

15 August 2018

India Focus

this issue

Industrial output jumps 7% in June..P.2

NITI Aayog launches "Pitch to MOVE" P.4

Gen V K Singh, Minister of State for External Affairs, visits Singapore P.9

Shri Raghvendra Singh, Culture Secretary visits Singapore P.10

Forthcoming Events P.13

SIDELINES

Unfurling of the national flag at the High Commission on the occasion of 72nd Independence Day



Gen V K Singh at the Asean-India Ministerial Meeting in Singapore

TOP NEWS

IMF forecasts India's GDP to grow at 7.5 per cent in 2019/20 fiscal year

PTI: August 10, 2018

New York: India's GDP is poised to grow by 7.3 per cent in the 2018-19 fiscal and 7.5 per cent in 2019-2020 on strengthening of investment and robust private consumption, the IMF said in its latest projection.

The International Monetary Fund (IMF), in the report published on Tuesday, said the near-term macroeconomic outlook for India is "broadly favourable."

Growth is forecast to rise to 7.3 per cent in fiscal year 2018/19 and 7.5 per cent in 2019/20 on strengthening investment and robust private consumption, the report said.

Headline inflation is projected to rise to 5.2 per cent in fiscal year 2018/19, as demand conditions tighten, along with the recent depreciation of the rupee and higher oil prices, housing rent allowances and agricultural minimum support prices, it said.

The current account deficit is projected to widen further to 2.6 per cent of the GDP on rising oil prices and strong demand for imports, offset by a slight increase in remittances, the report said.

It said that financial sector reforms have been undertaken to address the twin balance sheet problems, as well as to revive bank credit and enhance the efficiency of credit provision by accelerating the cleanup of bank and corporate balance sheets.

"Stability-oriented macro-economic policies and progress on structural reforms continue to bear fruit" in the country, the report said.

It said following disruptions related to the November 2016 currency exchange initiative and the July 2017 Goods and Services Tax (GST) rollout, growth slowed to 6.7 per cent in fiscal year 2017/18, but a recovery is underway led by an investment pickup.

Headline inflation averaged 3.6 per cent in fiscal year 2017/18, a 17-year low, reflecting low food prices on a return to normal monsoon rainfall, agriculture sector reforms, subdued domestic demand and currency appreciation.

The report recommended that continued fiscal consolidation is needed to lower elevated public debt levels, supported by simplifying and streamlining the GST structure.

Further, while important steps have been taken to improve the recognition of Non-Performing Assets (NPAs) and recapitalise Public Sector Banks (PSBs), more needs to be done.

With demand recovering and rising oil prices, medium-term headline inflation has risen to



High Commissioner delivered the President of India's address to the gathering



Cultural performances by enthusiastic students of Indian schools, cheered by more than 800 people attending the flag hoisting ceremony



4.9 per cent in May 2018, above the mid-point of the Reserve Bank of India (RBI)'s headline inflation target band of about four per cent.

However persistently-high household inflation expectations and large general government fiscal deficits and debt remain key macroeconomic challenges.

"Systemic macro-financial risks persist, as the weak credit cycle could impair growth and the sovereign-bank nexus has created vulnerabilities," the report said.

Economic risks are tilted to the downside, the report said, adding that on the external side, risks include a further increase in international oil prices, tighter global financial conditions, a retreat from cross-border integration including spillover risks from a global trade conflict, and rising regional geopolitical tensions.

"Domestic risks pertain to tax revenue shortfalls related to continued GST implementation issues and delays in addressing the twin balance sheet problems and other structural reforms," it said.

IMF Executive Board Directors welcomed the strong economic growth and commended the Indian authorities for the important and wide-ranging reforms.

While noting the broadly positive outlook, the directors observed that risks are tilted to the downside from external factors, such as higher global oil prices and tighter global financial conditions, as well as domestic financial vulnerabilities.

Against this background, they underscored the need for continued prudent macroeconomic policies and renewed emphasis on macro-financial and structural reforms.

IMF's mission chief for India Ranil Salgado told PTI that India is a source of growth for the global economy for the next few decades and it could be what China was for the world economy.

"India now contributes, in purchasing power parity measures, 15 per cent of the growth in the global economy, which is substantial," Salgado said.

Industrial output jumps 7% in June to 5-month high; manufacturing up 6.9%

Business Standard: August 13, 2018

New Delhi: The country's industrial output jumped seven per cent in June to a five-month high, due to a boost in manufacturing growth as

well as an uptick in capital goods production.

In June, the Index of Industrial Production (IIP) grew at almost double the pace of May when it had risen 3.92 per cent. This can be attributed mainly to the manufacturing segment — constituting the bulk of the index at 77.6 per cent — growing by 6.9 per cent, up from only 2.8 per cent in May.

Among the 23 sub-sectors within manufacturing, only four recorded a year-on-year contraction, down from 10 in May. Industries such as electronics, auto, pharma, food, metals, non-metallic products etc, continued to do well. Economists said that higher growth rates within manufacturing resulted due to favourable base effect of negative growth in 2017 for manufacturing and the overall industry. "While the progress is very good, it needs to be seen if this can be sustained, as this growth in June comes on top of major destocking and production cuts undertaken last year due to GST. If these rates are sustained over the next 2-3 quarters, we can hope to get to the 5-6 per cent mark for the year, which will be a significant recovery. We can expect a slack in consumption during July and August, which should bounce back subsequently once the festival season begins from late august," said Madan Sabnavis, chief economist at CARE Ratings.

