

## Daily Economic News Summary: 7 May 2015

### 1. India Smartphone shipments shrink 7% in Jan-March quarter: CMR

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

Smartphone shipments in India dipped 7% in the first quarter this year to 19.5 million units, impacted by change in duty structure and restricted supplies from China.

The overall mobile handsets market in the country, including feature phones, declined 15% to 53 million units in the January-March period, compared to the previous three months (October-December 2014).

### 2. Sales of ACs hit by delayed summer and unseasonal rains

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

A delayed summer and unseasonal rains across the country have compelled air conditioner makers to revisit their sales targets for the year as consumers postpone planned purchases.

Industry body Refrigeration and Air Conditioning Manufacturers Association (RAMA) lowered its growth target in April to 8-10% from 10-15% estimated earlier, according to Krishan Sachdev, president of RAMA. “*With early showers across the country, sales of ACs have been very slow,*” Sachdev said.

To be sure, AC sales over the last three years have been subdued and the industry has not seen any significant growth due to delayed summers, rising power tariffs and increasing prices of air conditioners on the back of fluctuating foreign exchange rates and commodity prices.

### 3. Indian e-commerce market to account for 2.5% of GDP by 2030: Goldman Sachs

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

The e-commerce market will account for 2.5% of the India’s GDP by 2030, growing 15 times and reaching \$300 billion. The current market size of e-commerce is \$20 billion. The report by Goldman Sachs cited the “*hyper growth in affordable smartphones, improving infrastructure, and a propensity to transact online,*” as key growth factors.

#### **4. Centre, states to finalize GST fine print**

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

With the Constitution amendment bill for the roll-out of a goods and services tax (GST) nearing legislative passage, the Centre and the states are moving towards finalizing the design of the indirect levy.

The states and the Centre have to finalize the fine print so that the central GST (CGST) law, the state GST law and the integrated GST law (IGST) could be framed and tabled in the monsoon session of Parliament. To be sure, this hinges on the Rajya Sabha also approving the Constitution amendment bill in the ongoing budget session.

The government plans to implement GST from 1 April 2016.

#### **5. Cabinet nod to foreign investment in completed rent-yielding assets**

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

Removing a major hurdle in making real estate investment trusts (REITs) in India more marketable, the cabinet on Wednesday approved a proposal to allow foreign investment in completed rent-yielding assets.

REITs are proposed as listed entities that primarily invest in leased office and retail assets, allowing developers to raise funds by selling completed buildings to investors and list them as a trust. REITs are expected to open up an estimated \$20 billion opportunity for the real estate sector. Till now, foreign investment was allowed only in under-construction projects under development, not completed rent-yielding assets.

#### **6. Honda to Make India hub for 2-wheeler operations**

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

Honda Motor of Japan aims to turn India into its largest two wheeler operations globally, as it takes the production capacity to 64 lakh units in the next two years with a fresh investment of 1,775 crore into new plants and products.

## **7. Air Travel in India sees 17.9% rise in March: IATA**

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

Air travel demand in India rose by nearly 18 per cent in March, more than-two fold of the global average, on account of improved economy and market stimulation by way of heavy discounts offered by the Indian airlines during the period, the IATA today said.

Domestic air travel rose by 8 per cent in March year-on-year, driven by growth in China and India, the International Air Transport Association (IATA) said in its monthly global traffic data report.

## **8. CCEA raises FDI approval floor to Rs 3000 crores**

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

The Cabinet Committee on Economic Affairs (CCEA) has raised the threshold for foreign direct investment requiring its approval to Rs 3,000 crore from the present Rs 1,200 crore. The proposal had been made by the department of industrial policy and promotion (DIPP) under the ministry of commerce and industry.

*“This was done in line with the government’s effort to boost the Make in India campaign and increase the flow of foreign investment,”* a senior DIPP official told Business Standard after the CCEA meeting, chaired by Prime Minister Narendra Modi.

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