

## Daily Economic News Summary: 15 September 2015

### 1. PM Modi has digital designs on Silicon Valley

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

After wowing Indian Americans on the East Coast and wooing US big business to 'Make in India' last year, Prime Minister Narendra Modi is now out to win over the Silicon Valley for his Digital India initiative. The first Indian leader to visit California in more than 30 years later this month, Modi will go to Facebook for a town hall style question answer session and visit other top tech companies like Google and Adobe systems as also electric carmaker Tesla.

As the Facebook founder Mark Zuckerberg announced Sunday the September 27 town hall at the company's Menlo Park, California, headquarters will *"discuss how communities can work together to address social and economic challenges."*

### 2. Centre announces 20% safeguard duty on steel imports

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

Finance minister Arun Jaitley on Monday announced the government's decision to impose a 20 per cent safeguard duty on steel imports with immediate effect. The duty on specific steel products will be valid for 200 days. This is perhaps the first time in nearly two decades that the government is taking a series of moves to "protect" the domestic steel industry since it was liberalised in the early 90s. *"A provisional duty of 20 per cent on certain steel products has been introduced with effect from today and it will continue for 200 days,"* the finance minister told reporters in New Delhi.

The government has reacted with remarkable speed in response to an application from domestic steel producers in June. Earlier a government panel comprising commerce, steel and revenue secretaries approved imposition of 20 per cent safeguard duty on imports of specific steel products from China, Japan and Korea for 200 days.

### 3. World Bank ranks Gujarat as best Indian states for business

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

Gujarat, the state Prime Minister Narendra Modi ran for more than a decade, is India's best place for conducting business, the World Bank said on Monday, in a report that ranks the country's states in an effort to encourage them to cut red tape. The report, prepared with support from KPMG on the request of the Modi government, gains importance by coming before the World Bank's annual Doing Business report, which ranks nations and is expected to be released next month.

Since taking charge in May 2014, Modi has set an ambitious target of improving by 2017 India's national ranking from a woeful 142 of 189, below Pakistan and Iran, to the top 50. Last year, India slipped two spots in the report, and was ranked lower than Brazil, Russia, China and South Africa - mainly because of delays in approvals for starting a business, tax payments, getting bank loans and property registration. *"The growth of business in India requires concerted action on several fronts - infrastructure, capital markets, trade facilitation and skills,"* said Onno Ruhl, the World Bank's India director. *"The stark reality is that India remains a difficult place to do business."*

### 4. India to soon clear \$700 mn oil dues to Iran as first tranche

Source: **The Hindu** ([Link](#))

India will in next few days pay Iran \$700 million to clear more than one-tenth of the outstanding oil dues, ahead of the expected lifting of sanctions against Tehran. The Reserve Bank of India (RBI) will make payments of \$6.5 billion in past oil dues to Iran *"in a calibrated manner so that there is no pressure on exchange rate,"* said a senior Finance Ministry official. *"The first tranche will go out sometime this month,"* he said. Another official said the first tranche of \$700 million will go out in *"next few days."*

**5. India could grow at 8% in FY 16-20: Goldman Sachs**

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

Rising productivity could help India grow at a potential 8% on average during from fiscal 2016 to 2020, compared to 7% during fiscal 2012-15, under the new GDP series, investment bank Goldman Sachs said in a report. Growth will be powered by greater access to banking, technology adoption, urbanization, improvement in education, e-governance-based ease of doing business and other structural reforms, the report said.

*“The increases would be driven by an increase in investments, but mainly, faster productivity growth,”* it said. The report said that, by 2020, India’s economy could gain over 300 million more Internet users and 50 million more high school graduates. The country is reducing red tape by adding 200,000 bank accounts every day, and moving nearly 800 government services online, raising productivity.

\*\*\*\*\*

**By Harsha Hazarika**