On the other hand, mining output rose 6.6 per cent in June, in line with expectations. Subsequently, growth in electricity generation was at 8.5 per cent, more than double the 4.2 per cent in May. The sensitive capital goods segment, which connotes investments, saw output rise 9.6 per cent. This was a departure from the declining pace of growth in capital goods production.

In May, the sector had seen a 7.56 per cent rise, down from the 11.9 per cent in April.

Similarly, growth in the infrastructure/construction goods segment also picked up in June at 8.5 per cent, much ahead of the 4.9 per cent seen in the previous month when cement and steel production had taken a dip.

"The encouraging news is the jump in production of capital goods and infrastructure/construction goods" said Chandrajit Banerjee, Director General of the Confederation of Indian Industry.

Even on a low base of last year, this could be the reflection of the positive investment trend, in sectors such as roads, railways and affordable housing. What is also noteworthy is the spike in consumer durables demand," said Chandrajit Banerjee, Director General of the Confederation of Indian Industry.

In June, the consumer durables segment showed signs of firmly escaping the spell of low growth and contraction seen over the past few months, with growth jumping more than 13 per cent, up from only 4 per cent in May. A sharp contraction in gold jewellery output — a possible outcome of the multi-billion-dollar Nirav Modi scam — had contributed to the subdued growth in the greater part of 2018, economists had earlier pointed out. However, growth estimates in the medium term were not clear. "Primary goods — one of the lead indicators of industrial growth — is exhibiting good growth and gives confidence of sustained industrial recovery. But intermediate goods — the other lead indicator — does not give much confidence on sustainability of industrial growth. Nonetheless, a second consecutive year of near-normal monsoon, higher MSP, and government focus towards infrastructure and housing is likely to keep demand momentum strong," said Devendra Kumar Pant, chief economist at India Ratings & Research.

Northeast to get Rs 100-bn digital boost on 415 projects by 2022

Business Standard: August 13, 2018

Guwahati: Aiming to make the Northeastern states of the country digitally empowered, the government plans to invest close to Rs 100 billion (Rs 97.61 billion to be specific) by 2022 on 415 projects in the region. The investments will go towards telecom infrastructure, BPOs, electronics manufacturing, digital payments, start-ups and cyber security.

This is part of the NDA government's vision document for 'Digital North East 2022', which was unveiled at a mega event here on Saturday. The document refers to around 50 digital initiatives planned for each state in the region.

The objective is to provide high-speed broadband to all gram panchayats or equivalent local bodies through optical fibre, apart from ensuring mobile phone connectivity to all villages. The other goals include adoption of common service centers, providing better access to quality health, educational and agricultural services through use of digital technologies.

While the National Informatics Centre (NIC) will set up a regional data centre with cloud infrastructure in Guwahati, the Department of Telecommunications (DoT) will accelerate the implementation of BharatNet project in the region.

Of the total investment planned for the digital initiative, a major chunk — more than Rs 78 billion — will come from the DoT. The Ministry of Electronics and IT will fund projects to the tune of Rs 14 billion, while the Ministry of Development of North Eastern Region will spend more than Rs 4 billion. Another Rs 530 million is expected from the Home Ministry. Also, private sector investment is pegged at Rs 700 million.

"This is the first time that the central government has conducted an in-depth analysis of the strength and weaknesses of the states in the Northeast before finalising a comprehensive investment programme," Electronics and IT Minister Ravi Shankar Prasad said.

The Minister added that NDA government is working to realise the party's dream of creating a 'New India', which is truly inclusive. The Minister said the Centre's role was to ensure that all people, irrespective of region and race had equal opportunities and were equally benefited from the development initiatives of the government.

The event saw participation from all north-eastern states including chief ministers of Assam and Tripura.

With this mission in place, the government will work to accord a major thrust on electronics manufacturing through special incentives, Prasad said. In fact, an electronics manufacturing cluster has been inaugurated in Guwahati with a potential to create 8,000 jobs. Simultaneously, the government has doubled the seats for BPOs in the region to 10,000 from 5,000 earlier.

"The idea is to leverage digital technologies to transform the lives of the people here and ensure inclusive and sustainable growth," Prasad said.

Nine of 44 economic corridors to be connected via expressways soon

Business Standard: August 07, 2018

New Delhi: Nine of the 44 economic corridors planned under the Union government's ambitious Bharatmala scheme will soon be linked through expressways. The government intends to facilitate seamless trade by reducing the distance between connecting cities, saving cost, time, and fuel.

This exercise will be undertaken by the Ministry of Road Transport and Highways (MoRTH) and the National Highways Authority of India. "Besides building new alignments on the nine economic corridors, optimising existing expan-

sion of roads is also a priority for us,” Road Transport Secretary Y S Malik said here.

The list of nine corridors include Delhi-Vadodara, Chennai-Salem, Ambala-Kotputli, Amritsar-Jamnagar, and Raipur-Vizag. Details of the remaining corridors are being worked on.

