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India's GDP expected to expand 7.5% in 2019-20: World Bank

India's GDP growth is expected to accelerate moderately to 7.5 per cent in Fiscal Year 19-20, driven by continued investment strengthening, particularly private-improved export performance and resilient consumption, the World Bank has said.

The real GDP growth is estimated at 7.2 per cent in FY18/19, the World Bank said in its latest report on South Asia on Sunday ahead of the spring meeting of the World Bank and the International Monetary Fund.

Data for the first three quarters suggest that growth has been broad-based. Industrial growth accelerated to 7.9 per cent, making up for a deceleration in services.

Meanwhile, agriculture growth was robust at four per cent.

On the demand side, domestic consumption remained the primary growth driver, but gross fixed capital formation and exports both made growing contributions. Over the last quarter, growth is expected to remain balanced across sectors, the report said.

Inflation dynamics have been subdued over most of FY18/19, the report said.

The World Bank said India's GDP growth is expected to accelerate moderately to 7.5 per cent in FY19/20, driven by continued investment strengthening-particularly private- improved export performance, and resilient consumption.

With robust growth, and food prices poised to recover, inflation is expected to converge toward four per cent, it said, adding that both the current account and the fiscal deficit are expected to narrow.

"On the external front, improvements in India's export performance and low oil prices should bring about a reduction in the current account deficit to 1.9 per cent of GDP," it said.

"On the internal front, the consolidated fiscal deficit is projected to decline, albeit slowly (to 6.2 and 6.0 per cent of GDP in FY19/20 and FY20/21 respectively). As the centre's deficit is budgeted to remain unchanged at 3.4 per cent of GDP in FY19/20, the burden of adjustment will rest on the states, the World Bank said.

A sustained decline in food prices since July 2018, subsequently complemented by the softening of oil prices and concomitant appreciation of the rupee, has led to a steady decline in inflation, it noted.

Observing that headline inflation stood at 2.6 per cent in February 2019, and the average for FY18/19 so far at 3.5 per cent, well below the RBI's target-midpoint of four percent, the report said that as a result, the RBI reduced the policy rate by 25 basis points (to 6.25 percent) in February 2019.

However, the report said that the current account deficit widened in FY18-19.

India's external position worsened significantly in the first half of FY18-19, as large portfolio outflows were triggered by US monetary policy and fears of contagion from stress in some emerging market economies. The nominal exchange rate depreciated, and foreign reserves declined by over eight percent over January to October 2018.

However, since then, the decline in oil prices and the United States Fed signalling a slower pace of normalisation than initially anticipated led to a partial reversal.

Portfolio outflows have reversed, and the rupee has appreciated by about four percent vis-a-vis the USD since October 2018.

(Source: Press Trust of India, 9/4/2019)

India's growth set to pick up at 7.2% in 2019 on rising consumption: ADB
It is expected to rebound to 7.2 per cent in 2019 and 7.3 per cent in 2020 as policy rates are cut and farmers receive income support, bolstering domestic demand, the report stated.

India's growth is set to pick up and is expected to grow at 7.2 per cent in the current fiscal on strengthening consumption, Asian Development Bank said in its flagship report released Wednesday.

"Growth slowed from 7.2 per cent in fiscal 2017 to 7 per cent in 2018, with weaker agricultural output and consumption growth curtailed by higher global oil prices and lower government expenditure," according to the Asian Development Outlook (ADO) 2019.

It is expected to rebound to 7.2 per cent in 2019 and 7.3 per cent in 2020 as policy rates are cut and farmers receive income support, bolstering domestic demand, the report stated adding that sub-region wise, southeast Asia will sustain growth at close to 5 per cent this year and the next.

Strengthening domestic demand will offset weaker export growth. Strong consumption, spurred by rising incomes, subdued inflation, and robust remittances, should boost economic activity in the subregion, it said.

Export demand, on the other hand, is likely to soften in 2019 in line with the weaker global environment and a muted forecast for semiconductor exports, before picking up slightly in 2020.

"Growth, overall, remains solid with domestic consumption strong or expanding in most economies around the region. This is softening the impact of slowing exports, said ADB Chief Economist Yasuyuki Sawada.

Uncertainty clouding the outlook remains elevated, Sawada added.

(Source: Press Trust of India, 3/4/2019)

FY19 exports may be highest ever at $330 billion
India's total outward shipments were $303.5 billion in 2017-18.Healthy growth in exports comes at a time when WTO has cut global trade forecast to 2.6% in 2019 from 3% in 2018.

Amid slowing global merchandise trade growth, India's exports are likely to register an all-time high of $330 billion this fiscal. "The growth is propelled by higher exports of pharmaceuticals, petroleum and engineering," said an official aware of the details.

India's total outward shipments were $303.5 billion in 2017-18. The all-time high is $314.4 billion posted in 2013-14.

March exports are expected to be above $30 billion, buoyed by strong performances by engineering and pharmaceuticals sectors. Services exports are likely to cross $200 billion in FY19, taking overall exports to over $500 billion.

Commerce and industry minister Suresh Prabhu is confident of India's exports touching new heights this year. "This happened because we had our sectoral strategy, an institutional mechanism... a product-geography matrix," he told ET in an interview.

