



6 months in, what did 2018 have for Aus-India?

Tat Capital Brief



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Some highlights:

⇒ January 2018:

- Australia ANZ Consumer Confidence strengthened: Highest score since October 2013.
- Australian state Victoria to double the value of its export to India to AUD 1 billion over the next decade.
 - Doubling the number of Victorian businesses engaged in India from 150 to 300.
 - Attracting more [international students](#) to enrol at Victoria's education providers - by 25%.
 - Encouraging more [people from India](#) to experience what a visit to Victoria can offer.

During this '[Victoria's India Strategy](#)' launch, Andrews remarked:

"Recognising India's economy as the third-largest and fastest growing on Earth, we believe that a close bond with India will be beneficial for both economies."

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- [Aussie Education initiatives](#) to strengthen ties with India
 - [Go8 universities](#) advocate relaxed visa norms between Australia and India for students seeking to do PhD in either country.
 - Australian defence exports in the limelight in Asia-Pacific, where Minister Pyne will represent the Australian government at the third annual Raisina Dialogue to discuss the region's emerging security dynamics and will highlight Australian defence innovation.
- "Like Australia, India is investing in modernising its military and developing a stronger defence industrial base. As regional security partners, there is great value in sharing our experiences and exploring opportunities for co-operation," commented Defence Industry Minister Christopher Pyne.
- Smartphone app Baby Moves piloted in remote communities in India will soon be used in rural areas of Australia.
 - The app enables early detection / adequate intervention in babies born with cerebral palsy.

- A Survey by National Science and Technology Management Information System (NSTMIS) reveals a rise in India's R&D expenses, mainly driven by the government sector.
- Paypal's 'India Freelancer Report' indicates 10 million freelancers are currently housed in India, with 74% of the freelancers having PayPal accounts. With 41% of the Indian freelancers optimistic that they will experience significant growth in the next 12 months, the competition in digital payments space has definitely been up for grabs.

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- Children's pocket money, an untapped market? Check out the [findings](#) of the APAC kids spending power
- IT Minister Ravi Shankar Prasad comments [India & ASEAN should work together in digital arena](#) and complement each other.
- Australian Dalrymple Bay Coal Terminal (DBCT) in Queensland saw its December 2017 coal exports to India surge with a 15-month high of 1.34 million, rising 161% from 515,651 mt in December 2016 & a 28% month-on-month rise from 1.05 million mt. This made the round-out 2017 figures at 9.67 million mt, topping the 9.20 million mt 2016 figure by 5%, but still falling short of the 10.40 million mt sent in 2015.
- India can get all petrol, diesel vehicles off roads by 2030, and the country could save around \$60 billion by rapidly adopting [electric vehicles](#).
- India is among the most trusted nations globally when it comes to government, business, NGOs and media, taking the third place, with China topping the trust index.
- The Blockchain Centre in Melbourne has launched a formal blockchain incubator program, wherein the 10-week program – dubbed Block Engine – will take on five start-ups twice a year.
- Saddled with imports until last year, India is set to achieve [self sufficiency in pulses](#) in FY 2018-19, with a high kharif output and likelihood of record rabi season production due to an all-time high acreage and favourable agro climatic condition.

⇒ February 2018:

- India is the 6th wealthiest country with total wealth of \$8,230 billion. It has total wealth more than France, Canada, Australia and Italy, while the US and China top the list of the wealthiest countries in the world, says a report by New World Wealth.
 - Total wealth refers to the private wealth held by all the individuals living in each country/city. It includes all their assets (property, cash, equities, business interests) less any liabilities. The report, however, excludes government funds from its figures.
 - India was the best performing wealth market globally in 2017 as its total wealth rose 25% from \$6,584 billion in 2016 to \$8,230 billion in 2017.

