Daily Economic News Summary: 9 September 2015

1. Take risks and invest now, PM Modi tells Indian Inc

Source: **Indian Express** (Link)

Urging industry captains to take risks, invest and kickstart the economy, Prime Minister Narendra Modi told them Tuesday "when I hear Indian companies are investing abroad and not in their own country, I am really disappointed… if you don't take risks and invest, then will you take a management consultant's job at a monthly salary of Rs 2 lakh."

After listening to 27 invitees — these included industrialists, bankers and top analysts — for almost two-and-half hours at his 7, Race Course Road residence, the Prime Minister's succinct message to Corporate India was "invest now

Top industrialists Cyrus Mistry, Mukesh Ambani, Kumar Mangalam Birla, Sunil Mittal, Y C Deveshwar and Dilip Sanghvi were present at the meeting. As were SBI chairperson Arundhati Roy, ICICI Bank's Chanda Kochhar IDFC's Rajiv Lall, and industry chamber chiefs Sumit Mazumder, Jyotsna Suri and Rana Kapoor. Economists and analysts present included Ajit Ranade, Jahangir Aziz, Neelkanth Mishra and Subir Gokarn.

2. PM Narendra Modi for 24 hour power supply in every village by 2022

Source: **Economic Times** (Link)

Prime Minister Narendra Modi today said his government was targeting to achieve 24X7 power supply across the country by 2022, noting that electricity was key for effective implementation of Digital India programme aimed at empowering the common man and ensuring transparency. In an interaction with students across India on the eve of Teachers' Day, Modi said 18,000 villages still do not have power supply and he has issued an directive to install electricity network for them in the next 1,000 days.

"This movement (Digital India) is aimed to empower the common people. Electricity will never be a stumbling block. My dream is that by 2022, when country celebrates the 75th independence day, 24x7 electricity is available in all homes. I am working in this direction to free the homes of darkness," Modi said.

3. Real estate slowdown takes a toll on domestic steel industry

Source: **Live Mint** (Link)

Poor demand in the housing sector has started taking a toll on the already weak steel sector. The steel-rolling mills of Wada in Maharashtra are a telltale sign of that. Vipin Agarwal, a steel mill owner in Wada, a steel sourcing hub for the real estate companies in the region, has cut back on production. While the sector is reeling under slow demand and cheap imports, a slowdown in the real estate sector has made things worse.

Two years ago, Wada had 20 steel-rolling mills. While 10 of them have shut shop, others are operating well below capacity. *"Demand from real estate has gone down and even larger firms have started to supply to the real estate sector to beat the slowdown in the broader market,"* said Agarwal, adding that other factors such as the high cost of power and cheaper chinese imports also forced him to cut down production.Mumbai today consumes 2,000 tonnes of steel a day compared with 3,000-3,500 tonnes a day a year ago, says Agarwal. More than 35% of steel demand comes from the housing sector, which is reeling under a slowdown and adding to the woes of the steel sector.

4. EM private hospital market to reach $240 billion by 2020: Report

Source: **Live Mint** (Link)

The emerging market (EM) private hospital market is likely to triple to $240 billion by 2020 (16% compounded annual growth rate), driven mainly by India (also 16%) and China (20%), according to a Bank of America-Merrill Lynch report. The Indian healthcare industry is expected to touch $160 billion by 2017 and $280 billion by 2020 with an estimated population growth of 1.2% annually and a 15% annual rise in healthcare spending due to changing demographics and rising income levels.

The report, *Healthcare-Emerging Market Hospitals*, said that with only 4.8% of gross domestic product spent on healthcare versus much higher spends in developed markets, EMs offer immense scope for growth. The private sector is likely to remain the dominant force as EM governments are committed to promoting the development of private healthcare to meet surging demand.

5. SEBI to enhance supervision of brokers to check misuse of funds

Source: **Live Mint** (Link)

India’s capital market regulator is planning to step up supervision of stock brokers in a bid to check misuse or diversion of client funds and improve safety of the market. The Securities and Exchange Board of India (Sebi) will ask brokerage firms to beef up their audit mechanism and also draw up a larger role for stock exchanges in monitoring the financial health of such firms.

These are a few of the suggestions that are part of a Sebi report titled *Enhanced supervision of stock brokers*. Feedback on it has been sought from the Bombay Stock Exchange Brokers Forum and Association of National Exchanges Members of India (Anmi), after which the proposals will be placed before the Sebi board. *Mint* has reviewed a copy of the report.

If approved, the recommendations will come into effect from April 2016. The report is part of Sebi’s effort to move towards a risk-based model of supervision of all stock brokers, said a person familiar with the regulator’s thinking. One of the key recommendations of the report is on how brokerage firms manage their own accounts (proprietary accounts) and that of their clients.

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