“The new alignments on these corridors will considerably cut travel time between the two cities, thereby leading to savings of time, fuel, and carbon emissions,” he said. The distance from Delhi-Vadodara will be reduced by about 10 per cent after the new alignment is built. The current distance between the two cities is 1,033 km and there will be a reduction of 113 km after the new expressway is constructed. Similarly, the distance between Amritsar (Punjab) and Jamnagar (Gujarat) will be curtailed by 10 per cent, from nearly 1,430 km.

While in most cases, the distance will be slashed by about 10 per cent, in the case of Ambala in Punjab to Kotputli in Rajasthan, it will be reduced by nearly 25 per cent. These economic corridors have been planned for seamless trade by promoting integration between the road and rail routes. They are part of the Bharatmala Pariyojana approved by the Cabinet, last year, which involves 24,800 km of national highway development by 2021-22. These corridors also carry a high volume of traffic. As the government envisages constructing greenfield projects, ensuring timely land acquisition will also be on the central government’s priority list. For future highway projects, the MoRTH is contemplating a slightly different approach as far as land acquisition is concerned. “We will look at acquiring land on one side of highways instead of both, while expanding the existing roads,” Malik said, adding this will reduce the number of trees required to be felled for construction. Another important aspect of the highway project execution is the detailed project report (DPR), which plays an instrumental role in the final outcome of the projects with minimal hiccups.

India to comfortably achieve 100 GW solar energy target by 2022: Govt

PTI: August 07, 2018

New Delhi: India is all set to comfortably achieve 100 GW of solar energy capacity by

2022 and has already installed solar capacity of 23.12 GW till July this year, Parliament was informed today.

The data regarding generation of power from various renewable energy projects is consolidated by the Central Electricity Authority (CEA).

“The Ministry of New and Renewable Energy (MNRE) has planned a detailed trajectory so as to meet the target of 100 GW by 2022. A capacity of 23.12 GW was already installed up to July 2018. Projects of around 10 GW are under implementation and tenders for additional 24.4 GW have been issued,” Power and New and Renewable Energy Minister R K Singh said in a written reply to the Rajya Sabha.

“The country is on track to comfortably achieve the target of 100 GW of solar capacity by 2022,” he added.

The minister said solar power projects require around 4 to 5 acres of land per MW and the MNRE monitors the development of upcoming and commissioned renewable energy projects with implementing agencies like Solar Energy Corporation of India (SECI), National Thermal Power Corporation (NTPC), state nodal agencies and state governments/UT administrations through regular meetings, video-conferences and on the site visits.

Karnataka topped the installed solar energy capacity chart at 5.16 GW followed by Telangana at 3.4GW and Andhra Pradesh at 2.56 GW as on July 31, 2017, the minister noted.

In another reply to the House, the minister said the National Institute of Solar Energy (NISE) has assessed the solar power potential of the country at 748 GW.

Solar energy output in the country was 25.87 billion units in 2017-18, which was higher than 13.49 billion units in 2016-17, 7.44 billion units in 2015-16 and 4.59 billion units in 2014-15, it stated.

NITI Aayog launches "Pitch to MOVE"

Press Information Bureau: August 14, 2018

NITI Aayog has launched “Pitch to MOVE” - a mobility pitch competition that aims to provide budding entrepreneurs of India a unique opportunity to pitch their business ideas to a distinguished jury. Startups working in the various fields of mobility can pitch their ideas to industry leaders and Venture Capitalists for raising invest-

ments. Winners of the event will be felicitated by Hon'ble PM during the Global Mobility Summit. "Pitch to MOVE aims to identify and incentivise the startups, which will help the Government realize its vision of Shared, Connected, Intermodal and Environment Friendly Mobility for India. The objective is to harness the latest disruption for generating employment and growth in our country. We look forward to working together with these startups", said Dr. Rajiv Kumar, Vice Chairman, NITI Aayog.

The importance of mobility as the potential driver of innovation, job creation, economic growth and social change for the 21st century is highlighted time and again. With rapidly evolving technologies and business models for delivering mobility services, our goal of cleaner and more efficient mobility systems will be achieved with the help of the dynamic entrepreneurial class of India.

Commenting on the launch, Mr. Amitabh Kant, CEO NITI Aayog noted that "Pitch to MOVE" provides a golden opportunity for early and late startups to push their ideas to reality.

About "Pitch to MOVE"

"Pitch to MOVE" is organised by NITI Aayog in collaboration with Invest India and Society of Indian Automobile Manufacturers (SIAM) as a part of a series of engaging featured events in the run up to the main event. The Summit is scheduled to be held on 7th and 8th Sep 2018 at Vigyan Bhawan, in New Delhi and is being inaugurated by the Hon'ble Prime Minister of India.

The competition aims to identify and reward the start-ups offering innovative solutions for shared, connected, and environment friendly mobility. The Startups can be from the domain of Public Mobility, Electric Vehicles, Shared Transport, Last Mile Connectivity, Passenger Transportation, Battery Technology, Automotive IoT, Freight & Logistics, Powertrain/Drivetrain, Experiential, Travel, Mobility Infrastructure and Automotive Electronics etc. The Mobility Pitch Competition is open to primarily startups from various parts of India who are interested in showcasing their business ideas to jury members.

The event is planned in two rounds

Round 1: Call for Applications

From 12th August 2018 to 23rd August 2018

Interested participants to fill out a detailed application about their startup on the website (<http://mobilitypitch.movesummit.in/>). The applications will be screened by experts from the industry and selected candidates will be called for the next round.