- Over the past decade (2007-2017), India's total wealth increased from \$3,165 billion in 2007 to \$8,230 billion in 2017, a jump of 160%. The report further noted that India, is home to 330,400 HNWI's (high net-worth individuals), ranking it ninth in this aspect.
- India is also home to 20,730 multimillionaires, the seventh largest in the world. India has 119 billionaires, the third-highest after the US and China, the report said.
- Wealth held in China, India, USA, Japan and Australia all grew strongly over the past year.
- Permira, the London-based private equity firm, will pay about A\$1.3 billion (\$1.1 billion) for Australia's I-Med Radiology Network from EQT Partners and other investors
- Wattle Health Australia's (ASX: WHA) orders from Macau and India provide entry into large markets, demonstrating its ability to meet the regulatory requirements of international markets.
- Over the past 10 years, total wealth held in Australia has risen by 83 per cent compared to 20 per cent growth in the US.
 - The average Australian is now significantly wealthier than the average US citizen!
 - The [outflows of HNWI's](#) from India and China are not "concerning" as these countries are producing far more new HNWI's than they are losing
- South Australia plans to roll out solar panels and Tesla Inc batteries to at least 50,000 homes making it the world's largest virtual power plant.
 - 5 kilowatt solar panels and 13.5 kilowatt-hour Tesla Powerwall 2 batteries will be installed free of charge and financed through electricity sales
- Air India to connect Mumbai with San Francisco; to up frequencies to Australia
 - "As there is demand for more services to Australia, we are in the process of increasing the frequency of Sydney and Melbourne flight to per week from late March onwards."
- Cybersecurity a big opportunity for India's fourth largest software services exporter HCL Technologies.
 - The first of these centers was created and launched six months ago in [the Indian city of] Noida. The plan is to do three to four centers around the globe. We are looking at one in Melbourne, Australia.
- Microland, a leading Digital Service Provider announced its partnership with the Australia-based, born-in-the-Cloud start-up company, Oreta to set up their Digital Operations Centre at their Bagmane facility in Bangalore.
- Australia is witnessing a 7-year high in Indian student applications, as confirmed by Indian High Commission in Delhi.
- India's Cabinet Minister Navjot Singh Sidhu held talks with Australian High Commissioner to India Harinder Sidhu to explore the possibility of marketing Punjab crop in world market, adopting the happy-seeder technique to curb stubble-burning and also raising the sports and tourism standards.
 - Sidhu had commented: "I endorse Niti Ayog's vision to open agriculture markets to the outside world. It will be a game changer for farmers. Australia has expertise in this field. On our request, the Australian High Commissioner has promised all assistance. I will insist the CM to send a delegation to Australia to learn about how we can open our markets for the world."

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⇒ March 2018:

- Nearly 190,000 foreign students applied to study in Australia between July and December 2017, with the number of Indian applicants rising by 32 per cent, according to the latest statistics released by the Australian Department of Home Affairs.
- India is a "very open economy" and wants to have trade relations and pacts with all countries, Union minister Suresh Prabhu told ahead of a Regional Comprehensive Economic Cooperation (RCEP) meeting.
- Australia's alternative finance industry is vowing to heighten transparency as policymakers continue to push for better small and medium-sized business (SMB) financial services.

"Through the use of technology platforms which analyze rich, real-time business financial data and deliver easy-to-use and fast application processes, FinTech business lenders are making a real difference to small businesses," FinTech Australia chief executive Danielle Szetho said. "However, like many financial services products, lending contracts are complex and have the potential to be complicated and confusing. It's for this reason our lenders have decided to work together — in a historic move for Australia's FinTech industry — to help define best-practice transparency and disclosure."

- THE STATE of Victoria continues to attract Indian tourist with a strong foothold in the Indian market. Since years, Victoria's food & wine culture has fascinated and motivated Indian travelers to visit the destination. Visit Victoria along with Melbourne's Chef Shaun Quade recently recreated a slice of its food & wine culture in India through an interactive masterclass giving a glimpse of Melbourne's incredible offerings.
- Global enterprise software specialist, Ramco Systems today announced that it will set up its Asia-Pacific Centre of Excellence for Workforce Innovation in Melbourne, drawing top tech talent from across Australia to design and develop cloud-based solutions to address human resources challenges.
 - During his visit to India, Philip Dalidakis, Victoria's Minister for Trade and Investment, Innovation and the Digital Economy, said, "Victoria is home to some of the world's brightest tech talent and Ramco's new lab will be a platform for fresh ideas that will strengthen our position as an international technology hub."
- As Southeast Asia faces doubts about Beijing and Washington, the region is turning to India and Australia as potential counterweights.
 - A key element of those diversification efforts is working with [India](#) "as a more forceful counterweight to China and hedge against a declining United States," said a U.S. think tank.

