

## Daily Economic News Summary: 10 September 2015

### 1. Over Rs 1 lakh crore committed for Tamil Nadu at global investors meet: Jayalithaa

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

Investment of over Rs one lakh crore was committed for Tamil Nadu at a maiden Global Investors Meet that began here today, Chief Minister Jayalithaa said as she made a strong pitch for pushing the infrastructure sector. *"The Global Investors Meet (GIM) had targeted investment commitments of Rs 1 lakh crore, which has already been exceeded. I am very confident that further commitments would be made over these two days,"* she said while lauding Prime Minister Narendra Modi for creating *"a more investor-friendly climate"*.

Inaugurating the two-day meet which is being attended by 5,000 delegates, including 1,000 from abroad, Jayalithaa showcased the state as a top investment destination and assured businesses that their foray into Tamil Nadu was "sound investment". Batting for more investment in her state, Jayalithaa referred to her various pro-industry initiatives and said that "a total investment in infrastructure of \$250 billion is planned".

### 2. Generic drug industry to touch \$27.9 Bn by 2020: Study

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

The domestic generic drug market may touch \$27.9 billion by 2020 from the current \$13.1 billion on the back of USFDA approvals to Indian pharma firms and many drugs losing their patent status, says a study. Generics would account for 85 per cent share in the domestic pharma market by 2020, fuelled by cheap labour, patent cliff of blockbuster drugs and prevalence of lifestyle diseases, according to the study by industry body Assocham and market research firm RNCOS.

The sector is likely to benefit from USFDA approvals to Indian pharma firms as 21 drugs lose patent status by 2019, it said. Generic drugs account for 75 per cent of the domestic pharmaceutical market by value. Drugs for cholesterol control, pain management, anti-coagulant, respiratory problems, liver disorders, depression and lipid regulators are highly prevalent in the global market.

### **3. Cabinet allows 100% FDI under automatic route for white label ATMs**

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

The Cabinet today permitted 100 per cent foreign direct investment (FDI) under the automatic route for white label ATM operations, a move that is aimed at promoting financial inclusion. *"This decision will ease and expedite foreign investment inflows in the activity and thus give a fillip to the government's effort to promote financial inclusion in the country, including the Pradhan Mantri Jan Dhan Yojna,"* an official statement said.

The decision was taken in the meeting of the Union Cabinet chaired by Prime Minister Narendra Modi. It is expected that consequent to ease of investing in India, adequate funds would be available in white label ATM operations, it said. *"This would help in government's objective of enhancing ATM networks in semi-urban and rural areas,"* it said, adding that participation of foreign investors in the sector will contribute to furthering financial inclusion.

### **4. Govt clears policy to set up wind power projects off coastline**

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

In a push for cleaner renewable energy sources, the government today approved a policy for setting up wind power projects in sea alongside the nearly 7,600-km coastline. The National Offshore Wind Energy Policy, cleared by the Cabinet headed by Prime Minister Narendra Modi, allows development of wind farms in India's exclusive economic zone. It will also allow research work in Indian waters.

The policy aims at allocating offshore wind energy blocks to developers for installing turbines that can generate electricity from wind. *"Under the policy, there will be energy mapping of the country, and locations with high potential will be identified. After that, the government will seek required approval from various departments like space, defence and shipping, before finally putting these projects for bidding,"* Power, Coal and New & Renewable Energy Minister Piyush Goyal said at a press conference after a Cabinet meeting.

## **5. Hero MotoCorp starts manufacturing facility in Colombia**

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

Automobile manufacturer Hero MotoCorp (HMCL) on Wednesday said that its first global manufacturing facility at the South America nation of Colombia had commenced operations. Inaugurated by Colombian President Juan Manuel Santos and Hero MotoCorp chairman Pawan Munjal, the first facility of Hero outside India has an initial project investment of \$70 million.

*"The plant has been built at a project cost of \$70 million, of which \$38 million has been utilised in capital expenditure (capex) and rest will be used as working capital over the next few years. It will also generate employment for approximately 2,200 people in the region,"* the company said.

## **6. Breather for steel companies as safeguard duty proposed**

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

Convinced that the sudden surge in steel imports in recent years has inflicted injury to the domestic manufactures of the alloy, the Directorate General (DG) of Safeguards attached to the finance ministry has recommended a provisional 20% safeguard duty for a period of 200 days on the common variety of hot rolled coil.

Domestic primary steelmakers welcomed the move and expressed the hope that the duty would be imposed soon. An official release said the DG's recommendations would be examined by the Board of Safeguards, headed by the commerce secretary. The finance ministry would issue the relevant notification if the Board endorses the DG's view. A safeguard duty, a legitimate tool with governments to protect domestic industries, if imposed, will apply to imports from all countries.

## 7. IKEA set to open first India store in Hyderabad by 2017

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

Ikea, the world's largest furniture retailer, will open its first store in India in early 2017 in Hyderabad, said Juvencio Maeztu, chief executive of Ikea India. The company is currently in discussions with the governments of Maharashtra, Karnataka, Delhi, Uttar Pradesh, Haryana and Telangana to buy land to open stores in those states, he said.

Land acquisition has been the most challenging step in the process so far, Maetzu said. *"The price is too high. It just doesn't make sense to pay that,"* he said. Maetzu was speaking at the Economist India Summit 2015 in Delhi in response to a question on the challenges of doing business in India. *"The process to acquire the land (is too complicated) and the land titles (are not clear),"* he said. *"It's not enough to say it'll be okay."*

\*\*\*\*\*

By Harsha Hazarika