Round 2: The Final Pitch

On 4th September 2018 in New Delhi

The participants selected in Round 1 will be called to pitch in front of a Jury in New Delhi. Participants will be judged on various parameters and finally 3 startups will be chosen as winners.

The winners of the mobility pitch will receive support from the VCs and additionally have the opportunity to be felicitated by the Hon'ble Prime Minister on the 8th September 2018 during the Valedictory session of MOVE Summit.

For last date of submissions for the event is 23rd August, 2018 and for more details visit <http://mobilitypitch.movesummit.in>

PM Modi to launch India Post Payments Bank on Aug 21

PTI: August 06, 2018

New Delhi: Prime Minister Narendra Modi on August 21 will launch long-awaited India Post Payments Bank (IPPB) that will have at least one branch in every district and focus on financial services in rural areas, a senior official said.

"The Prime Minister has given time on August 21 to launch IPPB. Two branches of the bank are already operational. Rest of the 648 branches will be launched across country in every district," a senior official of the communications ministry told PTI.

IPPB will leverage reach of 1.55 lakh post office branches to provide banking and financial service to people in rural area.

"Government is trying to link all the 1.55 lakh post office branches with IPPB services by the end of this year," the official said.

This will create the country's largest banking network with direct presence at village level.

Last week, IPPB CEO Suresh Sethi said that IPPB will go live with 650 branches in addition to 3,250 access points co-located at post offices and around 11,000 postmen both in rural and urban area will provide doorstep banking services.

IPPB has permission to link around 17 crore postal savings bank (PSB) account with its account.

With IPPB in place, people in rural area will be able to avail digital banking and financial services, including money transfer, to any bank account either with help of mobile app or by visiting a post office.

IPPB was the third entity to receive payments bank permit after Airtel and Paytm. Payments

banks can accept deposits up to Rs 1 lakh per account from individuals and small businesses.

The postal payment bank has permit to carry RTGS, NEFT, IMPS transaction that will enable IPPB customers to transfer and receive money from any bank account.

The payment bank will be used by government to distribute NREGA wages, subsidies, pension etc. The IPPB app which is expected to be launched on same day will enable customers to pay for services of around 100 firms including phone recharges and bill, electricity bill, DTH service, college fees etc that are present on Bharat Bill payments system of National Payments Corporation of India.

Fiscal deficit, core sector boost for Modi govt ahead of RBI policy review

Business Standard: August 01, 2018

New Delhi: The Centre's fiscal deficit for the April-June 2018 quarter came in at Rs 4.29 trillion, or 68.7 per cent of the 2018-19 budgeted estimate of 6.24 trillion, the official data released on Tuesday showed. This compares favourably to the fiscal deficit for the same period last year, primarily due to lower administrative expenditure and non-tax revenue.

The fiscal deficit was at 80.8 per cent of 2017-18 budgeted estimates in the April-June quarter of the last fiscal.

"The fiscal deficit for Q1 FY2019 recorded a mild year-on-year decline in absolute terms, with a robust 34 per cent expansion in revenue receipts and 27 per cent growth in capital expenditure," said Aditi Nayar, Principal Economist at ICRA.

For 2018-19, the Centre's fiscal deficit target is 3.3 per cent of gross domestic product, compared with provisional estimates of 3.53 per cent in 2017-18.

According to the data released by the Controller General of Accounts (CGA), tax revenue for April-June was Rs 2.37 trillion or 16 per cent of the BE, compared to 14.5 per cent for the same period last year. The total receipts of the government were Rs 2.78 trillion during or 15.3 per cent of the BE, compared to 13.1 per cent for the same period last year.

Total expenditure during the first three months of the 2018-19 was Rs 7.07 trillion or 29 per cent of the budgeted estimates. The capital expenditure was Rs 870 billion or 29 per cent of the full-year

target. Revenue expenditure was Rs 6.2 trillion, or 29 per cent of the full year-target, compared with 31.7 per cent for the same period last year, primarily on back of lower pending subsidy payments.

"The low growth in revenue spending was due to a contraction in outgo towards subsidies. Capital spending recorded a substantial growth in the first three months of this fiscal, led by sectors, such as roads and railways," Nayar said.

Notwithstanding the mild improvement in the fiscal deficit relative to the year-ago level, various fiscal concerns persist, including whether the budgeted targets for GST revenues, dividends and profits and disinvestment would be realised, and whether the outlays required for revised MSPs, the National Health Protection Scheme, fuel and other subsidies, and bank recapitalisation would prove to be adequate," Nayar said.



MARKETS

FPIs' net inflow at Rs 2,300-cr in July

PTI: August 06, 2018

New Delhi: Foreign investors poured in over Rs 2,300 crore in the Indian capital markets in July, after pulling out funds for three months in a row, largely due to expectations of a lower trade deficit following a correction in crude oil prices.

The latest inflow comes after such investors had taken out more than Rs 61,000 crore from the capital markets (equity and debt) during April-June. Prior to that, FPIs had invested Rs 2,662 crore in March.

According to the latest depository data, foreign portfolio investors (FPIs) pumped in a net sum of Rs 2,264 crore in equities in July and Rs 48 crore in the debt market, taking the total net investments to Rs 2,312.

