

## Daily Economic News Summary: 12 January 2017

### **1. India receives \$130 bn FDI in two-and-a-half-years: Narendra Modi**

**Source: Business Standard ([Link](#))**

'Make in India' initiative has become the biggest brand that the country has ever had, says Modi. With the government taking steps to improve business climate, total FDI inflows in the last two-and-a-half years have touched \$130 billion, Prime Minister Narendra Modi said on Tuesday. Modi, while addressing investors at the Vibrant Gujarat summit here, also said that 'Make in India' initiative has become the "biggest brand" that the country has ever had. "The total FDI in the last two-and-a-half years have touched \$130 billion."The FDI equity inflow in the last two financial years was 66 per cent higher as compared to previous two financial years. In fact, the total FDI inflows received during the last year have been the highest ever," he said. He said the number of countries from where FDI is coming in, and the sectors in which they are being routed have also diversified in the last two years. "India is now the leading recipient of capital investment in the Asia-Pacific. It also continues to be among the top ten countries globally in terms of FDI inflows," he added.

### **2. Axiom Asia to invest up to 15% of new \$1 billion fund in India**

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

Axiom Asia's new fund, Axiom Asia IV, recently marked its final close, against a target of \$750 million. Singapore-based private equity firm Axiom Asia Private Capital plans to invest up to 15% of its new \$1.03 billion fund in India, a top executive said. The fund—Axiom Asia IV, its fourth private equity fund of funds—recently marked its final close, against a target of \$750 million. It seeks to invest in buyout, venture capital (VC), growth capital and other private equity funds. Axiom Asia has invested in India in all of its last three funds and will invest up to 15% of the new fund in the country, said Chris Loh, managing partner of Axiom Asia. The firm is looking for suitable investment opportunities, said Loh, who also focuses on VC investments in Asia and PE investments in India at Axiom Asia.

### **3. Demonitisation effects in India to disappear in medium term: World Bank**

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

The World Bank today said that the “adverse effects” of demonetisation in India will disappear in the medium term, saying any reform has short-term costs. “Any reform has short-term costs but ultimately reforms will bring long-term gains. In the case of India, we expect whatever the adverse effects of these changing of notes to basically disappear in the medium term,” Ayhan Kose, Director of Development Prospects Group at the World Bank told reporters during a conference call. In its latest report, the World Bank revised its estimates of India’s growth rate in 2016—17 fiscal year from previous projection of 7.6 per cent to seven per cent. But Kose said the World Bank is expecting growth picking up over the period FY18 and FY19, supported by private consumption, infrastructure spending, and a rebound in investment growth.

### **4. India announces \$100 million Line of Credit to Kenya**

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

India today announced a \$100-million Line of Credit to Kenya for agricultural mechanisation after talks between Prime Minister Narendra Modi and Kenyan President Uhuru Kenyatta during which they also decided to deepen economic cooperation, identifying expansion of bilateral trade as a “priority”. Asserting that challenges in the maritime domain are a shared concern, Modi said the two sides will also explore opportunities in blue economy. “We are focussed on quick operationalisation of our defence cooperation. Some of the specific areas of priority would be hydrography, communication networks, anti-piracy, capacity building, exchanges and defence medical cooperation.

## **5. India's solar prices set to drop amid competition, lower costs**

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

Solar prices could dip in the face of plummeting panel prices, falling interest rates and competition among developers seeking a slice of India's renewables market. The price paid for solar power in India at auction is set to fall below last year's record lows for the South Asia nation, driven by plummeting panel prices, falling interest rates and competition among developers seeking a slice of the country's renewables market. Prices could dip lower than the Rs4.34 a kilowatt-hour offered in auctions held in Rajasthan a year ago, according to at least one developer of solar projects in India. "This year we will see prices fall below Rs4 a kilowatt-hour for sure and it will be viable," said Rahul Munjal, chairman and managing director of Hero Future Energies Pvt., the clean-energy arm of Hero Group, one of India's largest automakers.

## **6. Global travel search engine Kayak enters India**

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

Global travel metasearch engine Kayak has officially announced its entry into the Indian market after having operating in the market since 2008. Kayak, which has other travel portals such as Yatra, MakeMyTrip and Ibibo as partners on its platform, is a price and review comparison site and provides innovative travel tools to help people search, plan and manage their travel. Imbert Fung, Director Southeast Asia and India at Kayak said that India is a rapidly growing travel market and has continued its impressive growth over the past several years. In addition, the Indian online travel market has immense potential, with increasing penetration and acceptance across domestic and international markets. "We have exciting plans for 2017 and setting up operations here is a fantastic step towards making India one of our core markets. While we have had a presence here for a while and feel we understand the Indian user, we are now greatly enhancing our local presence by setting up country operations with Abhijit Mishra at the helm as the country manager for India," he added.

**By Rajnee Narula**

