

Daily Economic News Summary: 8 October 2015

1. Government approves Rs 2140 crore World Bank assisted watershed project

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

Seeking to enhance access to irrigation facilities to the farmers, a World Bank-assisted watershed project with an outlay of over Rs 2,140 crore was approved by the government. The Cabinet Committee on Economic Affairs chaired by Prime Minister Narendra Modi gave its nod to implement the World Bank (WB)-assisted National Watershed Management Project "Neeranchal" with a total outlay of USD 357 million (Rs 2142.30 crore).

The proposed project will be implemented at the national level as well as in Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Telangana, an official statement said. The government's share of 50 per cent will be Rs 1071.15 crore and remaining is loan component from the World Bank. "Neeranchal", Transport Minister Nitin Gadkari said after the meeting, is aimed at achieving major objectives of the watershed component of the Pradhan Mantri Krishi Sinchayi Yojana (PMKSY) and for ensuring access to irrigation to every farmland (Har Khet Ko Pani) and efficient use of water (Per Drop More Crop).

2. Amazon invests Rs 1237 crore in Amazon seller services in biggest capital infusion since entering India

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

Online retailer Amazon has injected Rs 1,237 crore into Amazon Seller Services, making it the biggest infusion of capital into its Indian flagship firm since it entered the country in 2013. The investment takes Amazon's total infusion into Amazon Seller Services in the past 10 months to about Rs 3,000 crore. About five months ago, it had pumped in Rs 1,155 crore. *"We are very excited by our growth and continue to invest in technology, especially mobile, infrastructure and logistics to support seller capability in order to deliver value to our customers,"* an Amazon India spokesperson said in an emailed reply to ET's query on the investment.

In a filing with the Registrar of Companies (RoC) last month, Amazon Seller had said it is raising the money through allotment of equity shares to its US parent company. India is one of the fastest-growing markets for the US online retail giant. While Amazon did not say how it would use the funds, some analysts ET spoke with said the company will expand its network of

warehouses and data centres and beef up its online marketplace to compete better with local rivals.

3. India's steel sector has a very high potential

Source: **Daily Pioneer** ([Link](#))

With steel accounting for about 2 per cent of India's GDP and 16 per cent of its industrial share, a healthy steel sector is vital for the Indian economy, particularly for manufacturing and construction. The findings of National Council of Applied Economic Research study suggest that the steel sector in India has a very high potential. While the steel industry in other major economies is aging, with little prospect of high growth, India's steel industry is young.

While many old steel producers are struggling with the difficult task of retrofitting, India as a late-comer has the advantage of leapfrogging to the latest technology that is efficient and environmentally friendly. If India's economic growth accelerates, the production of steel should increase by several hundred million tons over the next few decades.

4. Bridgestone looks to enter two wheeler tyre segment in India

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

Japanese tyre major Bridgestone is looking to enter two-wheeler segment in India as it aims to become a leading player in the country. The company, which today launched a fuel efficient range of tyres under the Ecopia brand for passenger vehicles, is not present in the fast growing two-wheeler tyre segment. *"We are aggressively looking to get into the two-wheeler tyre segment in India though nothing is finalised as yet. We are in the initial planning phase right now,"* Bridgestone India Managing Director Kazuhiko Mimura told reporters.

5. Centre to allocate Rs 3000 crore more for merchandise exports scheme

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

The commerce ministry has agreed to partially revamp the Merchandise Exports from India Scheme (MEIS) by giving higher incentives to ailing exporters after the finance ministry agreed to allocate Rs.3,000 crore more for the scheme. At a meeting with 27 export promotion councils (EPCs) on the backdrop of contracting shipments for nine months in a row till August, commerce secretary Rita Teotia said the allocation for MEIS for the current financial year has been increased to Rs.21,000 crore from Rs.18,000 crore.

The representative of an EPC present at the meeting said Teotia expressed willingness to change the present categorisation of export destinations under the MEIS scheme. At present, countries are divided into three categories—A, B and C for offer of incentives to exporters. Category A includes traditional markets such as the European Union, the US and Canada, B includes 139 emerging and focus markets countries from Africa, Latin America and Asia. The remaining countries have been grouped in the C category and are not eligible for any incentive.

Exporters are demanding that some Category C countries be transferred to the other two categories, making exports to such countries eligible for incentives. *“Significant exports happen to our neighbours such as Bangladesh, Nepal and Sri Lanka which are currently put in the Category C. Commerce secretary has agreed to look into it after we provide a country-product matrix,”* said the EPC representative on condition of anonymity said.

By Harsha Hazarika