"The inflows were more in line with what has been happening around in the world, but can't attribute anything specific except that correction in crude prices could actually lead to lower trade deficit and (ease) the pressure on the currency," said R Sreesankar, head of institutional equities at Prabhudas Lilladher.

Susmit Patodia, head of sales at Motilal Oswal Institutional Equities, said FPIs returning back to India in July is a significant positive, considering

it coincides with slowing down of domestic flows.

"India has under-performed the emerging market index from the beginning of 2015 to June 2018 by 400 basis points.

"This under-performance served as a good foundation for investors to come back. Interestingly, in the last 10 years, FPIs in India have never pulled out material capital for more than three months in a row. The July inflow comes right on cue on that," he added.

Overall, so far this year, FPIs have withdrawn nearly Rs 4,100 crore from equities and over Rs 38,000 crore from the debt markets.



BUSINESS

India's online retail market is a US\$ 50 bn opportunity waiting to be realized

Business Standard: August 10, 2018

New Delhi: As India's Internet penetration booms (390 million Internet users) thanks to rock bottom data prices (\$0.17 per GB in 2017), the country's online retail market is witnessing a massive surge.

According to a joint report by Bain and Company, Google and Omidyar Network, the country's online retail market is a \$50 billion opportunity waiting to be realised.

In 2017, online retail in India clocked \$20 billion in sales. While this paled in comparison to the US (\$459 billion) and China (\$935 billion), India exhibited highest growth in online spending among major economies.

Indian online shoppers spent an average of \$224 in 2017, which was less than a tenth of what the average user spent online in the US at \$2,237 in the same year.

But while the US online sales' compound annual growth rate (CAGR) was 14 per cent in the five years to 2017, India's growth was five times higher at a CAGR of 70 per cent. India's online retail market is definitely at a lower base than in the US or China, making up just 2 per cent of overall retail, but penetration is so low that the market is expected to grow at a higher pace for years to come.

The report showed that of the 390 million active Internet users in India, only 40 per cent (160 million) transacted online. Of this, about 90 per cent (140 million) were from relatively afflu-

ent backgrounds, alluding to the fact online retail still isn't a mass phenomenon in the country.

For online retail to grow and realise its potential \$50 billion size, e-tailers and other stakeholders need to address a few key issues such as: High user drop-outs (54 million of the 140 million affluent shoppers have not made a second purchase online), get more women to use the Internet (33 per cent of men in India have access to the Internet, compared to 22 per cent women), and bring more people from rural areas online (55 per cent of urban India has access to the Internet versus 15 per cent of rural India).

India's Footwear Industry has huge potential for export & employment generation: Suresh Prabhu

Press Information Bureau: August 03, 2018

New Delhi: Indian footwear Industry has a huge potential for export and employment generation said Union Minister of Commerce & Industry and Civil Aviation. He was speaking at the inaugural programme of the 4th India International Footwear Fair 2018 (IIFF) at Pragati Maidan in New Delhi today. India will soon become a global hub for manufacturing of footwear to cater to growing demand. The government of India is formulating a strategy for greater coordination with States as well as trade bodies for global promotion of India's footwear industry.

The Minister emphasized that the Indian footwear industry has to look beyond the domestic market as India has potential to become a global footwear manufacturing hub. To Realise this a special package of 2600 crore was approved by the Government for employment generation in leather and footwear sectors last year. The package comprises of implementation of central scheme: Indian Footwear, Leather & Accessories Development Programme.

Efforts are being made to boost India's leather and footwear trade to new markets in African countries. This will help India to become a part of global supplychain. The Minister assured that Government of India will extend all possible support to the footwear industry.

Suresh Prabhu took a round of the fair and evinced keen interest in a wide range of products including footwear, machinery, equipment, technology, accessories, components and chemicals.

With an eye on Flipkart-Walmart deal, Amazon invests Rs 27 bn in India

Business Standard: August 14, 2018

Bengaluru: As the massive \$16 billion deal between Flipkart and Walmart, which will add a further \$2 billion to the Indian firm's warchest, nears closure, rival Amazon is ensuring that it keeps up the fast pace of investments in its India business.

Amazon Seller Services, the marketplace unit of the US online retail giant in India, received an infusion of Rs 27 billion (approx \$385 million) earlier this month, according to documents filed with the Registrar of Companies (RoC) which were sourced from business intelligence platform Paper.vc.

The Seattle-headquartered company also invested a further Rs 1 billion in Amazon Retail India, the food retail unit of the company which will drive its grocery category. Amazon had said that it would invest \$500 million into food retail soon after the government opened the sector up to 100 foreign direct investment.

This investment in Amazon's marketplace unit comes just three months after it infused Rs 26 billion into the unit, and takes the total investment the company has made in its marketplace business close to \$3.7 billion. Jeff Bezos, CEO of Amazon, has committed to invest \$5.5 billion into the India business and that figure is approaching quickly.

Amazon says over half of the capital it has invested in India so far has gone towards building infrastructure, including investments in technology, warehousing, logistics, etc. While the company does not admit it, a lot of investment has also gone into discounting products on its platform to attract more buyers.

In the past one year, Amazon has also made significant investments in its loyalty programme Prime, which not only call for more money to be spent for logistics to enable faster deliveries, but also for the creation of original content that goes up on Prime Video. The US firm had said that it would invest as much as \$300 million to create India-specific shows over the next few years.

