

Daily Economic News Summary: 4 December 2015

1. India to grow at 7.4% in 2015-16: S&P and ADB

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

India's economy is expected to grow at 7.4 per cent in the current financial year, according to Standard & Poor's and the Asian Development Bank (ADB). The latter expects growth to pick up to 7.8 per cent in 2016-17, while S&P projects growth to be higher at eight per cent. However, risks to growth remain. In its note, ADB said: *"India's economy faces further downside risks from sluggish private investment and rural demand weakened by slow wage growth and muted increase in support prices for agricultural products."*

S&P warned significant reforms are needed as Indian corporates and banks are facing a weak operating environment. Recent estimates by the Central Statistics Office show the GDP grew at 7.2 per cent in the first half of FY16. Growth in the second quarter picked up to 7.4 per cent, compared to seven per cent in the first quarter. It requires the economy to grow 7.6 per cent in the second half to expand 7.4 per cent in the entire 2015-16. Sluggish global growth is likely to drag down growth as exports are likely to suffer. India's exports have contracted 11 months in a row, weighing down growth in the first half of the current financial year.

2. WTO negotiations: India to seek permanent solution for food security

Source: **Indian Express** ([Link](#))

Emphasizing that India will stay firm on the issue of public stock-holding of food crops for food security, the government on Thursday urged World Trade Organization (WTO) member nations to work on consolidating the Doha development agenda even as it resisted any expansion of the negotiating agenda at the ministerial meeting in Nairobi later this month.

Elaborating on the four main issues that India will focus on in the ministerial meeting beginning December 15, commerce secretary Rita Teotia said that the issue of agriculture has *"deepest implication for millions of people around the world. What we are looking at Nairobi are ... the Doha Round must not be abandoned at Nairobi. It's true that we have rough patches, there are difficulties. But it is inevitable in a body as large as this... What we would look for is to consolidate what we have achieved so far and then move forward... the other issue is permanent solution on public stock-holding for food security. This is an issue which large number of countries have an interest,"* she said at a WTO interaction organised by Ficci.

Stressing on the fact that the issue of agriculture development is in convergence with the main objective of economic policy in a developing country — growth, stability and poverty alleviation — she said that India's stance on policies involving agriculture, food and market access will remain unchanged. While developed countries including the US, Australia, the EU oppose public stock-holding of food crops, it is crucial for India's food security programme. The developed countries want to cap the minimum support price and reduce the subsidies for fertilisers et al given to farmers. Raising concerns that developed nations want to "stonewall" the issues which are already on the table and introduce new one, she said that India will pitch for conclusion of Doha Round, permanent solution to the food security issue and protection to farmers from sudden surge in imports in the ministerial.

3. India and European Union to resume talks on free trade agreement in January

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

India and the European Union will resume talks on a free-trade agreement in January after a lengthy break, raising hopes of a speedy completion to the long-drawn process. Talks on the India-EU Broadbased Investment and Trade Agreement have stalled amid the prolonged downturn in Europe and its focus on concluding the Transatlantic Trade and Investment Partnership agreement with the US. Indian then deferred talks that were set to resume in August after the EU banned 700 generic drugs that were tested at Hyderabad-based GVK Biosciences. The government said it was *"disappointed and concerned by the action."* EU's negotiators are now expected to be in India next month. *"They will come in January. We are waiting for them to share the dates,"* said a senior commerce department official.

The development comes a month after the 28-nation bloc offered to discuss the ban as a separate legal matter so that the free trade agreement talks can be resumed. *"We would be picking up the threads after a long hiatus. We need to see if the positions have changed. So, we will be negotiating anew,"* the official added. India and the EU have missed at least four deadlines to clinch a free-trade accord, even after 15 rounds of talks.

4. Diplomatic push to Make in India: Government sets up high powered panel to suggest focus areas & policy changes

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

Seeking to give a diplomatic push to the 'Make in India' initiative in the defence sector, the government has set up a high-powered panel to suggest focus areas and policy changes that would align India's significant global clout with its thrust for self-reliance. ET has learnt that a panel headed by Deputy National Security Advisor (DyNSA) has been set up by the government

that includes representatives from the defence and foreign ministries and other stakeholders that will give specific recommendations on defence diplomacy.

The panel, which is to submit a report to the government by January 31, will identify means by which defence diplomacy can be a force multiplier for the 'Make in India' initiative and is an indicator of National Security Advisor Ajit Doval's expanding areas of responsibility. Sources have told ET that the panel would focus on how highend technology can be obtained by India by leveraging its purchasing power as well as bilateral relations with weapon producing nations.

5. Pichai, Nadella to visit India

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

Two of the top India-born chief executive officers (CEOs) heading large global technology companies will be visiting India later this month. While Microsoft CEO Satya Nadella is on a personal trip, he is scheduled to spend a day with the start-ups at the T-hub, a start-up incubation centre in Hyderabad. Google CEO Sundar Pichai is on an official visit. For Pichai, who was elevated as the CEO of the internet search giant in August, this would be the first visit to India after assuming the charge. Apart from meeting Prime Minister Narendra Modi, whom he hosted at Google's headquarters in Mountain View, Pichai would announce a slew of initiatives on December 16. The measures would be primarily targeted for India, as a part of the Digital India initiative, top company sources told Business Standard.

Among others, Chennai-born Pichai would officially launch Google's Wi-Fi initiatives for India in partnership with RailTel, a unit of Indian Railways that provides broadband services. He is also slated to launch a slew of Google products that have been designed for India. During Modi's Silicon Valley visit in September this year, Google had announced free Wi-Fi services in over 400 railway stations in the country using the underlying optic fibre network of RailTel. In the first phase, the company had said, around 100 stations would be ready by the end of 2016. "This will rank it as the largest public Wi-Fi project in India, and among the largest in the world, by number of potential users," Pichai had written in a blog post.

India is increasingly becoming strategic for the internet giant, owing to its growing internet user base as well as smart-phone users. It is also setting up a large campus in Hyderabad that can accommodate around 13,000 people.

6. Montblanc partners Titan for India re-entry, to open 5 outlets

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

Tata group company Titan today announced forming of a joint venture with global luxury firm Maison Montblanc to set up Montblanc's retail outlets across India. Montblanc, which is re-entering India, will open five boutiques in next three months in Mumbai, Delhi, Hyderabad and Pune through the joint venture. Montblanc International Executive Vice President Sales Nicolas Baretzki said: *"We are delighted to partner Titan in India. This is a market that presents exceptional opportunity for Montblanc, and our expansion strategy will certainly help serve our strong and loyal client base here."*

Elaborating on Montblanc retail expansion plans, Titan said in December two boutiques would be opened at Palladium Mall in Mumbai and Taj Mahal Hotel in Delhi, which would have collections of Maison's innovative writing instruments, fine jewellery for men and women and artisanal leather goods.

By Harsha Hazarika