

## Daily Economic News Summary: 04 October 2017

### **1. Economy on the rebound, to pick pace in Q2: Government**

**Source: The Economic Times ([Link](#))**

The government sees the decline in growth as a hiccup and expects the economy to pick up pace in the fiscal second quarter as teething troubles with GST get resolved and the effect of demonetisation wanes. The latest high-frequency indicators such as commercial vehicles sales, core sector growth and manufacturing PMI bolster this contention. The official said it was expected that destocking of goods prior to rollout of GST would have some impact on growth, but restocking has been taking place with the festive season well underway. That should be reflected in the coming quarters, he said. Most manufacturers had stopped production before July 1 to get rid of inventory, choosing to start manufacturing afresh after the tax rolled out. The manufacturing sector grew by just 1.2% in the June quarter, reflecting this impact.

### **2. Will exceed highways construction target this fiscal: NHAI**

**Source: The Economic Times ([Link](#))**

NHAI on 03.10.2017, said it will "certainly exceed" the current financial year's target of constructing 3,500 km of highways, which may require extra expenditure. National Highways Authority of India (NHAI) Chairman Deepak Kumar said that their award target is 6,500 km and construction target is 3,500 Km. The board, Kumar said, has approved the monetisation of operational highway projects. Under the scheme, nine highway projects will be auctioned by this month-end which would generate Rs 67 billion.

### **3. Exports from SEZ in fast lane, up 15.4% in Apr-Jun**

**Source: The Economic Times ([Link](#))**

Exports from special economic zones (SEZs) paced up 15.4 per cent to Rs 1.35 lakh crore during the first quarter this fiscal, showed commerce ministry data. Industry analysts stated that exports are growing from these zones, but observed that the government should do more to step up shipments. Exports grew about 12 per cent to Rs 5.24 lakh crore in 2016-17 as against Rs 4.67 lakh crore in the previous fiscal. These zones have attracted investments worth Rs 4.33 lakh crore up to June this year, the data showed.

### **4. IACCGH celebrates 18 years of US-India business partnership**

**Source: The Economic Times ([Link](#))**

The 18th annual Indo-American Chamber of Commerce of Greater Houston (IACCGH) was held in Houston to celebrate its accomplishments for being a vital international link for entrepreneurs and to honour outstanding members of the Indian-American community. Addressing the event, Consul General Anupam Ray appreciated Indian-American community for opening their homes and wallets in rebuilding the city after Hurricane Harvey .. Ray said that India-US relations remain on a very high trajectory. "India is staged to be one of our best trading partners and Texas will be doing a lot more business in coming months. Within one month of PM Modi's meeting with President Donald Trump in Washington, India purchased over USD 2 Billion of US crude and IACCGH was present at the loading of the crude oil on the first ship that sailed out of Texas in August. The purchase of Apache helicopters is another strategic deal between US and India originating from the state of Texas," Jagdip said.

## **5. Oppo, Louis Vuitton among 5 FDI proposals cleared for single brand retail**

**Source: Live Mint ([Link](#))**

The government has approved five foreign direct investment (FDI) proposals, including that of Oppo Mobiles India and Louis Vuitton Malletier, in the single brand retail sector, according to the department of industrial policy and promotion (DIPP). The other FDI proposals approved by the government include Chumbak Design (\$8.62 million), Daniel Wellington AB (\$10 million) and Actoserba Active Wholesale Pvt. Ltd. Actoserba Active Wholesale's application was made for single brand retail trading (SBRT) of Zivame brand in addition to existing business of wholesale.

## **6. India a priority for \$2 billion The Rise Fund**

**Source: Live Mint ([Link](#))**

The Rise Fund, founded by TPG Growth founder and managing partner Bill McGlashan, U2 lead singer and activist Bono, and Jeff Skoll, an entrepreneur and film producer, has closed the largest impact investment fund raised so far with a total corpus of \$2 billion. Managed by TPG Growth, The Rise Fund is a global fund committed to achieving measurable, positive social and environmental outcomes alongside competitive financial returns, which is what impact investing is all about. TPG Growth manages more than \$8.3 billion of assets.

## **7. China's value-chain climb to help India, others: Fitch**

**Source: The Hindu ([Link](#))**

China's move up the value chain and the relocation of low-end manufacturing to lower-cost countries will continue to create opportunities and support strong economic growth in some of Asia's "frontier" emerging markets including India, according to Fitch Ratings. The countries best-placed to take advantage over the next few decades will be those offering workable business environments and relative macroeconomic and political stability to complement low wages, strong demographics and geographical advantages, it said in a report released on 03.10.2017

## **8. Core sector growth climbs to five-month high at 4.9% in August**

**Source: The Hindu ([Link](#))**

Core sector registered a year-on-year growth of 4.9% in August – the highest since the 5.2% reading in March this year — thanks to a low base and good performance by coal and electricity, according to data released on 03.10.2017 by the commerce and industry ministry. The performance of eight core industries – which comprise 40.27 % of the weight of items included in the Index of Industrial Production (IIP) – in August 2017, was higher than 3.1% in August 2016 and 2.6% in July 2017. Its cumulative growth during April to August, 2017-18 was 3%. According to rating agency ICRA, “Given the favourable base effect and the expected rebuilding of inventories prior to the festive season, we expect the IIP growth to improve in August relative to the initial estimate of 1.2% for July 2017.”