Apart from its core e-commerce marketplace, Amazon is also investing heavily in its cloud computing, payments and even its IT services divisions in India. Counting the money that has come into these businesses, Amazon's investment

in India ticks over \$4 billion according to industry analysts.

Moreover, Amazon's investments in India are expected to steadily increase over the next few years. In the first two quarters of the current financial year, Amazon has already invested Rs 53 billion into its marketplace unit, compared to Rs 81.5 billion it invested in the whole of the previous financial year. Traditionally, the company brings in a larger quantum of investment during the festive period of Diwali to drive its mega sale. While the investment in India has been steadily going up, the loss the company makes in India might not show up as prominently on Amazon's balance sheet. For the three months that ended June, Amazon reported a loss of \$494 million from its international business, the third consecutive quarter-on-quarter drop, even as the company continues to ramp up its investments in India.

This drop in losses the company was making internationally was attributed to improved operating margins in Japan and Europe, effectively offsetting some of the loss the company was making in India. "We have seen over the last few quarters, improved operating margins internationally in places like Europe and Japan. But we continue to invest and are investing in India obviously," Brian Olsavsky, the chief financial officer at Amazon, had told investors during a call.

India smartphone mkt grows 20% in Q2 2018, Xiaomi leads tally: IDC

PTI: August 14, 2018

New Delhi: Smartphone shipments grew 20 per cent to 33.5 million units in the June quarter 2018 compared to the year-ago period, boosted by launch of online exclusive devices as well as strong shipments by offline retail-heavy players, research firm IDC today said.

Chinese major Xiaomi retained the top spot by shipping 10 million units and capturing 29.7 per cent share, followed by Samsung 23.9 per cent share (8 million units) and Vivo with 12.6 per cent share (4.2 million units), the data showed. Oppo and Transsion followed in the tally with 7.6 per cent and 5 per cent share in June 2018 quarter.

IDC believes that this growth is the result of a slew of online exclusive launches and strong shipments by offline heavy vendors on the back of high decibel promotional activities and channel schemes, it said.

"India will be the fastest growing, large smartphone market for the next few years, making it a must for any smartphone player to be here. However, with increasing consolidation, it will be difficult for any new brand to carve a space here," IDC India Associate Research Director (Client Devices) Navkendar Singh said.

He added the Indian smartphone market is expected to continue growing in low double-digits for the next couple of years.

"Second half of 2018, with multiple sale events in the run-up to the Diwali festival, will be even bigger with growing aggression by online players, the sustained relevance of offline channel and several new launches planned by key vendors across price segments," Singh said.

Also, the market is seeing rapid consolidation at the top end as the top 5 vendors made up 79 per cent of the smartphone market in the second quarter of 2018, marginalising smaller brands, IDC India Associate Research Manager (Client Devices) Upasana Joshi said.

"The growing popularity of financing schemes in the offline channel across model portfolios by almost all vendors is driving affordability and thus, pushing the overall smartphone average selling price (ASP) to a record high of USD 167 (about Rs 11,620) in reported quarter from USD 157 (about Rs 10,924) in April-June 2017," Joshi added.

The premium end of the market (USD 500 and above) grew almost two times year-on-year mainly due to continued strong shipments of Samsung Galaxy S9 series and OnePlus 6.

The feature phone market "remained resilient" with shipments of 44 million units in June quarter 2018, registering a growth of 29 per cent over the year-ago period, IDC said.

Reliance Jio, the main driver of the 4G feature phone segment with its JioPhone range of phones, remained the top vendor in the overall feature phone market, it added.

However, the 4G feature phone market saw a slight decline of 10 per cent quarter-on-quarter with 19 million units. IDC attributed the drop to JioPhone inventory buildup from March quarter 2018.

"The 2G feature phone segment continued to decline further as local players struggle for survival in this segment and the segment is losing relevance due to the aggressive push in the 4G feature phone segment by Reliance Jio," IDC said.

BILATERAL

Gen V K Singh, Minister of State for External Affairs, visits Singapore



Minister at the 9th Mekong Ganga Cooperation Ministerial meeting, co-chaired by India and Thailand. Other members are Cambodia, Myanmar, Laos and Vietnam



Ms. Preeti Saran, Secretary (East), India's SOM Leader, speaking at the Mekong-Ganga Cooperation Senior Officials' Meeting on 1 August 2018 in Singapore



Minister chaired the ASEAN-India Ministerial Meeting with Foreign Ministers of ASEAN countries in Singapore on 3 August 2018



Minister at the 8th East Asia Summit Foreign Ministers' Meeting in Singapore on 4 August 2018



Ms. Preeti Saran, Secretary (East), India's SOM Leader, held meetings with her counterparts from Australia, Indonesia and New Zealand on the sidelines of ASEAN Summit in Singapore



