

March may be the worst FY19 month for realtors

Homebuyers delaying payments to avail reduced GST benefit effective April 1

RAGHAVENDRA KAMATH
Mumbai, 14 March

This March could be a washout for property developers as many homebuyers are delaying their construction-linked payments to April after the government reduced the goods and services tax (GST) rates on under-construction properties, applicable from April 1.

According to sources, collections of developers in March have come down by 60-80 per cent due to this.

Last month, the GST Council reduced GST on under-construction properties, from 12 per cent to 5 per cent for under-construction properties and cut GST rates on affordable housing from the current 8 per cent to 1 per cent.

"In affordable housing, there is no problem, but in pre-



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mium housing, collections are slow," said Vijay Wadhwa, chairman of Mumbai-based Wadhwa group, one of the biggest developers in Mumbai.

Wadhwa hoped April will see a good jump in collections.

"March will be a slow month for sales and collections. Developers must be geared up for this," said a managing director (MD) of a

Mumbai-based non-banking financial company.

Anuj Puri, chairman of property consultant Anarock Capital, said: "I have been hearing this from developers. Homebuyers must be thinking they can wait and pay 7 per cent less later."

DLF, the country's largest listed developer, is unaffected as it does not sell under-con-

struction properties, said its chief executive Rajeev Talwar.

Meanwhile, developers hoped that the GST Council, which is scheduled to meet on March 19 to finalise guidelines to support the changed tax rate structure for under-construction houses, would clear the air.

Ashish Puravankara, MD, Puravankara, said that since the decision of reducing GST rates, the collection at Puravankara has remained more or less steady.

"The customers, who bought homes during this quarter or earlier, will fall in the ambit of the previous GST slab regime. Hence, no particular impact. With the new rates being implemented from April onwards, we are expecting a rise in queries and sales as homebuyers will get the full benefit of the reduced GST," said Puravankara.

Over 100 economists raise doubts on credibility of government data

ARUP ROYCHOUDHURY
New Delhi, 14 March

A group of 108 economists and social scientists on Thursday questioned the credibility of India's official data.

The economists, from top Indian and foreign institutes, also called upon their colleagues from across the ideological spectrum to impress upon the government, irrespective of the party in power, "to restore access and integrity to public statistics, and re-establish institutional independence and integrity to the statistical organisations".

"The national and global reputation of India's statistical bodies is at stake. More than that, statistical integrity is crucial for

generating data that would feed into economic policy-making and that would make for honest and democratic public discourse," the economists said in an official statement.

They said it was imperative that agencies like CSO and NSSO are not subject to political interference

They said that it was imperative that the agencies associated with collection and dissemination of statistics like the Central Statistical Office and the National Sample Survey Organisation are not subject to political interference.

The signatories include prominent economists and social scientists like Abhijit Banerjee, Pranab Bardhan, Jean Dreze, James Boyce, Jayati Ghosh, Amartya Lahiri, Sudha Narayanan, Ashima Sood, Jayan Jose Thomas, Vamsi Vakulabharanam and

others. "Lately, the Indian statistics and the institutions associated with it have however come under a cloud for being influenced and indeed even controlled by political considerations. In fact, any statistics that cast an iota of doubt on the achievement of the government seem to get revised or suppressed on the basis of some questionable methodology," it said.

The statement said this situation was different from the past wherein India's statistical machinery enjoyed a high level of reputation for the integrity of the data it produced on a range of economic and social parameters.

While official data was often criticised for the quality of estimates, but there were never allegations of political interference influencing decisions and the estimates themselves, it said.

AROUND THE WORLD

Boeing 737 MAX issues put \$600 bn in orders at risk



The 737, which first entered service in the late 1960s, is the aviation industry's best-selling model and Boeing's top earner

PHOTO: REUTERS

BLOOMBERG
14 March

Boeing's \$600 billion-plus order book for its 737 MAX began shaking after several big customers threatened to reconsider their purchases in the wake of the Ethiopian Airlines crash, the second deadly accident involving the plane since October.

