

## Daily Economic News Summary: 19 February 2018

### **1. Iran Prez Rouhani's Visit: India Inks 9 Pacts, Leases Part of Chabahar Port**

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

India and Iran on Feb 17 inked nine agreements and committed to early completion of the Chabahar port. They decided to find convergence in their views on the issue of terrorism and resolved to improve trade and energy ties. Apart from these official agreements, four others were signed between industry chambers of the two countries on the sidelines. The highlight was Tehran leasing operational control of Shahid Beheshti port for 18 months to New Delhi, which is the phase one of the Chabahar port. The Chabahar port, a mere 90-km from China-controlled Gwadar port in Pakistan, is of strategic importance since it creates a transit route between Iran, Afghanistan and India. The two countries also signed agreements for avoiding double taxation, for cooperation in health and medicine and agriculture, and set up a framework for cooperation on the issue of anti-dumping and countervailing duty.

### **2. India's Foreign Secy-Designate Takes a Dig at China's One Belt One Road**

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

Connectivity projects should be consultative and consequent with the principles of sovereignty and territorial integrity, India's foreign secretary-designate Vijay Gokhale said Feb 18, in an obvious reference to China's mega 'One Belt One Road' (OBOR) initiative. Responding to a question on whether the OBOR leads to dependency of nations on China, Gokhale, currently the secretary (economic relations) in the External Affairs Ministry, responded in the affirmative. "If you have players who come and set different set of rules, who set a different set of standards, where there are no standards, where there are weak rules and procedures, you automatically create infrastructure and ecosystem of dependency," Gokhale said, but did not name China. India has boycotted the OBOR initiative on the grounds of territorial sovereignty, given that that its flagship project, the China Pakistan Economic Corridor (CPEC), passes through Pakistan-occupied-Kashmir, which India has always maintained is its territory.

### **3. Incentives for Green Tech, AI Likely in New Industrial Policy**

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

The Government is expected to provide incentives for use of frontier technologies like artificial intelligence and robotics in the new industrial policy that is likely to be unveiled soon, sources said. Besides, the industries would also be encouraged to adopt green technologies to promote cleaner environment. The proposed policy, the draft of which has been released by the Commerce and Industry Ministry for consultation with various stakeholders, will completely revamp the Industrial Policy of 1991. The world is talking about industrial revolution 4.0 that includes artificial intelligence, robotics, deep learning and Internet of Things and incentives and there is a need to promote adoption of these modern technologies, which are capital intensive, according to government sources.

### **4. Maharashtra Ahead of other States in Infra Spending: PM**

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

Prime Minister Narendra Modi on Feb 18 inaugurated the Magnetic Maharashtra Convergence Summit 2018 at BKC Complex, which aims to bring investments to the tune of ₹10-lakh crore to the State. This will include a ₹60,000-crore investment in an Integrated Industrial Area, a \$7-billion dollar direct investment to finance the Mumbai-Nagpur Maharashtra Samruddhi Corridor, and a Hyperloop transportation system connecting Pune and Mumbai. Modi said Maharashtra was ahead in infrastructure spending among all other States in 2017. Last year, 51 per cent of Foreign Direct Investment (FDI) was invested in the State. The Delhi Mumbai Industrial Corridor Project (DMIC) is seen as one of the unique infrastructure projects globally, while Maharashtra Samruddhi corridor project has the ability to hugely develop the rural agriculture hinterland and provide 30-lakh employment opportunities.

### **5. Electric Vehicle Makers to Reach out to NITI Aayog, PMO For Clarity on Govt Policy**

**Source: Livemint ([Link](#))**

Lobby group Society of Manufacturers of Electric Vehicles (SMEV) plans to meet top government officials to seek clarity on the government's position on electric vehicles, days after roads minister Nitin Gadkari said there was no need for such a policy. The lobby group plans to meet NITI Aayog chief executive Amitabh Kant and heavy industries minister Anant Geete next week, said a senior

executive of one of the members of SMEV. Subsequently, SMEV plans to write to the Prime Minister's Office (PMO) based on the feedback of the meetings with Kant and Geete, said two people aware of the matter. SMEV represents companies such as Hero Electric, Okinawa Scooters, Mahindra and Mahindra and Tata Motors. Gadkari, in a press conference on 16 February, said that the government will not formulate an electric vehicle policy and no further incentives will be accorded to the industry other than the existing ones.