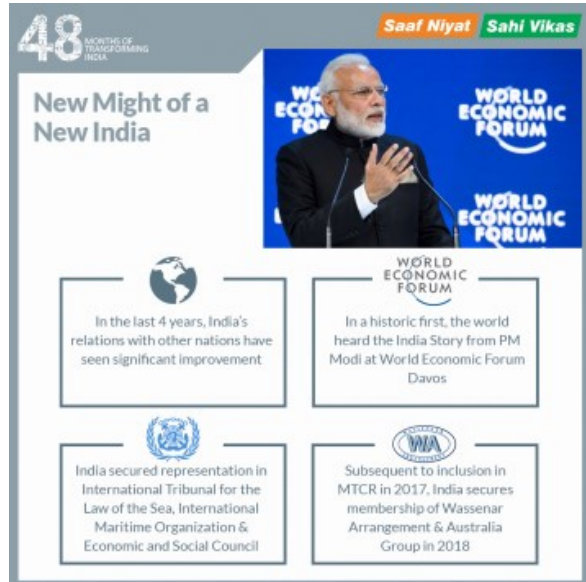
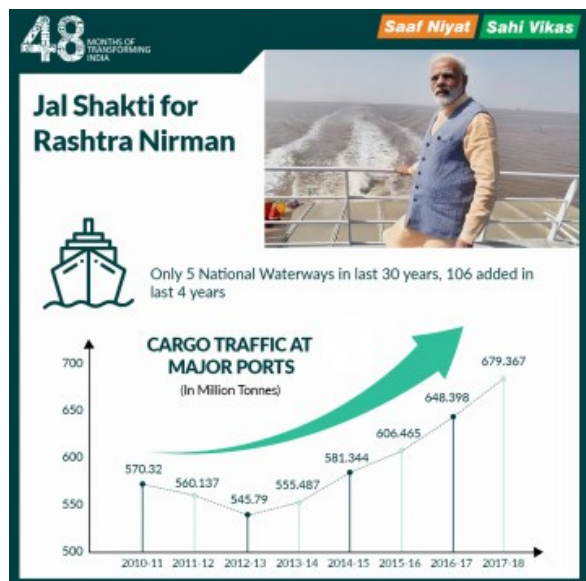
Shri Raghvendra Singh, Secretary, Ministry of Culture visits Singapore from 7-9 August 2018



Mr Ramesh Abhishek, Secretary, DIPP, meets Mr. Ted Tan, Deputy CEO of Enterprise Singapore, to discuss opportunities for collaboration in Startup & Innovation space and also discuss opportunities for Singapore companies to Invest in India



48 Months of Transforming India: All Sectors



In India's Growth Story, You Write the Next Chapter

The India Development Foundation of Overseas Indians (IDF-OI) is a not-for-profit Trust established by Government of India which enables Overseas Indians to contribute to social and development projects in India. The Trust is exempt from the provisions of Foreign Contribution Regulation Act, 2010. The Trust is chaired by Smt. Sushma Swaraj, Hon'ble Minister of External Affairs. Other Board members are prominent Overseas Indians, Eminent Resident Indians and Senior Government of India officials.

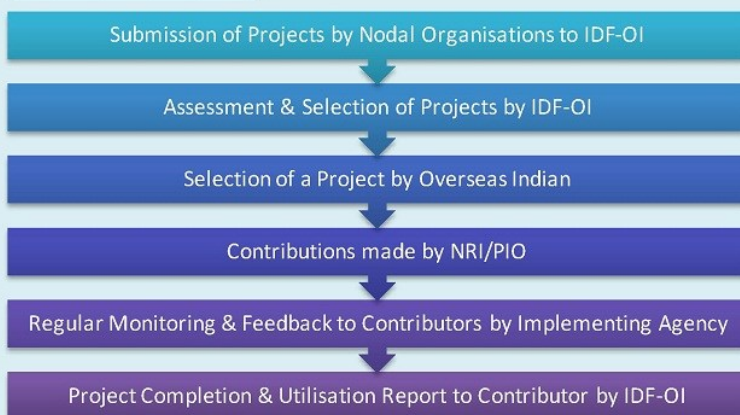


India Development Foundation
of Overseas Indians

Inviting Overseas Indians to Contribute to:

- Swachh Bharat Mission
- Clean Ganga Mission
- State Govt Projects

How We Work



Contribute to Projects in

Education, Sanitation, Women's Empowerment, Healthcare, and Sustainable Livelihood

Projects available in

Punjab, Kerala, Karnataka, Rajasthan, Madhya Pradesh, Maharashtra, West Bengal, Chhattisgarh, Uttarakhand, Mizoram, Sikkim, Bihar, Tamil Nadu, and Odisha

Engage With Us

- You can Fund One Unit or Several Units of any Project as an individual or as an association.
- IDF-OI does not charge any Administrative Cost from Contributions Received.
- Detailed Project Information: www.idfoi.org



"Although, the Indian Diaspora is a very heterogeneous group, there is a common factor which binds them - their desire to maintain their connection with their homeland and to contribute to the social and development efforts in India. We are seeking to strengthen and deepen our relationship through IDF-OI."

