

Daily Economic News Summary: 6 August 2015

1. PMIs show Indian economy better than most others in Asia

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

India's economy may not be in the best shape, but the Purchasing Managers' Indices (PMIs) prove once again that it's better off than most others in Asia. India's composite output PMI is 52 for July, which is better than that of some large Asian economies. The composite output index is a combined measure of manufacturing and services activity in the private sector.

Among manufacturing PMIs, the Indonesian, Malaysian, South Korean and Taiwanese indices all showed a contraction in July, and only Vietnam's manufacturing expansion was comparable to India's. India's relatively better position explains why the Indian equity markets have not really seen large outflows in the past month despite global emerging market investors being heavily overweight on the country in the past year.

2. India to be \$5 trillion economy in 10 years: ride this surge via equities

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

From a near \$2 trillion, India's economy is likely to swell to \$5 trillion in a span of a decade. And if experts are to be believed, equities offer the best investment avenue to ride this economic surge. Despite the near-term headwinds, analysts point to the prospects of Indian stock market and the potential it has vis-a-vis other emerging markets.

"When you think about India and the fact that the GST is running into a lot of problems, land acquisition may not happen, it seems the expectations were high and we are not getting there. But when you look outside India, for example, Brazil, Turkey, Russia, China or Indonesia, all of a sudden, India looks like a million roses," says Taimur Baig of Deutsche Bank in an interview with ET Now.

3. India cancels EU trade talks over pharma ban

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

India has cancelled a meeting with the European Union's (EU's) chief trade negotiator in protest against an import ban on 700 of its generic drugs for alleged manipulation of clinical trials, dealing a blow to the proposed free-trade accord between the European trade bloc and Asia's third-largest economy.

The decision was taken as the government is "disappointed and concerned by the action of EU in imposing legally binding ban on the sale of around 700 pharma products clinically tested by GVK Biosciences, Hyderabad" on 16 July, the commerce ministry said in a statement on Wednesday. The meeting between chief trade negotiators of the two sides was scheduled for 28 August.

The cancellation of talks is only the latest setback to the proposed free-trade agreement (FTA) that the two sides have been negotiating since 2007. Differences over the lack of access for Indian professionals to EU's labour market and high taxes imposed on liquor and car imports from Europe have thwarted efforts to reach an accord that is expected to boost trade between India and the EU.

4. Modi seeks increased energy, agri and infra collaboration with Mozambique

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

Describing Mozambique as a crucial part of India's foreign policy with its emphasis on Africa and the Indian Ocean region, Prime Minister Narendra Modi on Wednesday sought increased collaboration with the Indian Ocean littoral state in energy, agriculture and infrastructure. In a statement to reporters after talks with visiting Mozambican president Filipe Nyusi, Modi noted that India was Nyusi's first stop in Asia after he took office in January.

The Mozambican president is the second head of state or government from Africa to come calling in recent months. In June, India hosted Tanzanian president Jakaya Kikwete. The two visits come ahead of India hosting the third India-Africa Summit in October. The aim of the summit is to strengthen economic and strategic links between India and the African continent. The two previous summits were held in Delhi in 2008 and in the Ethiopian capital Addis Ababa in 2011.

5. Karnataka to be flagship for PM Narendra Modi's Digital India drive; to roll out 376 services

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

Congress-ruled Karnataka wants to be the flagship for the Digital India initiative. Pushed by chief minister Siddaramaiah, the state's e-governance department is set to roll out 376 government services under the e-district programme within the next three months. This will be four times more than BJP-ruled Maharashtra's 85 services, the highest in the country, currently.

"Other states have started earlier, but we feel we are in line with the requirements of Digital India as many of our departments are already ready with a lot of these services. We are integrating all of them on the e-district platform and with this, we will be number one in e-services in the country," Karnataka 's Centre for E-Governance CEO Rathan U Kelkar told ET.

By Harsha Hazarika