

## Daily Economic News Summary: 4 September 2015

### 1. UAE keen to invest in Make in India, Digital India, Smart Cities schemes

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

The UAE's foreign minister Sheikh Abdullah Bin Zayed Al Nahyan, who is in New Delhi on a two-day visit, said that his country is looking to invest in programmes like Make in India, Digital India and smart cities. "We are determined to attract more investment into India in various sectors. I am extremely keen to hear and listen from you some of the proposals, especially Make in India, Digital India and Smart City initiatives," he said.

In her statement at the 11th India-UAE joint commission meeting, external affairs minister Sushma Swaraj said infrastructure is a key element in this regard as it opens up markets and opportunities for stronger people-to-people ties. The minister said that the UAE was "determined" to take its relationship with India "to a new strategic level". Citing the example of Dubai Ports World, she said: "*We want to do more, we have the capacity, the willingness, the drive to do more*".

### 2. Near Term growth prospects remain favorable in India: IMF

Source: **NDTV** ([Link](#))

Near-term growth prospects remain favourable in India but some macroeconomic imbalances still exist, International Monetary Fund said today ahead of the meeting of finance ministers from G-20 countries in Turkey.

*"In India, while near-term growth prospects remain favourable and external vulnerabilities have decreased, some macroeconomic imbalances remain,"* IMF said in its report 'Global prospects and policy challenges' meant for the G-20 meeting of finance ministers in Ankara. *"While the faster-than-expected fall in inflation has created space for considering modest cuts in the nominal policy rate, medium term inflationary pressures and upside risks to inflation remain,"* the report said.

With balance sheet strains in the corporate and banking sectors, financial sector regulation in India should be enhanced, provisioning increased, and debt recovery strengthened, it said.

### **3. Rs 192 crore released to prepare Smart City plan**

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

Union Urban Development Ministry today sanctioned a sum of Rs 192 cr under Smart City Mission for 96 cities included in the ambitious project. Each of the cities has been given Rs 2 cr for preparing Smart City plan.

*“Rs 2 cr provided for each city is meant for preparation of city level Smart City Plans with the assistance of technical and hand holding agencies,”* said a senior UD Ministry official. The city level plans are to be submitted to the Urban Development Ministry in the next three months for evaluation for selecting the top 20 rankers for extending financial support during the current financial year.

### **4. 107 “sunshine countries” could weld together ahead of Paris meet to give shape to PM’s vision**

Source: **Times of India** ([Link](#))

India is gearing up to flex its solar muscles by hosting energy ministers from 107 countries for bringing to life PM Narendra Modi's vision of creating a worldwide platform for "sunshine countries" ahead of the global climate talks in Paris. The conclave will formally kick off the sunshine grouping, christened InSPA (International Agency for solar Policy & Application). Government sources said efforts are on to hold the meeting in mid-November, while the Paris talks begin on November 30.

The sunshine countries represent all major developed and developing economies between the tropics of Cancer and Capricorn, including Australia, New Zealand and China. The sources said India is also lobbying for getting a resolution passed for getting to locate the InSPA headquarters in the country.

Power minister Piyush Goyal could not be contacted as he was travelling through Odisha. When contacted, renewable energy secretary Upendra Tripathi said, *"It is the PM's idea. The focus is to develop universal energy access through mutual cooperation."* Tripathi, however, declined to share any other detail or confirm the date of the meet.

## 5. Investment proposals in Electronics sector cross Rs 1 Lakh crore: Ravi Shankar Prasad

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

Government has received investment proposals worth over Rs 1 lakh crore for manufacturing in the electronics sector, said Telecom Minister Ravi Shankar Prasad. "We are promoting electronic cluster in a big way since last 14 months. We have received investment proposals of Rs 1.07 lakh crore till now on which we are going to give lot of incentives under MSIPS," Prasad said at the Diamond Jubilee celebrations of EEPIC India.

The Modified Special Incentive Package Scheme provides subsidy for investments in capital expenditure which is 20 per cent for investments in special economic zones (SEZs) and 25 per cent in non-SEZs. It also provides for reimbursement of countervailing duty or excise for capital equipment for the non-SEZ units. Besides, for setting up electronic chip manufacturing unit, government is allowing 200 per cent deduction on expenditure on research.

Prasad said that electronics manufacturing space has huge potential to generate employment. *"Seven institutes of IT and electronics will be set up so that we can have good human resource to supplement need of human resource in electronic manufacturing,"* Prasad said.

## 6. Government to invest Rs 8.5 lakh crore in railways

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

Sharpening focus on infrastructure development to boost growth, government will invest Rs 8.5 lakh crore in Indian Railways to change the face of the sector, said Minister of State for Finance Jayant Sinha. He also appealed to the opposition parties to help pass the GST bill that will usher in a new indirect taxes regime in the country, boosting business activity.

Speaking at the annual convention of Automotive Component Manufacturers Association (ACMA), Sinha said the government is "very focused" on infrastructure. *"After a decade of chronic under investment in Indian Railways we have decided we will invest Rs 8.5 lakh crore in Indian railways alone. This is extraordinary and will change the face of railways in India,"* he said.

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