As per official data, India's overall exports (merchandise and services) in April-February 2018-19 were estimated to be $483.98 billion, exhibiting a growth of 8.73% over the year-ago period.

Exports have been hit by the muted growth of traditional exports such as gems and jewellery, farm and engineering as well as liquidity crunch stemming from the goods and services tax, and global factors.

The healthy growth in exports comes at a time when the World Trade Organization has cut global trade forecast to 2.6% in 2019 from 3% in 2018.

"World trade will continue to face strong headwinds in 2019 and 2020 after growing more slowly than expected in 2018 due to rising trade tensions and increased economic uncertainty," WTO said. The multilateral trade watchdog attributed slow trade growth in 2018 to new tariffs and retaliatory measures affecting widely-traded goods, weaker global growth, volatility in financial markets and tighter monetary conditions in developed countries, among others.

(Source: Economic Times, 3/4/2019)

India to host informal ministerial of WTO on May 13-14

The move comes at a critical time when growing unilateral protectionist policies by the US and some others, and a trade war involving the world's top two economies, have put to test the multilateral trading system represented by WTO.

Amid a global trade war, India will hold an informal ministerial of the World Trade Organization (WTO) for a second time in just over a year, starting May 13, a source told FE.

The two-day mini-ministerial is aimed at reaffirming commitment to preserving a rule-based, multilateral trading system and will likely discuss key issues such as reforms at WTO, special and differential treatment to developing countries, e-commerce and certain other topics relating to the Doha agenda.

The move comes at a critical time when growing unilateral protectionist policies by the US and some others, and a trade war involving the world's top two economies have put to test the multilateral trading system represented by WTO.

Citing soaring commercial tensions and tariffs, WTO this month trimmed its global trade growth projection for 2019 to the lowest level in three years.

World merchandise trade growth will ease to 2.6% this year and 3% next year, after recording a 3% rise in 2018, it said.

Separately, the International Monetary Fund (IMF), too, lowered its 2019 trade growth forecast last week by a sharp 60 basis points to 3.4%, compared with the actual rise of 3.8% in 2018, citing the impact of the trade war.

New Delhi had organised such a meet of select nations in March last year.

Speaking at last year’s informal ministerial, commerce and industry minister Suresh Prabhu stressed India had been a votary of multilateral trading system. He had said: “Let us be mindful that in the past when the key economies departed from multilateral obligations by taking recourse to exceptions for agriculture and textiles, it led to other members securing similar exceptions. This only eroded the system and diminished its credibility.”

The US has already slapped tariff on its imports of steel and aluminium and hinted at more such protectionist steps. It’s negotiating a trade deal with China and has announced its withdrawal of export incentives on Indian exports worth an annual $5.6 billion. Recently, it sought a review of the “developing country” status at the WTO, claiming several members — including China and India — that moved up fast on economic and social ladders since the formation of the multilateral body in 1995 were still enjoying special and preferential trade treatments by “self-designating” themselves as developing nations.

In a separate paper presented at WTO, India, China and some others, however, have rebutted US claims, asserting that in various key indicators, ranging from per capita income and human development indices to agriculture, the gap between them and the rich nations is too stark to miss.

(Source: Financial Express, 17/4/2019)

Indian investment in UK on rise despite Brexit

A report said that the number of Indian companies doing business in Britain has increased from 800 in 2018 to 842 in 2019.

The number of Indian companies investing in the UK registered a jump over the previous year despite the ongoing uncertainties around Brexit, according to a new report tracking Indian investments in the UK.

The annual 'India Meets Britain Tracker' released in London on Wednesday finds that the number of Indian companies doing business in Britain has increased from 800 in 2018 to 842 in 2019, with a combined turnover of 48 billion pounds.

The report, published by business advisory firm Grant Thornton UK LLP and the Confederation of Indian Industry (CII), revealed a more than doubling of the Corporation Tax paid by these companies to hit 684 million pounds, up from 360 million pounds in the previous year.

"The headline figures in the Tracker are startling. They are testament to the strength and entrepreneurialism of the Indian business community, with some companies growing by more than 100 per cent year on year," UK minister for investment Graham Stuart said at the launch.

The minister pointed out that the figures are likely to see a further jump from next year, when the UK's Corporation Tax, from the current level of 19 per cent, will drop to 17 per cent.

"We will always welcome Indian investments and we recognise India's importance as one of our most critical bilateral investors," he said.

Among some of the other highlight figures from the Tracker, 24 per cent of Indian companies in the UK have at least one woman on their board, up from 19 per cent last year, and they employ an estimated 104,783 people in the country.

"The report brings out in such graphic terms the contribution that Indian businesses are making to the UK. We all wondered how the Brexit process would have affected the investment sentiment from India and now we have the answer – Indian business retains its positive outlook towards the UK," said Ruchi Ghanashyam, the Indian High Commissioner to the UK.

The report, now in its sixth year, provides a tracker of the fastest growing Indian companies in the UK with turnover of more than 5 million pounds, year-on-year revenue growth of at least 10 per cent and a minimum two-year track-record in the UK.

