

Daily Economic News Summary: 15 July 2015

1. MHA gives security clearance to Chinese telecom major Huawei

Source: **Hindustan Times** ([Link](#))

In a move that could allay apprehensions of Chinese investors, Union home ministry has given security clearance to a long-pending proposal of the Red state's telecom major Huawei to set shop in Tamil Nadu. The company's proposal for setting up a unit for electronics, telecom hardware and support services including trading and logistics activities was pending since December, 2013.

The security clearance came two months after Prime Minister Narendra Modi's visit to China where he assured an easy investment environment for Chinese companies. With an eye on attracting the Chinese investment in India, Union home ministry has already put in place a 'transparent and consistent' policy for security clearance for companies coming here from across the Himalayas.

According to the official the security clearance is subject to conditions that the company will have to reserve critical posts like officer-in-charge of technical operations and chief security officer for Indian nationals. And if the company wants to appoint foreign nationals as its chairman, managing director, chief executive officer and chief financial officer, they will have to seek further security clearance from the home ministry.

2. Volvo to export made-in-India buses to Europe by year end

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

Swedish commercial vehicle (CV) maker Volvo Bus Corporation said that it will export 'Made in India' buses to developed markets in Europe, a move that will enhance Prime Minister Narendra Modi's 'Make in India' campaign. The company plans to unveil the first such bus in Europe by the end of the year.

The announcement comes at a time when automobile makers with manufacturing facilities in India are looking beyond South Asia, Africa and Latin American markets for exports. According to Volvo Buses senior leadership, this would be the first time a CV maker will be exporting to Europe. Interestingly, this would also be the first time that Europe would be importing buses from a non-developed market, Volvo said.

3. India looks to engage with oil-rich Iran after nuclear deal

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

Iran's historic pact with six world powers on Tuesday presents India with opportunities to engage with the energy rich Shia-majority nation, but with challenges too as it looks to strike a balance by forging ties with Sunni Arabs and Israel, a key strategic partner, say analysts.

The agreement will make it easier for India to pay for the oil it buys from Iran in rupees while chalking out revival plans for a gas pipeline from Iran through Pakistan to India. Iran is also key for India as it looks for sea and land routes to mineral- and resource-rich Afghanistan and Central Asia.

Connectivity to Central Asia and Afghanistan was an issue that Prime Minister Narendra Modi discussed with Iranian president Hassan Rouhani when the two met in the Russian city of Ufa last week on the sidelines of the Shanghai Cooperation Organisation (SCO) summit, according to two people familiar with the developments, who declined to be named.

4. WEF to hold annual India meet on November 3-4

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

The World Economic Forum (WEF) will hold its annual India meeting on November 3-4, which is expected to focus on strategic vision of the Modi-led **BJP** government. The '2015 National Strategy Day on India' will explore issues like sustainable urbanisation, socio-economic mobility, environmental degradation and infrastructure deficit, while aiming to drive its global multi-stakeholder community towards impact.

According to WEF, in less than seven years, the median age of India will be 29 years with over half of them living in urban areas, which raises grave challenges on sustainable urbanization, socio-economic mobility, environmental degradation and infrastructure deficit.

5. India needs to curb red tape and lift FDI limits: Biden

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

India needs to cut red tape and lift limits on FDI to move forward, US Vice President Joe Biden said as he sought a high-standard bilateral investment treaty that would make the world's fastest growing economy a magnet for the American capital and technology.

"We each have a stake in other's economic vitality," Biden said. "We know, a powerful growing and vibrant Indian economy is in United States' self-interest. And, a growing US economy is in India's best interest. This is not a zero-sum game," he said in his address at an event to commemorate the 10th anniversary of India-US civil nuclear deal.

6. Make it easier for airlines to do business in India: IATA

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

Outdated policies, multiple authorities and the lack of a comprehensive plan have hobbled India's aviation sector, the International Air Transport Association (IATA) said on Tuesday.

The association's director general and chief executive officer Tony Tyler called for the development of a comprehensive aviation policy aligned with the government's stated intention to make it easier to do business in India. IATA represents nearly 260 airlines that account for 83% of global air traffic.

"Regulation is also holding back the development of the sector. Well-intentioned regulations, but which are inconsistent with global standards, make doing aviation business here very difficult," Tyler said during a conference organized by IATA and Confederation of Indian Industry (CII).

By Harsha Hazarika