- Widespread apprehension over China's ambitions has helped Prime Minister Narendra Modi enhance political and economic ties with Southeast Asian economies under a policy known as "Act East."
- Like India, Australia isn't a member of ASEAN, but Canberra has long been a major player in Asia-Pacific affairs due in part to proximity.
- Sweden-headquartered music streaming giant Spotify is in the process of launching operations in India, **co-founder and CEO Daniel Ek** announced recently during the company's investor day presentation.
 - As per its public offering filings, Spotify had a total of **308 employees in India and 20 other countries** including Brazil, Turkey, Belgium, Singapore, Australia and Spain towards the end of 2017.
 - Earlier in 2016, the music streaming company had hired former Google executive **Akshat Harbola as its Head of Market Operations, India.**
 - Mobile and connected devices account for around 73% of total Spotify streams.
- Prime Minister Narendra Modi today said his government has broken the imbalance in development by focusing on the eastern part of India and taken governance to people's doorstep in that region.
- GST established India among major global economic markets: PM Modi

"Before 2014, India's tax system was seen as unfriendly, unpredictable and non-transparent for the investors. But the situation is changing now. The GST has established India as one of the major economic markets in the world."

"India is performing well in all the macroeconomic parameters such as inflation, current account deficit, fiscal deficit, GDP growth, interest rates, foreign direct investment (FDI) inflow etc. The rating agencies are revising India's ratings upward."

⇒ April 2018:

- Bangalore-based CoLive, provider of branded serviced rental accommodation for students, first time job goers and young couples is targeting educational hubs in tier II and III cities in the south to expand its presence.

"There is an estimated 34 million students in the 18+ age group, pursuing higher education. Of this, around 1.1 crore students migrate from their base state to a new location to study. But the capacity in college hostels is inadequate to meet the demand. Another 50 lakh homes would be required for such students, and this does not include international students, whose number is also on the rise."

- The RelianceNSE -0.07% family office, the private company of Mukesh Ambani, is close to acquiring a majority stake in Embibe.com, an online education portal, for close to Rs 100 crore
- Macquarie Infrastructure and Real Assets (MIRA), a division of Australia's Macquarie Group, has closed its second Asian regional infrastructure fund at the maximum, or hard cap, of US\$3.3 billion, more than half of which has already been committed to projects in Asia.
 - Over \$1.7 billion of MAIF 2 has already been "committed across toll roads, renewables and petrochemical storage assets in India, the Philippines, Singapore and China"

- Scientists from the University of Wollongong in Australia have developed battery cells based on sodium-ion technology which the university says can achieve excellent cycling stability and easily be scaled up to mass production.
 - Sodium-ion batteries are an increasingly competitive area of research, thanks to their potential for low cost energy storage based on abundant, non-toxic materials.
- Fortis Healthcare received an unsolicited, binding joint offer from the Hero Enterprise Investment Office and the Burman Family Office with a proposal to invest Rs 1,250 crore in the company through the preferential allotment route.

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 - Fortis Healthcare Ltd's [shareholders voted out Brian Tempest](#) from the board, while the other three directors resigned before the shareholders voted.
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- UK seeks closer economic ties with India and Australia
 - To develop a roughly \$700 billion economic zone with such former colonies as India and Australia by 2020, aiming to plug the hole created by its impending divorce from the European Union.
 - Large Commonwealth nations like Canada, India and Australia account for only 5% or so of the U.K.'s trade.
 - IBM's Indian AI tech is making a splash globally
 - IBM's India labs have registered for nearly 800 patents last year and many of the models can be replicated across different fields of work. IBM Research is set to complete 20 years in India this year and is the second largest contributor globally in terms of patents.
 - 97% Indian travellers eye 'sustainable' tourism in 2018, according to a survey by Netherland-based travel e-commerce company Booking.Com
 - 88 per cent of them willing to pay an extra premium to ensure the same.
 - Uber rival Ola to put 10,000 electric vehicles on India's roads
 - It's part of the company's "Mission: Electric" sustainability initiative, which wants to bring one million electric Ola vehicles to the road by 2021 — there are currently 800,000 vehicles in the total Ola fleet.
 - Australia's startup capital New South Wales (NSW) is looking "India-ward" for partnerships and collaborations to create new jobs in its tech and advanced manufacturing sectors.
 - NSW Premier Gladys Berejiklian, who's on a trade mission to the country, has announced a \$1.6 million two-year partnership between NSW and India for this purpose.
 - The funds would be utilised to bring NSW's budding entrepreneurs and startups to India "to learn from the country's best and brightest" and to support commercial connections between startups in NSW and India.