Smt. Sushma Swaraj
Hon'ble Minister of External
Affairs &
Chairperson, IDF-OI

Send your Contribution to

'India Development Foundation of
Overseas Indians'
State Bank of India,
Central Secretariat Branch,
North Block, New Delhi 110001
A/C no. 33819721882;
IFSC code SBIN0000625;
MICR 110002014

India Development Foundation of Overseas Indians

927, Ministry of External Affairs, Akbar Bhawan, Satya Marg, Chanakyaपुरi, New Delhi- 110021

Website: www.idfoi.org Contact: +91 11 26881052/24676210; Email: ceo.idf@mea.gov.in

FORTHCOMING EVENTS >>>> INDIA

I. Reverse Buyer Seller Meet coinciding with India Chem 2018

Date: 5 October, 2018

Venue: Hotel Hyatt Regency, Mumbai

Organizer: Chemexcil in association with Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Govt. of India and Federation of Indian Chambers of Commerce & Industry (FICCI)

Contact : <http://chemexcil.in/rbsmdev/>

Details: The Council is organizing the BSM on Dyes & Dye Intermediates, Organic & Inorganic Chemicals, Specialty/Leather Chemicals/Oil Field Chemicals, etc. would like to invite prominent buyers from Singapore to attend this event. The objective of the event is as under:-

- Networking
- Showcasing capabilities and capacities
- Building strategic alliances.
- Tapping the immense opportunities in India for both sourcing & supply; investment; technology transfers and collaborations and possibly many more.

II. IHGF Delhi Fair-Autumn

Date: 14-18 October, 2018

Venue: India Expo Centre, New Delhi NCR, India

Organizer: Export Promotion Council for Handicrafts (EPCH)

Contact : <http://ihgfdelhifair.epch.in/>

Details: An exclusive connect to India's leading manufacturers for home, lifestyle, fashion & textile segments, IHGF Delhi Fair-Autumn 2018, brings in wide-ranging selections with a choice of over 2000 products and more than 300 trend specific design developments across 14 display segments. The world's largest congregation of handicraft exporters, this show is an essential meeting ground for the international gifting and lifestyle products industry.

III. Indus Food (Mega food and beverage industry trade show)

Date: 14-15 January, 2019

Venue: Greater Noida

Organizer: Trade Promotion Council of India (TPCI) supported by Department of Commerce, Government of India

Contact : Ms. Nupur Kumaria, Asst Director, Email: nupur.k@tpci.in

Details: The Council under the Hosted Buyer Program would like to invite buyers and would be providing the following benefits: -Partial/Full Airfare Reimbursement (Pre-fixed as per Country of Region) -3 Nights of 4/5 Star hotel accommodation with complimentary breakfast -App based business matchmaking-Invitation to Gala Networking Dinner-Interpreters on request-Online Registration fees is INR 17,500(Approx. USD250) + 18% GST per Hosted Buyer is non-refundable.

Notifications

Securities and Exchange Board of India

Online Filing System for Alternative Investment Funds

http://www.sebi.gov.in/legal/circulars/jul-2017/online-filing-system-for-alternative-investment-funds_35480.html

Online Filing System for Foreign Venture Capital Investors

http://www.sebi.gov.in/legal/circulars/jul-2017/online-filing-system-for-foreign-venture-capital-investors_35246.html

Ministry of Corporate Affairs

Companies Amendment Rules, 2018

http://www.mca.gov.in/Ministry/pdf/CompaniesXBRL0803rule_15032018.pdf

Reserve Bank of India

Discontinuance of Letters of Undertaking (LoUs) and Letters of Comfort (LoCs) for Trade Credits

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11227&Mode=0>

Risk Management and Inter-bank Dealings: Revised guidelines relating to participation of a person resident in India and Foreign Portfolio Investor (FPI) in the Exchange Traded Currency Derivatives (ETCD) Market

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11222&Mode=0>

Separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs)

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11225&Mode=0>

Department of Industrial Policy & Promotion

Consolidated FDI Policy Circular of 2017

http://dipp.nic.in/sites/default/files/CFPC_2017_FINAL_RELEASED_28.8.17_0.pdf

Prime Minister Narendra Modi announced during his Independence Day speech that India will send a manned mission to space by 2022 aboard a Gaganyaan.

“I make this announcement today, before 2022, an Indian will be in space. One of us will carry the tricolour to the space to commemorate the 75th year of India’s Independence,” said Prime Minister Narendra Modi from the ramparts of the Red Fort.

Modi also lauded the Indian Space Research Organisation (ISRO) for launching 100 satellites in one go and making the country proud. He also talked about ISRO’s Mangalayan and Navic project, which will give India its own GPS system.

Presenting his four-year report card on India’s 72nd Independence Day, Modi says India used to be a ‘sleeping elephant’, but has started walking and running now. The PM has also pitched for ‘social justice’ and highlighted the “constitutional protection” to Backward groups. The Independence Day address is the last in the PM’s current tenure and focusses as much on politics as on policy.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

- I. Foreign Direct Investment*
- II. Foreign Technology Collaboration Agreement*
- III. Foreign Portfolio Investment*
- IV. Investment in Government Securities and Corporate debt*
- V. Foreign Venture Capital Investment*
- VI. Investment by QFIs*

I. Foreign Direct Investment

Q.9: For an FPI investment, once the investment is classified as FDI (basis total holding), if the FDI holding comes back to <10%, will the holdings be classified as FPI again?

Answer: Once an FDI always an FDI.

Q.10: Whether any approval is required for an entity which has received foreign investment under automatic route and subsequently the sector was brought under approval route

Answer: As long as the foreign shareholding in the entity remains the same and there is no corporate action pursuant to the sector being brought under approval route, approval is not required.

Source: RBI

For Feedback & Comments, please contact:

**High Commission of India,
31 Grange Road, Singapore- 239702.**

Email : ma@hcsingapore.org ; com.singapore@mea.gov.in

URL : www.hcsingapore.gov.in