

Daily Economic News Summary: 28 September 2015

1. Dream to Make India \$20 trillion economy: PM Modi at Facebook townhall

Source: NDTV ([Link](#))

Prime Minister Narendra Modi at the Facebook townhall said that his government aims to convert the country's economy from existing \$8 trillion dollars to \$20 trillion dollars. Projecting India as a "heaven" for investors, PM Modi said Delhi is working on deregulation and ensuring 'ease of doing business.'

In the townhall Q&A at the Facebook Headquarters along with its CEO Mark Zuckerberg, PM Modi spoke about efforts to revive the faith among foreign investors, saying reforms are taking place speedily and the government had managed to "restore the lost confidence" during the last 15 months as he appeared to take a dig at the previous UPA dispensation. He said his government was laying thrust on three sectors particularly - agriculture, services and manufacturing - along with building the physical and digital infrastructure simultaneously.

2. SEBI in favour of gradually allowing more commodity products

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

The Securities and Exchange Board of India (Sebi) is in favour of introducing more products and allowing more participants in the commodity derivatives market, but in a gradual manner, in the best interest of all stakeholders. Speaking at an event to mark the formal merger of the Forward Markets Commission (FMC) with Sebi, chairman U.K. Sinha said the immediate priority is to take stock of the situation in the commodity market and make efforts so that intermediaries have trust in the manner regulation will evolve.

“There is no reason why options trading should not be allowed in commodity derivatives market. There is no reason why participants like banks and foreign portfolio investors that are not allowed today should not be allowed. Exchanges can be allowed to offer both commodity and equity trading. These will be done over time gradually. It is not the immediate priority,” said Sinha. Union finance minister Arun Jaitley who was present at the event said the merger will help intermediaries benefit from economies of scale in a robust regulatory environment. *“Sebi has matured over the years and is a fair, independent regulator. I don’t see Sebi taking time to meet the challenge,”* Jaitley said.

3. Small firms lap up NHAI projects as large ones focus on cutting debt

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

Smaller road builders have won a number of highway contracts awarded this year, as their larger rivals focus on reducing debt and completing existing projects rather than take up fresh projects. The government plans to spend as much as Rs.1.2 trillion on national highways in the current financial year, with a target of awarding a total of 273 road projects. Most projects awarded, however, have been through the EPC (engineering, procurement, construction) route, where the financial commitment needed from developers is lower.

Under the EPC model, the government pays a contractor a sum to build a project awarded through competitive bidding, meaning limited financial commitment from developers. In build-operate-transfer (BOT) projects, a private operator builds the project from its own funds, operates it for a period and then transfers it to the government.

Between January and July (for when the last monthly data was available), National Highways Authority of India (NHAI) awarded a total of 30 road projects spanning about 2,660km, with a total estimated project cost of nearly Rs.28,000 crore. Over two-third of the 30 projects were awarded under the EPC or NHAI-funded route.

4. India inks deal to launch 23 foreign satellites

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

India has signed up contracts to launch 23 foreign satellites soon, said an official of Antrix Corporation. Antrix Corporation is the commercial arm of Indian space agency Indian Space Research Organisation (ISRO). *"Out of 23 foreign satellites, two will go in two separate rockets. The remaining 21 satellites will piggy-back on bigger Indian satellite,"* the official told IANS.

5. Reliance Defence signs MoU with UAE's EDIC to manufacture defence equipment

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

Anil Ambani-led Reliance Defence Ltd has signed a strategic pact with UAE's Emirates Defence Industries Company (EDIC) to collaborate in the sector, especially in maintenance, repair and overhaul category. The two companies have agreed to jointly explore the opportunity for manufacturing and building capabilities in defence vehicles, aviation and associated areas, defence equipment and armament manufacturing, defence electronics, commercial and naval ships besides Maintenance, Repair and Overhaul (MRO) of military equipment and platforms.

"The partnership will explore the opportunity in the UAE defence industry which has many capital expenditures but the costs for setting up facilities, recruiting and developing scientists and engineers are high," Reliance Group said in a statement. *"The partnership will aim at creating synergy to bring down operational costs and leverage each others' capabilities,"* it added.

By Harsha Hazarika