

Daily Economic News Summary: 5 April 2017

1. GIFT City becoming India's Hong Kong: BSE CEO

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

GIFT City (Gujarat International Finance Tec-City) is likely to help attract trillions of dollars of investment into India, says top exchange BSE's CEO Ashish Chauhan who envisions Hong Kong like model for India's first global financial services centre. Going forward, he also sees it raising funds for several smaller countries, including those in Africa, from investors across the world ranging from "Japanese housewives to royal families in the Gulf". GIFT City, an ambitious pet project of Prime Minister Narendra Modi, seeks to compete with global financial hubs like London, New York Singapore, Dubai and Hong Kong, is developing fast with several domestic and global entities setting shop there. BSE has set up an international exchange in GIFT City, near Gujarat's capital Gandhinagar, which went live earlier this year and is now in process of conducting roadshows across major global centres to attract investors and businesses. In an interview to *PTI*, Chauhan said the exchange in GIFT City is one of the key focus areas for the group right now. "It is a new baby and it is very exciting as it will compete with places like Dubai, Singapore, Hong Kong, US and London markets and it requires that kind of skill set and that kind of manpower. Unlike other markets, which run for 6-7 hours a day, that (GIFT City exchange) is running 22 hours a day," he said.

2. WTO steel row: Why the hurry, India asks Japan

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

India has objected to Japan's request to the World Trade Organisation (WTO) to put in place early time frames for a "prompt" resolution of its dispute against India's penal duties on steel imports. New Delhi has argued that there is no rationale for treating this dispute any more urgently than other WTO disputes it was involved in and the same standard should be applied to all disputes. "Japan may be in a hurry as the safeguard duties are to be removed next year and it wants a resolution before that. But that is not a valid reason for changing timelines," an official told *BusinessLine*. It generally takes around 18-20 months for settling a dispute at the WTO, but according to WTO rules, in cases of urgency, including those which concern perishable goods, the parties to the dispute, panels and the Appellate Body make every effort to accelerate the

proceedings to the greatest extent possible. The dispute settlement body of the WTO, on Monday, agreed to Japan's request for setting up a dispute settlement panel to determine whether India's decision to impose a provisional and then definitive safeguard measure on imports of iron and steel products violate WTO rules. India imposed safeguard duties-penal duties to protect vulnerable domestic industry against a surge in imports — on hot-rolled steel products in March 2016 fixed at 20 per cent which is being slowly tapered off but would be in place till March 2018.

3. Free trade pact with UK only after Brexit: Jaitley

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

India has indicated to the UK that a free trade agreement (FTA) between the two countries can only happen only after Britain's formal exit from the European Union (EU). Finance Minister Arun Jaitley said that India is keen on investing in the UK and also welcomed British investment in India's financial sector, but stressed that an FTA is far away. "We will look at it (FTA), more trade arrangements and engagement between the two countries post the UK's exit from the EU," Jaitley said after the ninth UK-India Economic and Financial Dialogue. Jaitley met with British Chancellor of the Exchequer Philip Hammond, who is on a two-day visit to India to participate in the Dialogue. Hammond's visit comes less than a week after British Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty, formally initiating the process of Britain's exit from the EU.

4. GST Bill in Rajya Sabha today as government targets July 1 roll out

Source: India Today ([Link](#))

The Lok Sabha had passed passed four key GST Bills on March 29 while rejecting amendments moved by the opposition. After the discussion in Rajya Sabha, the government may bring back the bill to Lok Sabha to pass any amendments if required. Pushing ahead with its agenda of rolling out the Goods and Services Tax (GST) by the July 1 deadline, the government will present the long pending bill in Rajya Sabha for discussion. After the discussion, the government may bring back the bills to the Lok Sabha to pass amendments, if any, suggested by the Upper House. The Lok Sabha had passed passed four key GST Bills on March 29 while rejecting amendments moved by

the opposition. The Bills are related to Central GST, Integrated GST, UT GST and GST Compensation.

5. Intel bets on artificial intelligence, to train 15,000 people in India

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

Intel is betting on Artificial Intelligence (AI) to drive demand for its electronic chips, for which it is aiming to train 15,000 scientists, developers, engineers and students on AI in India over the next one year. The company will host 60 courses under its 'AI Developer Education Program'. These will train people on ways they can adopt AI for better research, testing or even building of products. Intel is looking at India due to the country's large base of technical talent. The country is the third largest global site for AI companies. "As India undergoes rapid digital transformation, data centres and the intelligence behind the data collected will enable the government and industry to make effective decisions based on algorithms. This means increasing opportunities for using AI in the country," said Prakash Mallya, managing director at Intel for South Asia.

6. WhatsApp set to roll out digital payment service in India

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

Instant messaging app WhatsApp, owned by Facebook Inc, is mulling a foray into digital payment services in India, its first such offering globally, and has advertised to hire a digital transactions lead in the country. A WhatsApp move into digital payments in India, its biggest market that is home to 200 million of its billion plus global users, would replicate similar moves by messaging apps like Tencent Holdings Ltd's WeChat in China. WhatsApp is working to launch person-to-person payments in India in the next six months, news website *The Ken* reported earlier on Tuesday, citing unnamed sources. A job advertisement on WhatsApp's website said it was looking for a candidate with a technical and financial background - who understands India's Unified Payments Interface (UPI) and the BHIM payments app that enable money transfers and merchant payments using mobile numbers - to be its digital transactions lead for the country. "India is an important country for WhatsApp, and we're understanding how we can contribute more to the vision of Digital India," a WhatsApp spokesman said, referring to a flagship government programme that aims to boost the use of Internet-based services in the country.