⇒ May 2018:

- The International Monetary Fund (IMF) reaffirmed on Wednesday that India will be the fastest growing major economy in 2018, with a growth rate of 7.4 per cent that rises to 7.8 per cent in 2019 with medium-term prospects remaining positive.

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- According to a Sanctum Wealth Management report, [India will overtake China](#) to be the fastest growing large economy in 2018 and the country's equity market will become the fifth largest in the world.
- Social-impact crowdfunding platform ImpactGuru raised \$2 million in series A funds, led by Apollo Hospitals Group and Venture Catalysts, a seed fund and incubator.
 - This will make ImpactGuru, the preferred crowdfunding platform for all of Apollo's patients nationwide
 - The company has even won the TechCircle Award recently for the best social-impact startup.
 - Other investors include family offices, Indian diaspora from the US, Southeast Asia and Middle East.

"This (funding) will help us to scale up crowdfunding in India and make healthcare affordable for all. Every social cause deserves a chance to succeed." Said co-founder and chief executive Khushboo Jain.

"This partnership will help us to provide the best and most cost-effective patient financing solution in the market today. As a corporate social responsibility (CSR) initiative, Apollo Hospitals has decided to make crowdfunding free for all of our patients nationwide." Said Suneeta Reddy, MD Apollo Hospitals.

- Luxury holiday home developer Isprava has raised Rs 21 crore (over \$3 million), in its second institutional round of funding led by the Godrej family office, Anand Piramal, son of billionaire businessman Ajay Piramal, and the Taparia family office.
- Just days after the Fortis board chose an investment offer worth Rs 1,800 crore from the Munjal and Burman Family Office consortium, Manipal-TPG has extended the deadline for accepting their offer to June 6 for the board and July 20 for the shareholders.

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- Azim Premji set to make 420% return on Myntra investment: His \$25 million investment in Myntra in 2014 is now worth over \$130 million.
 - Myntra, as we know, was later acquired by Flipkart, with the e-commerce giant itself being bought out by Walmart this year.

The Flipkart-Walmart deal is a real validation of the Indian startup story where “global smart money” is taking a huge bet on India and shows that Indian entrepreneurs can outcompete their global peers.” says Tarun Davda, managing director at Matrix Partners India

- Australia’s Liberal Party government has announced that starting July 1, 2019, it will be illegal to purchase anything over \$10,000 AU (\$7,500 US) with cash, and payment will have to be made by check or credit/debit card.
 - While the move doesn't potentially affect the average Joe, roughly 37 percent of all commercial transactions in Australia are made using cash, and plenty of small businesses are upset about the plan.
 - The move has been made to encourage the transition to a digital society and also in cracking down on tax evasion.
- The NSW Government is offering 10 NSW fintech startups the chance to go on an intensive one week business development program in India from 24–29 June 2018.
 - The program is supported by a two-year \$1.58 million partnership between NSW and India to enhance the State’s startup, technology and advanced manufacturing sectors.
 - The trade of goods and services between NSW and India is worth approximately \$1.8 billion annually, including coal, metals and textile fibres as well as education.
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- Times Professional Learning and Monash College, Australia announced the launch of Monash College International Pathways program, signing a MoU to establish collaboration.
 - The program will be conducted over eight months in India and will offer a guaranteed place in the second year at Monash University Australia or Malaysia with full credit for first year studies.
 - India is the second-biggest growth driver in international education market after China, with its students thriving in universities across US, UK, Australia, Singapore, etc.
- Indian Government to ink largest Australian R&D agreement with Environmental Clean Technologies.
 - This will allow two public Indian entities to develop a plant in India - a commercial “cleaner” alternative to making iron and steel, based on ESI's proprietary technology.

