



E-Newsletter May

India set to remain fastest growing economy

According to a Reuters poll of 35 economists, India is set to hang on to its status of the world's fastest growing economy with GDP for the reporting quarter expected to grow 7.1 per cent year-on-year. During the previous quarter (October-December) India's GDP grew at 7 per cent. China's GDP in the January-March period grew by 6.9 per cent, so as per estimates India is well on track to surpass that. India's biggest tax reform since independence in 1947, the GST or Goods and Services Tax is also expected to contribute 2 per cent to the country's GDP. GST that aims to subsume all central and state taxes will be rolled out across the country on July 1, bringing India under

Consulate General of India, Munich

a single tax regime. The contribution to GDP will happen eventually and the impact will be weighable by FY18. Forecasts for India's fourth quarter GDP ranged from 6.5 to 7.8 per cent.

Indian companies created over 1.7 lakh local jobs: Apac nations

Amid tightening visa rules across the globe, the government has told countries in the Asia-Pacific (Apac) region that Indian companies have created at least 1.71 lakh local jobs in nine countries with very few Indians requiring work permits. The issue was flagged recently with countries negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement, including China,

Japan, South Korea, Australia, New Zealand and Asian nations. While negotiators from these countries are seeking steep reduction in import duties in India, they are unwilling to allow Indian professionals, such as software engineers and architects, on work visas or even commit to easier investment rules for Indian companies. The Indian government is seeking to impress upon these countries, by making a point that not only do Indian professionals contribute to their economies but companies such as Infosys, Wipro, TCS and HCL also create thousands of jobs.

GST to boost growth, says World Bank

According to the World Bank report, the Indian economy will grow 7.2% in 2017-18 and 7.7% in 2019-2020 and implementation of the goods and services tax (GST) will provide a big boost to overall economic growth and revenues. The GST would reduce the cost of doing business for firms, reduce logistics cost of moving goods across states, while ensuring no loss in equity. The Indian Development Update said that India's economy was slowing down in early 2016-17, until the favourable monsoon started lifting the economy, but the recovery was temporarily disrupted by the government's "demonetisation" initiative.

Indian online gamer base to almost triple by 2021, says Google

According to a report by Google India and KPMG, the online gamer base in India is expected to almost triple to 310 million people from the current 120 million by 2021. While projecting the gamer base to grow, the report has also estimated the industry to be worth USD 1 billion by 2021. The report also

projects online gaming industry in India to gain momentum and grow to USD 1 billion by 2021, from the current USD 360 million, at a growth rate of 20 per cent. Driven by a growth in smartphone user base and digital payments, the industry has seen 100 per cent growth in online gaming searches compared to last year. It also found that revenue generated by top 100 'freemium' gaming applications grew by 22 times over paid games. Based on a primary qualitative and quantitative research executed by Nielsen Holdings, the report covered over 3,000 respondents, aged between 18 and 55, across 16 Indian cities like Delhi-NCR, Jaipur, Lucknow, Chennai, and Bangalore among others.

Smart city programme to transform urban landscape: Govt

Launched on June 25, 2015, the Smart Cities Mission aims to develop 100 smart cities across the country in a five-year period. The government has earmarked Rs 48,000 crore for the development of these cities. According to Urban Development Secretary, the government's smart city programme will lead to urban transformation and also help in economic growth. He said that smart technologies should be incorporated in existing cities. The Smart Cities Mission has come to represent urban transformation and it's very interesting to see the kind of ground work being undertaken. The idea of smart cities would no doubt boost business, and the economy of the country. Smart cities do not essentially mean new cities, or added infrastructure, but incorporating smart technologies for the current cities. State governments and cities have now realized that they need to be more

liberal. Many global cities are mega cities with a population of over 10 million, and in those cities digitisation is the only way forward to match with the pace of movement. Netherland and Taiwan offered smart solutions for India's smart cities programme.

India's growth in first quarter driven by favorable domestic factors: Poll

The median forecast from a poll of 35 economists showed the economy grew 7.1 per cent annually in the first three months of this year. Forecasts ranged from 6.5 to 7.8 per cent. India remained the fastest growing major economy in the world last quarter, with growth buoyed by an improved performance in manufacturing and services, a Reuters poll of economists found. Prime Minister Narendra Modi's ban of high-value currency notes last year had a major short-term impact on demand but private and public consumption has recovered. The median forecast from a poll of 35 economists showed the economy grew 7.1 per cent annually in the first three months of this year. Forecasts ranged from 6.5 to 7.8 per cent. India's industrial output rose 2.7 per cent in March from a year earlier, beating the median consensus of 1.5 per cent growth in a Reuters poll. Factory and services activity expanded for most of the first quarter of 2017, rising to a five-month high in March, indicating the effects from demonetization were short lived. This acceleration in economic growth was partly driven by favorable domestic factors, including a significant improvement in the transmission of past central bank policy rate reductions into banks' lending rates, encouraging investment.