#### **6. SEBI Eases Access Norms for Investment by Foreign Portfolio Investors**

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

The Securities and Exchange Board of India (SEBI) has opened up the Indian capital markets to clients of global private banks, which can invest in stocks without having to go through registration or compliance requirements. Until now, foreign banks were allowed to do propriety trades only. However, now they have been allowed to invest in domestic securities on behalf of their clients. SEBI announced the move last week in a circular titled "Easing of access norms for investment by foreign portfolio investors". This route will provide more flexibility to investors compared to p-notes, as they will be able to take unhedged exposure to Indian derivatives market.

#### **7. Mumbai to Pune in 25 mins: Virgin, Maharashtra ink pact to build hyperloop**

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

The Virgin Group on Feb 18 signed an "intent agreement" with Maharashtra to build a hyperloop transportation system between Mumbai and Pune, which aims to reduce the travel time between the two mega cities to 20 minutes from the three hours at present. The first hyperloop route will link central Pune with the megapolis as well as the Navi Mumbai international airport, the foundation stone for which was laid by Prime Minister Narendra Modi. The socioeconomic benefits of the project are \$55 billion," Branson said, claiming that the project will create thousands of jobs. The proposed project will begin after a six-month in-depth feasibility study which will analyse and define the route alignment, including environmental impact, economic and commercial viability, the regulatory framework, and cost and funding model suggestions.

### **8. Maharashtra Summit: India to Join \$5-Trn League, Says Modi; Key Highlights**

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

The BJP-led government's budget reforms have created a new work culture and they are transforming the socio-economic landscape of the country, Prime Minister Narendra Modi said in Mumbai on Feb 18. After inaugurating the 'Magnetic Maharashtra' Investors Summit in suburban Bandra, he said the budget was not limited to outlay, its focus was on the outcome. Days after the presentation of the last full budget by Finance Minister Arun Jaitley, Modi said all the four budgets of his government focused on the upliftment of the needy. The key highlights include budget reforms, to clean fuel for all, healthcare for all, development policies based budget, etc.

### **9. Govt to Prepare Roadmap for Doubling Farmers Income by 2022**

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

A two-day national conference will be held on February 19-20 to discuss challenges faced by the agriculture sector and chalk out a roadmap to achieve the government's target to double farmers' income by 2022. The conference, which will have around 300 participants, has been called by Prime Minister Narendra Modi, who himself will attend the meeting on the second day. Participants include farmers, scientists, economists, policy makers, representatives of farmers and trade associations, corporates and officials from Centre as well as state governments. NITI Aayog and related union ministries would also attend the meet. The conference will be attended by chairpersons of farm advisory body CACP, SEBI, FSSAI and NABARD. Ashok Gulati of ICRIER, Anil Sharma of NCAER and Ajay Jakhar of Punjab Farmers' Commission have also been invited among others.

### **10. From Tourist Paradise to Electronics Hub: Kerala Aims To Build Laptops, Evs**

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

The Communist Party of India (Marxist) had allegedly been at the forefront of the protest against computerisation in offices a few decades back in Kerala, fearing that computers might take away the jobs meant for human beings. Come 2018, the state government, led by the same party, is in the process of finalising manufacturing projects-starting from a laptop manufacturing facility in the state in collaboration with various industry players, including global chip manufacturer Intel. While the plans are yet to be finalised, this will be part of the Electronics and Hardware Mission

established by the government last year to attract electronics manufacturing companies to the state. “One of the sectors in which Kerala can attain prominence is ‘electronics hardware’. A major share of electronic goods is being presently imported from China, etc. One of the emphasis of ‘Make in India’ campaign is on ‘electronic hardware’. In this scenario, the government has envisaged ‘Electronics and Hardware Mission’ with a view to secure a forefront position in the field of electronic design and embedded software in India,” said Kerala Finance Minister T M Thomas Isaac.

### **11. E-mobility: Government May Restructure 2 Apex Bodies for Better Inter-Ministerial Interface**

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

With an aim to propel the Centre’s e-mobility initiatives, the government is likely to restructure two apex bodies-the National Council for Electric Mobility and the National Board for Electric Mobility-to ensure better inter-ministerial coordination. The restructuring proposal was mooted by government think tank Niti Aayog for “providing a leadership and inter-ministerial coordination” and a Cabinet note is being drafted to formalise the suggestion, officials told PTI. According to the proposal, the National Council for Electric Mobility may be restructured under the chairmanship of finance minister and the National Board for Electric Mobility may be reconstituted as the Apex Monitoring Committee, headed by Cabinet Secretary with Secretaries from related departments as members, for inter-ministerial coordination, sources said.