

Daily Economic News Summary: 8 September 2015

1. PM to meet captains of India Inc

Source: **First Post** ([Link 1](#)); **NDTV** ([Link 2](#))

Prime Minister Narendra Modi will today hold a wide-ranging discussion on global economic scenario with business leaders, including Reliance Industries head Mukesh Ambani, Tata Group Chairman Cyrus Mistry as well as bankers and economists.

"The meeting will be attended by over 40 delegates, including Cabinet ministers, top officials of the government and RBI, industry representatives, top bankers and leading economists and sectoral experts," the PTI report quoted a statement from the Prime Minister's Office as saying.

The high-level consultative meeting on the agenda -- 'Recent Global Events: Opportunities for India' -- would also be attended by RBI Governor Raghuram Rajan and Niti Aayog Vice-Chairman Arvind Panagariya. The meeting is being held amid turbulence in global markets caused by a slowing Chinese economy, devaluation of the yuan and concerns surrounding the prospect of a US rate hike.

2. India to grow at 7.4% in FY 16; more rate cuts likely to follow: Report

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

India is likely to grow at 7.4 per cent this fiscal, slightly lower than the earlier estimate of 7.6 per cent, a DBS report said adding the Reserve Bank may go for 50 bps more rate cuts amid slower growth and faster than expected pullback in inflation.

According to the global financial services major, upturn in growth for the Indian economy would be more gradual, with the consumption and investment turnaround likely to be slower than anticipated. *"We revise down our FY15/16 growth estimate to 7.4 per cent (as against 7.6 per cent earlier), inching up to 8 per cent in FY16/17 (as against 8.3 per cent earlier),"* DBS said in a research note. India's GDP growth rate slipped to 7 per cent in the April-June quarter of 2015-16, from 7.5 per cent in the preceding quarter.

"Against the backdrop of slower growth and faster-than-expected pullback in inflation, we revise our rate call to include 50 bps more rate cuts in this fiscal, first of which is likely this month," the report added.

3. Doha Bank ties up with Anil Ambani's Reliance Group

Source: **First Post** ([Link](#))

Doha Bank today said it has tied up with Anil Ambani-led Reliance Group to generate business opportunities in the Gulf Cooperation Council nations and India. Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain and Oman are part of the Gulf Cooperation Council (GCC). *"Doha Bank and Reliance ADA Group have entered into an alliance to create new opportunities for cooperation and innovation in terms of business development across the GCC and India,"* Doha Bank said in a release. It said the MoU is envisaged to provide tangible business opportunities and further prospects for expansion for Doha Bank and Reliance Group.

It will also provide synergy in product development and congruence in mutual infrastructure support, it said. Doha Bank has a robust presence in financial services, telecom, infrastructure, entertainment, power, health care, and defence industries. *"The relationship-based model has been designed with a revolutionary approach between Doha Bank and Reliance Group, which has been engaged in pivotal roles in the ongoing economic transformation of India,"* said the release.

4. Government relaxes rules for sugar exports

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

The government today relaxed norms for sugar exports by doing away with the registration requirement with the Commerce Ministry. The industry said the move would help expedite sugar exports from India, which is saddled with surplus stock.

"The requirement of registration of quantity with DGFT for export of sugar has been dispensed with," Director General of Foreign Trade (DGFT) said in a notification. Earlier, prior registration of quantity with DGFT was mandatory. *"Industry welcomes the government's move to remove the requirement of Registration Certificate (RCs) for exporting sugar. In the current environment when exports are unviable, RC requirement could have delayed exports. So, this is a good decision,"* Indian Sugar Mills Association (ISMA) Director General Abinash Verma said.

5. Reliance Defence ties up with UAE's ADSB to build warships

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

Reliance Defence Ltd, a unit of Anil Ambani-controlled Reliance Infrastructure Ltd, has agreed to work with Abu Dhabi Ship Building (ADSB) to construct warships such as frigates and destroyers over the next 10 years for the Persian Gulf nations. The companies are forming a joint venture to build and repair warships, and also commercial vessels, in the region, said a person close to the development, who did not want to be named. *“The joint venture will open opportunities in the region over next 10 years for both the companies in excess of Rs.10,000 crore,”* the person said.

ADSB is a regional provider of construction, repair and refit services for naval, military and commercial vessels in the region. It is 40% owned by Mubadala Development Company PJSC, 10% by Abu Dhabi's government and 50% publicly traded on the United Arab Emirates' stock exchange. The pact could also see ADSB delivering maintenance, repair, overhaul and refit services to the vessels in line with regional requirements.

6. Sequoia eyes new \$800 m India Fund

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

Silicon Valley's toptier venture capital (VC) fund Sequoia Capital is looking to raise \$800 million, or Rs 5,050 crore, for its fifth India-focused fund, taking its total assets under management to \$3 billion. This is the biggest raise by any VC firm for India-specific investments and comes at a time when the domestic tech startup ecosystem has been awash with risk capital for early-stage companies.

Sequoia will likely close the new fund by the end of the year, said multiple sources familiar with the matter, giving it a substantial leg up over other investors amid rising valuations and expensive deal-making.

7. Baidu to boost spending on India, Indonesia as mobile sales boom

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

Baidu Inc. plans to boost investments in India and Indonesia as China's largest Web search provider tries for a greater presence on smartphones. *"They have a lot of characteristics that mimic China's development,"* Chief Financial Officer Jennifer Li said during an interview in Beijing on Monday. *"There is no legacy of PC user behavior and probably mobile is going to have a very speedy development."*

Baidu is spending on new businesses while locked in competition with Alibaba Group Holding Ltd. and Tencent Holdings Ltd. In July, Baidu forecast sales below estimates, and Chairman Robin Li pledged to tap its \$12 billion of cash to build out its shopping, taxi and delivery services amid China's economic slowdown. China saw its first decline in smartphone shipments in six years during the first quarter, while India's shipment volume surged 44% in the second quarter. India is now the world's third-largest smartphone market.

By Harsha Hazarika