⇒ June 2018:

- India has emerged as the fastest growing market for Tourism Australia clocking double-digit growth in arrivals and spends.
 - According to Tourism Australia, arrivals from India to Australia grew by 15% for the year ended October 2017, with an influx of 294,000 visitors compared to the same period last year thereby making it the eighth largest inbound market for Australia.

According to Nishant Kashikar, Country Manager - India & Gulf, Tourism Australia, “India is among the fastest growing markets with its increasing youth population and disposable earnings. We have observed that Indian are travelling at much younger age and the frequency among these young travellers is increasing hence making India the fastest growing outbound market in the world.”

- India will be at centre of 'sunshine countries' of International Solar Alliance (ISA) after achieving its target of having 170 GW of clean energy by 2022: Commerce and Industry Minister Suresh Prabhu
 - India has set a target of achieving 40 per cent of its total electricity generation from non-fossil fuel sources by 2030.

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- Suresh Prabhu will deliberate how [Australian savings can be invested in major Indian infrastructure projects](#).
- Who is [Tariq Premji](#)?

- PremjiInvest, the family office of Wipro chairman Azim Premji, buys 6% stake in Future Retail for ₹1,700 crore
- India in [front rank of Australia's foreign policy](#), remarks Ms Susan Grace, Aussie's Consul General for South India.
- Impact investment firm Omidyar Network and Hero Group's Sunil Munjal are in advanced talks to join the funding round of peer-to-peer motor vehicle rental startup Metrobikes.

"The company is focused on expansion plans across India and further product development; both in terms of luxury and more affordable bike offerings. They are already offering Harley Davidson bike rentals at an affordable price."

- Simon Birmingham, Minister for Education & Training and Hon Shri Prakash Javadekar, Indian Minister of Human Resource Development announced a funding boost at the Australia India Education Council meeting in Adelaide.
 - The Australian Government has committed \$5 million for the Australia India Institute to drive closer collaboration between Australian and Indian educational institutions.

"With more than 8000 co-authored academic publications since 2013, more than 400 research partnerships already in place, and more than 70 000 Indian students currently studying in Australia, the partnership between Australian and India will continue to go from strength to strength." commented Mr Birmingham.

- E-commerce giant Amazon, besides ramping up its e-commerce play in India, is also backing domestic startups to build its consumer-focused payments business under Amazon Pay.
 - It has now invested in online insurance startup Acko General Insurance in its third such investment in the Indian financial services space after BankBazaar and Capital Float.
 - Acko provides personalised general and auto insurance products on its platform based on user behaviour.
- 13 [startups received funding](#), of which 11 received a total sum of about \$280 million. Among them, PolicyBazaar raised the highest investment of \$236 million, followed by SigTuple which raised about \$19 million. Not only that - Indian startups are going global!
 - On June 20, hotels chain OYO announced it was venturing into China, its third international market after Nepal and Malaysia.
 - In January, Bengaluru-based Ola made its international debut when it launched operations in Perth, Australia, having signed up over 30,000 drivers across six cities.

- Indore-based Wittyfeed, a website that creates shareable content and which now has a presence in the UK, US, Canada, Australia, Mexico, and Argentina
- Bengaluru-headquartered healthcare platform Practo that has made inroads into the Philippines, Indonesia, Singapore, and Brazil.
- Cleartrip, India's second-largest online travel agent - now holds over a 60% market share in the UAE ticketing industry,
- Australia and India have liberalised their air services agreement, allowing airlines to operate unlimited services between the two countries.
- The University of Sydney and Tech Mahindra, signed a memorandum of understanding (MoU) bringing commercial digital expertise to Australia's oldest university.

“This partnership will provide a platform for innovating new ideas arising out of technology research and help create real-world applications and digital solutions.” commented BK Mishra, senior vice-president and global delivery head of Tech Mahindra.





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