

Daily Economic News Summary: 13 November 2015

1. India, UK announce 9 Billion pound worth of deals

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

India and the UK today announced deals worth 9-billion pound as they signed a civil nuclear pact and decided to collaborate in the field of defence and cyber security besides launching a railway rupee bond. British Prime Minister David Cameron described the relations between the two sides as a "new dynamic modern partnership" and reiterated his country's support for India's permanent membership of the UN Security Council. *"During this visit British and Indian companies are announcing new collaborations together worth 9 billion pounds,"* he said at a joint press conference with Modi here. *"We want to become the number one partners to finance the immense economic vision Prime Minister (Narendra) Modi and make London the centre for off-shore rupee trading with the launch of 1-billion worth of bonds including the first government-backed rupee denominated bond,"* Cameron added.

Modi highlighted plans for India to use London as a financial base for fundraising. *"We are going to use the London market for fundraising even more and I am happy to announced that we are set to launch a railway rupee bond in London. It is appropriate as the journey of Indian Railways started in the UK,"* Modi said.

2. India to be world's fastest growing economy by '17: UK confederation

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

The Confederation for British Industry's latest quarterly economic forecast released on the eve of PM Narendra Modi's visit has predicted that India will be the fastest growing economy among the G20 by 2017 (7.6%). The UK is already the single largest G20 investor into India and has invested \$22.2 billion between 2000 and 2015 -9% of all FDI in the country.

The confederation said that slower economic growth in China will weigh further on emerging markets, but it is "India which remains a bright spot among more downbeat emerging markets". In total, G20 nations invested \$73.9 billion in India between 2000-2015 with the UK followed by Japan (\$18.3 billion), US (\$13.7billion), Germany (\$7.6 billion) and France (\$ 4.5 billion). As India's largest employer, UK companies currently employ around 691,000 people across the country -counting for 5.5% of the total organized private sector jobs. Between 2000 and 2015, the UK FDI generated around 138,000 direct jobs, 7% of the total 1.96 million jobs generated by FDI in India.

India's massive talent pool was the main reason for 63% of the British firms to believe in India's potential while India's recent growth story made 86% of them turn onwards the Asian giant. English being an official language has helped too with 53% of the companies relying on it while 40% said it was the country's stable government.

3. Reconstituted India-UK CEOs Forum's first meeting today

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

The first meeting of the reconstituted India-UK CEOs Forum will be held today with Prime Minister Narendra Modi and industry leaders from the two countries attending it, during which key issues of FDI and intellectual property rights are expected to be discussed. Tata Group chairman Cyrus Mistry will head the Forum and will be joined by Bharti Enterprises chairman Sunil Bharti Mittal, Tata Consultancy Services CEO and managing director N Chandrasekaran and Bharat Forge chairman Baba Kalyani at 11 Downing Street, next to British Prime Minister David Cameron's office. "The two Prime Ministers welcomed the first meeting of the reconstituted India-UK CEOs Forum. This Forum will be tasked with advising the Prime Ministers about the trade and investment opportunities and challenges," the joint statement issued by Modi and Cameron said.

Key issues expected to be raised include taxation, foreign direct investment (FDI) and intellectual property rights (IPR), all of which Modi sought to pre-empt in his speech at a business meet at the Guildhall last evening. *"We have taken very decisive steps to remove a number of long-pending concerns. To give you some examples... We have expedited regulatory clearances including security and environmental clearance... We have clearly articulated that we will not resort to retrospective taxation and demonstrated this position in a number of ways; this includes not going for imposition of Minimum Alternate Tax on FPIs. We have rationalised the capital gains tax regime for Real Estate Investment Trusts... We have taken several initiatives for transparency and online processing in IP administration. A comprehensive National IPR policy is being finalised,"* he told the gathering.

4. India is a good trading partner for the UK: Lord Meghnad Desai. LSE

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

In a chat with ET Now, Lord Meghnad Desai, Emeritus Professor at LSE, shares his thoughts on relations between India and the UK and PM Narendra Modi's ongoing visit. Excerpts:

ET Now: PM Narendra Modi is currently on his three-day visit to the UK. Do you think recent events in India have dented its image in the world?

Lord Meghnad: Trade and investment does not depend on circumstances like Bihar elections. India still remains a good investment destination and is a good trading partner for the UK.

ET Now: UK has also been the largest G20 investor in India.

Lord Meghnad: Exactly. UK decided some time ago that it has to encourage trade with dynamic emerging economies. They cannot just rely on Europe. Hence, the UK is focused on making this visit a success.

5. Government eases norms to test, launch drugs

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

In an attempt to ease norms for testing and introduction of new medicines in the country, the government has taken steps to fast-track approvals for clinical trials as well as launch of drugs already approved in other countries. Pharmaceutical companies planning to launch new drugs already approved outside India after conducting pre-clinical or toxicological studies on animals will not be required to repeat such studies in India for importing or manufacturing them here unless some specific concerns are raised, the Drugs Controller General of India, under the health ministry, said in a latest circular issued this week.

The drug regulator has also given more freedom and responsibility to the Ethics Committee-- that monitors clinical trials for new medicines. As per the new norms, the Ethics Committee is expected to cut timelines for launch of new medicines, including biologics. Ethics Committee has also been allowed to add trial sites and investigators without the need to obtain a no objection certificate from the DCGI. However, companies will have to inform any changes to the DCGI.

The move comes in the wake of concerns raised by the industry which complained of repeat tests and data submissions to different authorities. Of late, the regulator has also been cautious on approving new drug trials after the Supreme Court's directive asking the government to ensure patient safety while approving clinical trials. The recommendations to ease the norms for additional tests were made by the Investigational New Drug Committee and Drug Technical Advisory Board.

6. India to boost air connectivity with Gulf, African nations

Source: **Daily News & Analysis** ([Link](#))

Government on Thursday announced increase in weekly seat entitlements on flights to Oman, Kenya and Ethiopia besides measures to boost air services with Scandinavian countries, including Sweden and Denmark. The decision to enhance seat entitlements and air connectivity with multiple countries comes at a time when the Government is working on ways to boost the domestic aviation market.

Various agreements have been inked with Oman, Kenya, Ethiopia, Kazakhstan, Finland, Sweden, Norway and Denmark, during an international aviation conference held in Turkey last month. With Oman, a Memorandum of Understanding (MoU) has been signed, which allows additional 5,131 seats to airlines of the two sides. This would take the total capacity entitlements from 16,018 seats per week to 21,149 seats per week for both sides, according to an official release.

Similarly, the seat entitlements between India and Kenya have been increased *"from 14 frequencies to 21 additional frequencies and Hyderabad was allowed as an additional point of call for the designated carriers of Kenya. Domestic code share was agreed to from any four points by both sides. Kenya agreed to grant one additional point, intermediate and beyond point with full 5th freedom rights in Africa to India,"* the release said.

By Harsha Hazarika