

Daily Economic News Summary 25 February 2020

1. Steel Minister seeks Japanese investment in fast-growing Indian steel market

Source: Money Control ([Link](#))

Union Steel Minister Dharmendra Pradhan on 24 February urged Japanese investors to invest in India's steel sector, saying the country offers a fast-growing market and steel consumption will more than double in the coming years. Pradhan also assured investors that India will provide necessary support to facilitate them in setting up businesses. He was speaking at a 'Workshop on Enabling Procedures for Increase of Steel Usage for the Growth of Economy' event organised by jointly ministry of steel, industry body CII and Ministry of Economy, Trade and Industry, Japan. Indian steel sector is a fast-growing steel market, he said adding that besides setting up 300 steel making capacity by 2030, the country is also aiming to increase its per capita steel consumption to 160 kg from about 70 kg at present.

2. Top IITs, IIMs launch consortium to boost Indian entrepreneurship ecosystem

Source: Money Control ([Link](#))

A consortium of five premier management and engineering institutes has been set up to boost the Indian entrepreneurship ecosystem. Called 'Innovation-Venturing and Entrepreneurship in India Network (iVEIN)', its founding members are faculty at Indian Institute of Technology (IIT) Madras, IIT Bombay, Indian Institute of Management (IIM) Bangalore, IIM Calcutta and IIM Kozhikode. This is the first such joint initiative in India by the IITs and IIMs to promote startups. This network of institutions will leverage strengths of its partners and would work with other stakeholders such as incubators, government and investors to generate and disseminate knowledge.

3. Foreign investors from Mauritius to continue being eligible for FPI registration: SEBI

Source: Money Control ([Link](#))

Market regulator SEBI on 25 February said foreign investors from Mauritius will continue to be eligible for FPI registration with increased monitoring as per international norms. The announcement comes after the tax haven was put on the 'grey list' of Financial Action Task Force (FATF) -- an inter-governmental policy making body that sets anti-money laundering

standards. A significant percentage of foreign portfolio investors (FPIs) investing in the Indian market is registered in Mauritius. Following the FATF notice, some fund managers knocked on Sebi's door overnight, raising concerns over validity of FPI registration done through the tax haven.

4. Ayushman Bharat range of services likely to be expanded in April

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

Additional service packages including basic oral health care, elderly and palliative healthcare and emergency medical services are planned to be rolled out at Ayushman Bharat-Health and Wellness Centres in April, a key Government official said on 24 February. Vikas Sheel, Joint Secretary (Policy), Ministry of Health and Family Welfare, said that services being provided at AB-HWCs are targeted to be expanded from April 14, the second anniversary of the launch of the ambitious programme. “Programme guidelines are all ready”, he said. So far, seven service packages including child health, immunisation, communicable and non-communicable diseases were being provided at AB-HWCs.

5. Central Government to allow Indian firms direct foreign listing by FY21 Q1

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

The Centre is mulling over alterations to the Companies Act to allow Indian companies to list abroad, according to a Business Standard report. The Companies Amendment Bill will likely be tabled in the ongoing Parliament session, with changes including decriminalization and a reduced compliance burden. The new amendments to Companies Act and FEMA regulations will roll out by the first quarter of the next financial year, as per media reports. This will further help India's homegrown companies to access a larger pool of capital. Currently, Indian companies tap foreign capital mostly through the American depository receipts (ADRs) or global depository receipts. However, this window is gradually becoming unpopular due to which Centre is now ready to explore other options to mobilise capital for the corporate and provide larger play for overseas investors in the country.

6. Bank of America expects RBI to build \$550-billion forex reserves

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

Bank of America (BofA) sees \$550 billion as a comfortable foreign exchange (forex) reserve level for the Reserve Bank of India (RBI), and believes that the central bank will continue to

accumulate dollars at every opportunity, even at the cost of a weaker rupee. As of February 14, the RBI's forex reserves stood at \$476 billion. The central bank has bought \$49 billion in this fiscal year so far, more than offsetting the \$15.4 billion sale in 2018-19. According to BofA, the 'conservative' level of forex reserves for the RBI works out to be \$550 billion. According to BofA's economists Indranil Sen Gupta and Aastha Gudwani, there are three reasons why the RBI would want to accumulate more reserves — to maintain more import cover, fully covering foreign portfolio investors' investments, and to maintain a healthy cover on short-term external debt of India.

7. Australia remains eager to keep door open for India to join RCEP in future: Australian trade minister

Source: Financial Express ([Link](#))

After years of negotiations, India in November pulled out of the proposed RCEP over unresolved "core concerns" at a summit meeting of the participating countries in Bangkok. Australia remains eager to "keep the door" open for India to join RCEP in future, Australia's Minister for Trade, Tourism and Investment Simon Birmingham said on 24 February. Birmingham, who is leading a business delegation to India, said he met Commerce Minister Piyush Goyal on 24 February and held discussions with him on a range of issues, including India's decision to withdraw from Regional Comprehensive Economic Partnership (RCEP).

8. PM Modi a 'tough negotiator', says US President Donald Trump on trade deal

Source: Financial Express ([Link](#))

United States President Donald Trump called Prime Minister Narendra Modi a "tough negotiator" as he began his two-day India visit on 24 February, accompanied by first lady Melania, daughter Ivanka, son-in-law Jared Kushner and prominent American delegates. Trump began his speech with a 'Namaste'. On trade deals, Trump said, "We will seal defence deals worth USD 3 billion on Tuesday." He further added saying, "We will go for fantastic trade deal, PM Modi is tough negotiator". US President Donald Trump in his speech termed India as the "largest export market", and affirmed that commercial activities between India and America will only grow. Trump said that India is a key partner in the Defence sector and promised to seal defence deal worth \$3 billion on February 25. Donald Trump vowed to boost trade ties between the two countries and said that the US was prepared to supply India with defence equipment including drones, helicopters and missile systems.