

Daily Economic New Summary: 21 September 2015

1. India to oppose US move to set occupation-specific visa norms

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

India will oppose any move by the US to set occupation-specific ceilings, under its overall work visa permits, and will raise the matter at the first India-US Strategic and Commercial Dialogue (SCD) to be held in Washington. *“We will raise our concerns over high visa fees, high rate of (visa) rejection. We also want to be sure that there is no industry-specific ceilings within the overall working visa cap. We don’t want that kind of allotment,”* said a commerce ministry official on condition of anonymity.

Restrictions imposed by the US and other western countries on the mobility of skilled Indian professionals—to live and work in those countries—have long been of concern to India. Proposed restrictive measures on skilled non-immigrant visas threaten Indian information technology (IT) firms, more so because existing issues related to the US H1B/L1 visa fee hike, a difficult visa grant process, increased processing time and higher rejection rates are yet to be resolved.

Sangeeta Gupta, senior vice-president (events, research and communication) at the software industry lobby NASSCOM, said constant investigations against Indian technology companies have created an atmosphere of negativity, although these firms are ready to cooperate with the US authorities. *“We hope for a healthy dialogue between the two sides on issues such as greater parity related to visa and immigration, totalization agreement and future areas of cooperation, such as cyber security and Internet of things,”* she added.

2. India’s farm subsidy programme may face fresh challenge at WTO

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

India’s market price support and input subsidy programmes for millions of resource-poor farmers are in serious jeopardy if an unofficial proposal from the US gains currency ahead of a crucial World Trade Organization (WTO) ministerial meeting in Nairobi in three months’ time. Effectively, the Narendra Modi government will be forced to curtail the public distribution programme, which is based on market price support, and other input subsidies given to poor farmers if the US non-paper finds its way to Nairobi. A non-paper is a discussion paper that does not necessarily represent the official position of the institution or country that drafted it.

Also, New Delhi's demand for a permanent solution to public stockholding programmes for food security by the Nairobi ministerial meeting has almost been consigned to the dustbin in the face of roadblocks created by major industrialized countries.

Washington circulated a two-page draft of the non-paper at a meeting of senior trade officials from industrialized and developing countries. Officials from the US, the European Union (EU), China, India, Brazil, Australia and Japan, along with WTO director general Roberto Azevêdo, took part in the closed-door meeting to discuss a package of deliverables for the WTO's 10th ministerial conference in Nairobi on 15 December.

3. Arun Jaitley seeks foreign investments for infrastructure and other sectors

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

The finance minister, along with a large business delegation from India, including BSE chief Ashishkumar Chauhan and industry body representatives, on Sunday began meetings with private equity, asset management companies and other institutional investors. Jaitley will address the APIC-India Capital Markets and Institutional Investors Summit in his first visit to this global financial centre as India's finance minister. He will seek to attract global investors to the Indian growth story being pursued amidst global financial markets volatility.

He will also provide insights into how Prime Minister Narendra Modi-led government is tackling these challenges. The finance minister would be pitching for overseas investments in various sectors, including infrastructure. India has emerged as one of the fastest growing markets globally, despite a turmoil in most of the international markets, while foreign investors have been one of the mainstays of the country's capital market growth story. He is also seeking investments from large overseas players, many of whom operate in Asia through Hong Kong and Singapore, for the capital-intensive infrastructure sectors.

4. Steel safeguard duty to improve domestic cos's profit: Moody's

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

Moody's today said the 20% safeguard duty on some variants of steel imports is credit positive for domestic producers and will improve their profitability. *"The imposition of a safeguard duty on certain categories of hot-rolled coil steel imported into the country is credit positive for Indian steel producers because the duty will support domestic steel prices, improve producers' profitability and their leverage metrics,"* Moody's Investors Service said in a report.

"For our rated entities in India, Tata Steel (Ba1 stable) and JSW Steel (Ba1 stable), the safeguard duty is credit positive as it staves off some of the downward pressure on their realizations caused by cheap imports." The safeguard duty and a depreciating rupee will provide a stabilising impact on domestic prices and demand-supply equations, it said. The 20% duty - which was announced on September 14 - took effect immediately and will be levied for 200 days.

5. SEBI to conduct nation-wide investor survey, ropes in Nielsen

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

Capital markets regulator SEBI has decided to conduct a nation-wide investor survey to understand investment habits of individuals and households in different parts of the country. The regulator has commissioned the survey to Nielsen India Pvt Ltd, which would collect information from residents in different states and union territories. *"This is a major exercise taken up at the national level and requires to be completed in a short period. All households are requested to cooperate whole-heartedly in this exercise. Any information supplied by the individual respondent shall be kept strictly confidential,"* the Securities and Exchange Board of India (SEBI) said in a public announcement.

The SEBI Investor Survey 2015 follows three other surveys SEBI had commissioned earlier on how households save and invest. The last such survey, by NCAER, was released in January 2012.

6. Commerce Minister seeks sops for exports

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

Faced with falling exports, the commerce department has sought fresh government support to prop up the flow of goods from the country. Sources said more funds have been sought for the Merchandise Exports from India Scheme (MEIS) in addition to Rs 9,000-10,000 crore for reviving the interest subsidy scheme for select sectors.

The scope of the interest subvention scheme is almost identical to the one announced by UPA although the coverage is proposed to be expanded to cover more engineering products, processed food items and electronic goods. The interest subsidy scheme is expected to cost around Rs 2,000 crore annually but funding has been sought for five years to provide policy certainty, said sources.

7. World-class Central Square to come up in Chennai

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

Tamil Nadu chief minister J. Jayalalithaa on Tuesday said her government will develop the area around the Chennai Central railway station into a Central Square at a cost of Rs400 crore.

Long distance trains, Mass Rapid Transport System and the under-construction metro rail converge at the congested commercial area, which also houses headquarters of the Corporation of Chennai and the Southern Railway. *“I am happy to announce that the areas around Rippon building, suburban railway terminal, Chennai Central railway station, Victoria Hall, government hospital, MRTS station and others will be developed as a world-class Central Square,”* Jayalalithaa told the state assembly.

To ensure seamless traffic, the government would set up facilities, including parking lots and pavement for pedestrians with funding from the Chennai Metropolitan Development Authority, she said.

By Harsha Hazarika