VietJet Aviation JSC, which doubled its order to about \$25 billion only last month, said it will decide on its future plans once the cause of the tragedy has been found. Kenya Airways Plc is reviewing proposals to buy the MAX and could switch to Airbus SE's rival A320. Russia's Utair Aviation PJSC is seeking guarantees before taking delivery of the first of 30 planes.

That's as Indonesia's Lion Air firms up moves to drop a \$22 billion order for the 737 in favor of the Airbus jet,

NARROW-BODY BATTLE Orders for Boeing 737 Max and Airbus A320 Neo

	Delivered	Outstanding	Total
Max	376 (8%)	4,636 (92%)	5,012
Neo	687 (11%)	5,814 (89%)	6,501

Source: Company data as of February; Compiled by Bloomberg

according to a person with knowledge of the plan. Separately, Garuda Indonesia plans to cut orders of the Boeing plane and a \$5.9 billion order from a unit of Saudi Arabian Airlines hangs in the balance.

The 737, which first entered service in the late 1960s, is the aviation industry's best-selling model and Boeing's top earner. The re-engineered MAX version has racked up more than 5,000 orders worth in excess of \$600 billion, including planes that have already been delivered.

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UK MPs overwhelmingly back Brexit delay

REUTERS
London, 14 March

British lawmakers voted overwhelmingly on Thursday to seek a delay in Britain's exit from the European Union, setting the stage for Prime Minister Theresa May to renew efforts to get her divorce deal approved by parliament next week.

Lawmakers approved by 412 votes to 202 a statement setting out the option to request a short delay if a Brexit deal can be agreed by March 20 — or a longer delay if no deal can be agreed in time.

Just 15 days before Britain is due to leave the European Union, May is using the threat of a long delay to push Brexit supporters in her Conservative Party finally to back her deal.

A new vote on her deal is likely next week, when those lawmakers will have to decide whether to back a deal they feel does not offer a clean break from the EU, or accept that Brexit could be watered down or even thwarted by a lengthy delay.

Earlier, lawmakers voted by 334 to 85 against a second referendum on EU membership.

Pay \$29 mn in cancer case, court tells J&J

Johnson & Johnson must pay about \$29 million to a dying California woman who blamed asbestos-tainted talc for causing her cancer.

Jurors in state court in Oakland, California, on Wednesday held J&J responsible for Teresa Leavitt's mesothelioma, a cancer linked to asbestos exposure. J&J officials contend Superior Court Judge Brad Seligman made errors in rulings on procedure.

BLOOMBERG

China's factory output growth at 17-year low

Growth in China's industrial output fell to a 17-year low in the first two months of the year and the jobless rate rose, pointing to further weakness in the world's second-biggest economy.

But a mixed bag of major data on Thursday also showed property investment was picking up. The industrial output rose 5.3 per cent in January-February.

REUTERS

SoftBank, Toyota may invest \$1 bn in Uber

A group of investors led by SoftBank Group Corp and Toyota Motor Corp is in talks to invest \$1 billion or more into Uber Technologies' self-driving vehicle unit, which would value the unit at \$5 billion to \$10 billion, said two people familiar with the talks.

The investment would provide a cash injection for Uber's self-driving programme.

REUTERS

Etihad sees \$1.3-bn loss, third in a row

Abu Dhabi's Etihad Airways said on Thursday it lost \$1.28 billion in 2018, the third-straight year the carrier has lost over a billion dollars.

Since 2016, Etihad has lost \$4.75 billion as its strategy of aggressively buying stakes in airlines from Europe to Australia to compete against Emirates and Qatar Airways. "Our transformation is instilling a renewed sense of confidence in our customers, our partners and our people," Etihad Aviation Group CEO Tony Douglas said in a statement announcing the results.

AP/PTI