**India Canada Biz Digest**

Delivering news impacting Indo-Canadian economic relations

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Week of 22nd - 28th August 2018

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<th>CPPIB expects India investments to grow multiple times: Suyi Kim</th>
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<td>For Canadian Pension Plan Investment Board (CPPIB), which manages one of the largest pension fund corpus globally, India is emerging as an important investment destination. CPPIB, which began investing in India in 2009, and set up its first office in 2014, currently has a total India portfolio of about C$7 billion. In an interaction with Mint, Suyi Kim, senior managing director and head of Asia Pacific at CPPIB, talks about new areas of investment that the fund is exploring such as new economy internet companies and sovereign debt, the good and bad of the India opportunity and about India’s significance in the world of CPPIB.</td>
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<th>Moody's puts India growth in 2018, 2019 at 7.5%</th>
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<td>The Indian economy is expected to grow by around 7.5 per cent in 2018 and 2019 as it is largely resilient to external pressures like those from higher oil prices, Moody's Investors Service said today. In its Global Macro Outlook for 2018-19, Moody's said the run-up in energy prices over the last few months will raise headline inflation temporarily but the growth story remains intact as it is supported by strong urban and rural demand and improved industrial activity. &quot;Growth prospects for many of the G-20 economies remain solid, but there are indications that the synchronous acceleration of growth heading into 2018 is now giving way to diverging trends.</td>
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<th>Amazon India could invest upto $700 million in Future Group: Report</th>
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<td>Amazon India has begun formal negotiations with Future Group to invest $600-700 million for a 12-15 percent stake in the Kishore Biyani-led company. The two companies have been in talks since January, and have signed term sheets, sources told the paper. “A term sheet between Amazon and Future has been signed. While the discussion is for a minority stake in the range of 10 to 15 per cent, it might be increased. The two firms have begun the process of negotiations,” a source told the publication. If the transaction between Amazon India and Future Group goes through, it is likely to be a combination of cash and stock, the report said.</td>
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<th>Warren Buffett set to pick up stake in Paytm</th>
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<td>Warren Buffett’s Berkshire Hathaway Inc. is set to buy a small stake in One97 Communications Ltd, the parent of Paytm, making it the billionaire investor’s first investment in an Indian company, according to two people aware of the development. Paytm, India’s largest payment services provider, has been in talks with Berkshire Hathaway since early February to raise about $300-350 million at a valuation of about $10-12 billion, the two people cited above said on condition of anonymity. The deal, which is likely to be announced within the next two weeks, will be Berkshire Hathaway’s first investment in the country’s buzzing startup ecosystem, and the first investment in a privately-held technology company in the world.</td>
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**Lenovo to grow data centre business, plans $1.2 billion investment on AI**

Lenovo is expanding its data centre business in India by collaborating with startups and government partners to host applications of companies in manufacturing, financial services, academia and healthcare sectors. With an investment of $1.2 billion in artificial intelligence R&D, the Chinese hardware and devices major is also looking at expanding its Chennai facility, which manufactures around 5 billion smartphones annually, to include data centre offerings as well. Vivek Sharma, MD-Data Center Group (DCG) at Lenovo India, said the company sees $5-6 billion overall revenue coming from India in the next three years.

**Clash of the titans: Amazon, Walmart and Alibaba to battle it out in India**

A turf war is about to break out among Walmart, Amazon Inc. and Alibaba Group as the retail giants make aggressive moves to expand into India. And it is highly likely that this will lead to a massive shakeup of the Indian retail space. Last week, Walmart said it had closed the $16 billion deal to buy the majority (77%) of Flipkart, India’s largest e-commerce company, following regulatory approval. This is Walmart’s biggest acquisition till date. Alibaba is said to be considering a $5 billion investment into a joint venture with Reliance Retail, India’s largest retailer in terms of sales, in part to take on competition from Amazon and Flipkart.

**Google to slug it out with Paytm, WhatsApp to lead India’s digital payments market**

Digital payments in India, already witnessing unprecedented activity since the government’s surprise demonetisation announcement in 2016, is now poised for a great leap forward as global tech giants slug it out for a bigger slice of the pie. Though digital payments in the country grew 55% in volume and 24.2 per cent in value in FY2016/17 over the previous fiscal, it is still at a nascent stage. "Digital payments currently aggregate less than $200 billion, of which mobile is still at just $10 billion in financial year 2018 (estimated)," Credit Suisse said in a report released earlier this year, adding that cash still accounts for 70 per cent of all Indian transactions by value.

**Haier to set up US $444.44 million manufacturing units at Greater Noida**

Haier Appliances will invest US $444.44 million to establish manufacturing units at an industrial township in Greater Noida, UP, DMICDC said today. The consumer electronics company expects to generate direct employment for 3,950 people with this project. Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) said in a statement. It has been allotted 123.7 acre of land in the DMIC Integrated Industrial Township Greater Noida (IITGN) project for setting up manufacturing units, it said. Besides, Chinese Mobile maker Forme's Indian subsidiary Forme Trading has been allotted 3.5 acre land in IITGN for the same purpose.

**India fastest growing market for Uber Eats globally: Uber**

US-based Uber today said India is the fastest growing market for its food delivery platform Uber Eats and the service is being rapidly expanded to cover more Indian cities. Uber had launched Uber Eats in India in May last year and today expanded the service to five more Indian cities Tiruchirappalli, Surat, Nashik, Ludhiana and Mysore to now cover 28 cities. "India continues to be the fastest growing market for Uber Eats in the Asia Pacific region and globally. "As urbanisation picks up in the country, we look for opportunities to take our service to newer cities and expand our network, especially in tier II cities, which we believe, offer tremendous potential for the food tech industry”.

**5G launch in India likely by 2020, economic impact of US$1 trillion by 2035**

Fifth-generation (5G) telecommunication services, which can create an economic impact of $1 trillion in India by 2035, are expected to be launched in the country by 2020. To make 5G a success in India, a steering committee on 5G has suggested increasing the quantum of spectrum with lower pricing. The committee, headed by Stanford University Professor A J Paulraj, was formed in September last year to formulate a road map for 5G in India. "By acting early to embrace the 5G opportunity, India can accelerate the 5G dividend and potentially also become an innovator in 5G applications," the panel said in its report submitted to the government.

**STATBOX**

Indian companies raised US$ 24.96 billion through primary market in 2017.