

Daily Economic News Summary: 4 April 2017

1. India's Act East policy to boost connectivity: Jaitley

Source: The Hindu: Business Line ([Link](#))

Finance Minister Arun Jaitley on Monday expressed hope that India's Act East policy will help improve connectivity and relations amongst South East and East Asian countries. "Improved access to gateway ports, particularly in Bangladesh and Myanmar, may help unleash the latent potential of agro and forest-based industries in India's North East region," he said at the South Asia Sub-regional Economic Cooperation (SASEC) programme. The seven-member countries — Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka and Myanmar — have also launched the SASEC Vision that aims to expand trade and commerce to regional and global markets, which can generate around \$70 billion in incremental GDP annually and 20 million total jobs by 2025. Jaitley said that India has always played a pro-active role in supporting its neighbours, including in crises such as the earthquake in Nepal, tsunami in Sri Lanka and cyclone in Bangladesh.

2. Rs 2,000-cr JICA loan for Chennai Metro

Source: The Hindu: Business Line ([Link](#))

Japan International Cooperation Agency (JICA) has extended Official Development Assistance (ODA) loan of around ₹2,000 crore for the fifth phase of Chennai Metro Project. It also extended a loan of about ₹1,300 crore for the second phase of Tamil Nadu Investment Promotion Programme. The loan agreement was signed between Takema Sakamoto, Chief Representative, JICA India Office, and S Selvakumar, Joint Secretary, Department of Economic Affairs, in Delhi, says a JICA press release. The fifth phase of Chennai metro project will provide additional metro rail system network of around 9 km from Washermanpet to Wimco Nagar. This is in addition to 45 km in existing project from Washermanpet to Chennai airport, and Chennai Central to St. Thomas Mount. The extension up to Wimco Nagar will connect northern parts of Korukkupet, Tondiarpet and Tiruvottriyur with the city's central area. JICA has extended around ₹9,000 crore in concessional ODA loans over four tranches since 2008 for the development of around 45 km metro rail system in Chennai. With today's announcement, the cumulative loan for Chennai metro increases to ₹11,000 crore, the release said.

3. UK-India to hold talks on bilateral trade, investment

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

British Finance Minister Philip Hammond will hold discussions with his Indian counterpart Arun Jaitley today to promote trade and investments between the two countries. Hammond is visiting India to participate in the UK-India Economic and Financial Dialogue. According to the British High Commission, the ninth UK-India Economic and Financial Dialogue (EFD) is hosted by the Indian Finance Minister. The high-level talks are aimed at deepening the UK's economic and trading relationship with India and showcasing Britain as one of the best places in the world to do business, it said. It added that the EFD will involve a series of events over the two-day period, including discussions on trade, financial services, and infrastructure. Bank of England Governor Mark Carney and CEO of the Financial Conduct Authority, Andrew Bailey, will also take part in the dialogue with Jaitley.

4. GST's last and critical lap | Arvind Subramanian

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

After the Constitutional Amendment Bill that midwifed it, and with the passage of the four laws that have given it elaborate flesh and substance, the Goods and Services Tax (GST) has entered its last and critical phase: the determination of the GST rate structure. Late last year, there was agreement on five broad GST slabs: 0 (the exempted category), 5%, 12%, 18%, and 28%; there was also agreement that cesses—to finance possible compensation to the states—would be levied on certain demerit goods (tobacco and related products, aerated beverages, luxury cars etc). Now is the moment of truth when items will be assigned to the different GST slabs and the exact amounts of the cesses will be decided. The actual rate structure has already become overly complicated. Now, it is time for damage limitation.

5. Malaysia calls for early conclusion of RCEP pact

Source: Hindustan Times ([Link](#))

Malaysian Prime Minister Mohd Najib Tun Abdul Razak today pitched for early conclusion of mega regional agreement RCEP saying it will significantly boost trade and investments across nations. The Regional Comprehensive Economic Partnership (RCEP) agreement is a mega pact among 16 countries including the Asean grouping as well as India, China, Japan and Australia. “I think we should give fresh instructions to our negotiators to try to conclude RCEP by the end of the year or at a very latest early next year,” Najib said here while addressing industry leaders from chambers including Ficci. “I hope this time table can be achieved,” he said, adding that the business communities favour moving this agenda forward for successful conclusion. He also said RCEP has become more relevant now as the Trans-Pacific Partnership (TPP), a trade agreement worked out by the then Obama administration, is now “buried”. “We do need RCEP as free trade region for this area... I am a great believer of free trade because free trade will create more wealth and more prosperity to people,” he added.

6. A digital platform that aim to make 10 million rural youth employable

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

Union minister of state for Finance Santosh Gangwar launched a unique digital initiative aimed at skilling rural youth on Sunday, at a gathering of over 1500 people, in Bareilly. IFFCO, India's largest cooperative organization, has partnered with Youth4work, one of the leading online talent platforms in the country, to create 'IFFCO YUVA'. Through this platform, young men and women in India's villages can assess and improve their skills and aspire to better career opportunities. This platform is envisaged to be a single window to empower rural youth and help them in understanding which skills to develop in order to be more employable. "Inline with our Prime Minister Mr. Modi's vision of Digital India and Skill India, IFFCO YUVA will help rural youth to boost their employability," Dr. US Awasthi, MD and CEO of IFFCO said. Rachit Jain, founder & CEO of Youth4work said, "We know talent is everywhere across India, but there's no single

window to showcase it. Through IFFCO YUVA, we are partnering with IFFCO for the mission to use technology, Web and Mobile both, to impact the rural youth positively."