

Daily Economic News Summary: 8 May 2015

1. India to touch highest GDP growth in next 8 years

Source: **News Republic** ([Link](#))

India is projected to achieve highest annual GDP growth rate of 7.9 per cent over next 8 years, overtaking its South Asian economic rival China, according to a Harvard study that said growth in emerging markets will continue to outpace developed countries.

The Center for International Development (CID) at Harvard University in its report said *"after decades spent trailing the growth of its northern neighbor and economic rival, India now tops the projections of annual growth rates to 2023"*. India is projected to record average annual growth rates of 7.9 per cent over the next eight years, nearly double of China's 4.6 per cent projected growth over the period.

2. India, OZ negotiating uranium deal

Source: **The Daily Pioneer** ([Link](#))

Australia is prepared to supply uranium to India under very strict control and safeguards to power its economy and the two countries are negotiating a deal to make it happen, Foreign Minister Julie Bishop has said. She said Australia has significant reserves of coal, uranium and gas and wants to export this energy capacity to the world.

"In the case of India, it is pursuing a civilian nuclear power programme. We are all aware of the vast areas of India that are yet to be electrified. As a country we want India to succeed economically," Bishop said during her two-day visit to Pakistan.

3. Corporate America urged to seize India's potential

Source: **The Daily Pioneer** ([Link](#))

Turning the spotlight on India's new push for reforms and IMF's upbeat growth projections, Arun K. Singh, the new Indian Ambassador to the US, has called upon Corporate America to seize the potential offered by the country at a particularly promising time for bilateral relations.

With foreign investments and transfer of technology key components of the proposed transformation, the Ambassador pointed to the slew of measures to liberalize FDI in several sectors including defense, railways, medical devices, insurance and pension funds.

4. BMW India to enhance production

Source: **The Daily Pioneer** ([Link](#))

BMW India announced an aggressive production and launch schedule for 2015. The company announced that they will launch 15 new cars in 2015. With the i8 hybrid supercar already launched the company has 14 cars remaining to be launched this year including refreshed variants of the 1-series, 3-series, X1 among them.

BMW India also announced that local assembly operations at Chennai had increased to a capacity of 14,000 cars annually in Chennai. Robert Frittrang, Managing Director, BMW Plant India said that over 95 per cent of the cars sold by BMW in India are assembled at Chennai.

5. Rupee hits 64.28 against dollar in 20 month low

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

The rupee dipped to a 20-month low on Thursday as foreign investors continued to pump out money from Indian equities and debt markets, amid fears of a ‘sudden change’ in inflation expectations, which gripped the financial markets.

The Indian currency fell by more than one per cent to 64.28 a dollar, compared with its previous close of 63.54, and reached levels last seen in September 2013.

6. Not bad but keep your guard up: IMF tells India

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

The IMF attributes the turnaround in growth to resolution of the earlier political uncertainty and to effective policies adopted by the new government. Risks to the economy, it feels, have moderated due to the sharp fall in the current account deficit and in inflation, the government’s commitment to fiscal consolidation and the improvement in capital inflows which has allowed RBI to build its foreign exchange reserves. This improvement in the country’s macroeconomic fundamentals has led the IMF to conclude India is presently one of the bright spots in the global economy.

However, IMF states that risks might stem from potential surges in global financial market volatility. These could materialize when the US Federal Reserve raises interest rates, from slower global growth and from policy implementation issues within India.

By Harsha Hazarika