

Daily Economic News Summary: 2 December 2015

1. Foreign investment up 13% to \$16.63 BN in first half of FY16

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

The foreign investment was \$14.7 billion during April-September 2014, according to the latest figures of the Department of Industrial Policy and Promotion (DIPP). During the first half of the financial year, India received most FDI of \$6.7 billion from Singapore, followed by Mauritius (\$3.6 billion), the Netherlands (\$1.09 billion), and Japan (\$815 million). Sectors that attracted highest foreign investment in the period include computer software and hardware (\$3.05 billion), trading (\$2.3 billion), services and automobile (\$1.5 billion each), and telecommunications (\$659 million).

The government has relaxed FDI norms in as many as 15 sectors, including defence, single-brand retail, construction development, civil aviation, and Limited Liability Partnerships, to boost FDI in the country. LLP is a flexible legal and tax entity that allows partners to benefit from economies of scale by working together while also reducing their liability for the actions of other partners.

2. Japan to loan India Rs 5479 crore for metro project

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

Japan will give development assistance loan worth Rs.5,479 crore to India for Chennai and Ahmedabad Metro projects, the finance ministry said on Sunday. Both countries have signed agreements in this regard. India and Japan have inked agreements “for an official development assistance loan of an amount of 19.981 billion Japanese yen (about Rs.1,069 crore) for the Chennai Metro Rail Project (IV) and 82.434 billion Japanese yen (about Rs.4,410 crore) for Ahmedabad Metro Project,” the finance ministry said in a statement.

In last few years, economic cooperation between India and Japan has strengthened and grown into strategic partnership, it said. With overall consensus and popular support for the greater cooperation between India and Japan, the partnership is poised for a great future, it added. The agreements were signed by the joint secretary in the department of economic affairs S. Selvakumar and Yutaka Kikuta, deputy chief of mission of Japan to India, here on last Friday.

India attaches highest importance to infrastructure projects, it said, adding that an important component of infrastructure is urban infrastructure. *“Within urban infrastructure, provision of metro rail gains more importance because of its environment friendly nature. It reduces the*

traffic congestion in the cities where the traffic is overflowing and also reduces green house gas emission," the statement said.

3. Advanced Optronics Devices, Syska to set up Rs 500 crore LED plant in Telangana

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

Chinese LED light maker Advanced Optronics Devices (China) Co. Ltd. and Pune-based Syska LED Lights Pvt. Ltd. will together set up a LED manufacturing plant in Telangana. Spread across 50 acres, the project will entail an investment of Rs.500 crore and is expected to provide jobs for 2,000 people, a statement from the chief minister K. Chandrashekar Rao's office said on Monday.

The plant will be set up by the Chinese firm's subsidiary and international sales arm Advanced Optronics Devices International Inc. Part of SSK Group, which has interests ranging from retail and fruit production to lighting solutions, Syska LED makes LED lighting solutions for indoor, outdoor and industrial segments. Based in Weifang, China, privately-held Advanced Optronics Devices is a leading LED light manufacturer of commercial, outdoor and industrial LED lighting applications.

LED bulbs also have a greater life span. As a result of the lower operating costs, they are being adopted by households and government's urban planning bodies to light up India's cities. The coastal city of Visakhapatnam replaced its street lighting with LED bulbs after a massive cyclonic storm *Hudhud* uprooted street light poles in October last year.

4. India plans to construct six more fast breeder reactors

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

Bhavini, the implementing arm of the Department of Atomic Energy, has plans to construct six new Fast Breeder Reactors over the next 15 years, a senior official said today. Country's first 500-MWe Prototype Fast Breeder Reactor (PFBR) at Kalpakkam, around 70 km from Chennai, being set up by BHAVINI, is expected to become critical in March or April 2016, Chairman and Managing Director of Bharatiya Nabhikiya Vidyut Nigam Limited (BHAVINI), P Chellapandi, said.

Speaking to reporters on sidelines of an International Conference, organised by Nuclear Fuel Complex here, Chellapandi said, *"We are planning two more reactors. Once after one year of successful operation of this PFBR, we have to watch, then we will seek government sanction for construction of two 600 MW reactors at Kalpakkam. With the two proposed 600 MWs, we*

are optimising and constructing higher power with same costs," he said. "Afterwards we have to think of new places for putting four more units. The site selection committee is choosing some places and are studying suitable size. Immediate vision is to construct two FBRs at Kalpakkam and four more beyond 2030," Chellapandi added. On the first 500-MWe PFBR being set up, he said the PFBR (designed by Indira Gandhi Centre for Atomic Research) construction is over and they are seeking clearance from the Atomic Energy Regulatory Board (AERB) in phases for sodium charging, fuel loading, reactor criticality and power rising (generation).

5. Qualcomm launches Design in India initiatives

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

Qualcomm Incorporated on Tuesday launched the Qualcomm Design in India Challenge, aimed at encouraging the creation of a local product design ecosystem, a company statement said. The challenge, launched in association with the National Association of Software and Services Companies (NASSCOM), aims to catalyze the creation of a product and hardware design ecosystem in India in the domains of smartphones, tablets and Internet of Everything (IoT) products for healthcare, education, banking, agriculture, automotive, wearables and smartcities. *"Energized by Prime Minister Narendra Modi's Make in India vision, Qualcomm is excited to support the possibility of making India a hub for product and hardware design in the areas of smartphones, tablets and IoT,"* said Qualcomm India president Sunil Lalvani.

6. India has better growth prospects than China: Mark Mobius

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

Emerging markets guru Mark Mobius said on Tuesday India could overtake China in the Templeton Emerging Markets group's equity investments over the next five years, given the strong growth prospects of Asia's third-largest economy and provided much-awaited reforms see the light of the day. Mobius, who is executive chairman of the Templeton Emerging Markets Group at Franklin Templeton Investments, said China accounts for 8% of the group's equity investment, followed by India with a 3% share. But, he added, the gap could close in time to come. *"If you look at where we are invested China is at the top of the list, followed by India and Thailand, will be the next two,"* Mobius said in an interview on the sidelines of an event. *"Going forward India is going to become more important, simply because it's got better growth prospects,"* said Mobius, adding that it was important that reforms went through as well.

India's economic growth accelerated to 7.4% in the second quarter of the current financial year, riding on a spike in manufacturing and a pickup in investment demand,

government data showed on Monday. The ongoing reforms process was also key to Mobius' rationale for investments in India. *"The demographics are in favour. It's a young population, and a growing population. Secondly, the reforms process is moving ahead. Modi has set an agenda for reforms,"* he said. Although some people were concerned about the speed, he said, it was not as important as the direction of reforms.

The reforms process initiated by the government led by Prime Minister Narendra Modi was off to a slow start—compared with expectations—with a political logjam in previous Parliament sessions stalling the passage of crucial legislation. Hopes have risen now that things may move ahead better than expected from here on.

By Harsha Hazarika