructure, airspace management and skill development as the sector is going to witness massive demand by 2025, which would necessitate that each of the major metros would have to have a new second airport.

It said the incremental domestic traffic handled in the past 10 years was almost three times greater than in the previous 50 years. The Vistara-CAPA report, titled 'Maximising the contribution of aviation to the economy', projected employment generation of over 2.3 million (both direct and indirect) by 2050.

4. India may need to import 10 million tones of pulses

Source: **The Hindu** ([Link](#))

India may have to import a large quantity of 10 million tonnes of pulses if the domestic production-consumption mismatch has to be bridged, leaving the government with a daunting task, an Assocham study has said. *“Considering deficit in rainfall for 2015-16, it is expected that the production of pulses for the year would decrease slightly to 17 million tonnes as against 17.2 million tonnes recorded in 2014-15. Further with the rise in demand it is expected that a total of 10.1 million tonnes of pulses might have to be imported,”* the paper noted.

But given the global supply constraints, the demand-supply gap may be difficult to achieve this year. *“While we are coping with the difficult situation this year, we cannot afford to continue with it since shooting prices of essential food items create adverse eco system and negative discourse. Besides, it adds to food prices which cannot be allowed again to creep into the main inflation,”* Assocham Secretary General Mr. D.S. Rawat said. The issue of meeting

the domestic demand for pulses goes beyond facing the challenge of footing increased import bill. The efficient distribution of available pulses across regions is going to be the biggest challenge to the policy makers. Therefore, it would remain a challenge for the Central and state governments to ensure significant improvement in the pricing situation.

5. Foreign ancillary firms plan to set up base in India

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

Many foreign ancillary firms that supply defence components to big manufacturers are moving to set up base in the country, eyeing the thousands of crores of opportunity that is set to open soon with government raising foreign investment limit for the sector and finalising an offset policy. The Foreign Investment Promotion Board (FIPB) has received a number of proposals from smaller firms manufacturing defence-related products, a finance ministry official said. These proposals will come up for approvals once they have been vetted. *"There seems to be growing interest in defence...There are proposals from smaller companies and also those manufacturing dual-use products,"* said the official.

The government has also worked out the defence offset policy that will be announced soon. *"Seventy to eighty thousand crores of orders will come from the offset policy alone,"* a senior government official said. Offset policy relates to local sourcing or manufacturing foreign manufacturers have to do in respect of their defence orders.

6. India will be Datsun's gateway to the world, says brand head

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

The relaunch of the Datsun brand may have got off to a slow start for Nissan Motor Company, but the Japanese carmaker sees it as an important pillar in expanding its footprint which will bring in incremental sales in the future. India, the first market where the company has relaunched the brand, will be a gateway to Africa, SAARC countries and Southeast Asia in the coming years, the head of Datsun brand Vincent Cobee told ET. The company is looking at several new markets and almost a third of Datsun's production will go towards exports in the short to mid-term, he said. *"In the short-term, there are at least 10-15 countries we could consider. In Africa, if I sell Datsun Go, it will be made in India. It is not unreasonable to think that the Chennai plant will export Datsun to 10-20 countries; India will grow, export will grow, a good balance will be two-thirds India and onethird exports,"* said Cobee.

7. Commerce ministry firming up Africa focused export strategy

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

The commerce department is firming up an export strategy focused on Africa, giving a new dimension to the government's strategic push for ties with the continent that could offer a large market for Indian goods at a time of slowing global demand. While India has offered a \$10 billion credit line to Africa, the department has extended the benefits under the Merchandise Exports from India (MEIS) scheme to many goods headed for Africa to make the most of this credit. Senior government officials led by commerce minister Nirmala Sitharaman will next week apprise Parliament's consultative committee on plans to address India's continuously falling exports, with a focus on Africa and the country's neighbours. The meeting is to be held in Goa on November 6-7.

"Since the situation is not good globally, we have decided to focus on exports to Africa and our neighbouring countries. We can use our competitiveness in these markets to increase exports. We are working on an export strategy for next week's meeting," said a commerce department official, who did not wish to be named. At the meeting the committee will also discuss Foreign Trade Policy (FTP) 2015-20 and its implications on exports, the official said. The steady decline in exports has triggered apprehensions that India may even miss last year's exports figure of \$310.5 billion. Merchandise exports fell nearly a quarter in September, the tenth straight month of decline, raising worries that shipments may fall short of last year's levels.

By Harsha Hazarika