Among these Accord Healthcare Ltd, Milpharm Ltd and Secure Meters (UK) Ltd have been consistently recorded as fast growing ever since the Tracker was launched in 2014.

Anuj Chande, Partner and Head of South Asia Group at Grant Thornton UK LLP, noted: "Given the continuing uncertainty driven by the UK's exit from the European Union (EU), it is encouraging to see that Indian investors continue to invest confidently in the UK and in fact, there are now more Indian businesses active in the UK than ever before."

"The fall in the value of sterling has also had a role to play, making UK assets increasingly attractive to overseas investors. Low rates of corporation tax and the ease of doing business in the UK also remain significant draws."

Lakshmi Kaul, Head & Representative – UK, CII, added: "As India's economy continues to grow, Indian companies will increasingly have greater choice over where to invest and the UK must ensure that, beyond Brexit, it remains a leading investment destination."

Three companies in this year's Tracker reported growth of more than 100 per cent, with the fastest growing of these being TMT Metal Holdings Limited, with a growth rate of 649 per cent. This was followed by Route Mobile (UK) Limited, which reported growth of 189 per cent, and BB (UK) Ltd, which achieved turnover growth of almost 129 per cent.

At an awards ceremony to coincide with the Tracker launch, TMT bagged the Fastest Growing Company award for the year and Route Mobile won the award in the tech category. Tata Motors Limited was named the Top Employer in the UK, employing over 43,000 people, and Union Bank of India was named the Fastest Growing Financial Services Company.

As in the previous years, technology and telecoms companies dominate the Tracker, accounting for 35 per cent of the fastest-growing companies. Engineering and manufacturing companies are the next in line, accounting for 16 per cent, followed by pharmaceutical and chemicals companies at 15 per cent.

(Source: Economic Times, 25/4/2019)

India highest recipient of remittances at $79 billion in 2018: World Bank
“Remittances grew by more than 14% in India, where a flooding disaster in Kerala likely boosted the financial help that migrants sent to families,” the Bank said.

India retained its position as the world’s top recipient of remittances with its diaspora sending a whopping $79 billion back home in 2018, the World Bank said in a report on Monday.

India was followed by China (USD 67 billion), Mexico (USD 36 billion), the Philippines (USD 34 billion), and Egypt (USD 29 billion), the global lender said.

With this, India has retained its top spot on remittances, according to the latest edition of the World Bank’s Migration and Development Brief. Over the last three years, India has registered a significant flow of remittances from $62.7 billion in 2016 to $65.3 billion 2017.

“Remittances grew by more than 14% in India, where a flooding disaster in Kerala likely boosted the financial help that migrants sent to families,” the Bank said.

In Pakistan, remittance growth was moderate (7%), due to significant declines in inflows from Saudi Arabia, its largest remittance source. In Bangladesh, remittances showed a brisk uptick in 2018 (15%).

According to the report, remittances to low-and middle-income countries reached a record high of $529 billion in 2018, an increase of 9.6% over the previous record high of $483 billion in 2017. Global remittances, which include flows to high-income countries, reached $689 billion in 2018, up from $633 billion in 2017, it said. The Bank said, remittances to South Asia grew 12% to $131 billion in 2018, outpacing the 6% growth in 2017.

“The upsurge was driven by stronger economic conditions in the United States and a pick-up in oil prices, which had a positive impact on outward remittances from some GCC countries,” it said.

The Gulf Cooperation Council (GCC) is a regional inter-governmental political and economic bloc of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. However, the Bank in its report rued that the global average cost of sending $200 remained high, at around 7% in the first quarter of 2019.

Reducing remittance costs to 3% by 2030 is a global target under Sustainable Development Goal (SDG) 10.7. Remittance costs across many African corridors and small islands in the Pacific remain above 10%.

On ways to lower remittance costs, Dilip Ratha, lead author of the Brief and head of KNOMAD, said, “Remittances are on track to become the largest source of external financing in developing countries. The high costs of money transfers reduce the benefits of migration. Renegotiating exclusive partnerships and letting new players operate through national post offices, banks, and telecommunications companies will increase competition and lower remittance prices.

(Source: The Hindu, 9/4/2019)

India, Sweden ink pact to collaborate on solutions for smart cities, clean tech

The programme was co-funded by Indian Department of Science and Technology (DST) and Swedish agency Vinnova.

Negotiations for the much-delayed pact between European Union (which Sweden is a part of) and India have been on for many years now.

India and Sweden Thursday launched a joint programme that will work towards addressing a range of challenges around smart cities and clean technologies among others.

The programme was co-funded by Indian Department of Science and Technology (DST) and Swedish agency Vinnova.

Vinnova will provide funding to Swedish participants up to 2,500,000 Swedish Krona (around Rs 1.87 crore) as grant. On the Indian side, conditional grant of up to 50 per cent (with a limit of Rs 1.5 crore) per project will be provided to the Indian partners.

"The India-Sweden Collaborative Industrial Research and Development Programme will see Swedish and Indian innovators work together and develop solutions that benefit both sides," Klas Molin, Ambassador of Sweden to India, said.

He added that India, with its strong talent pool and scale with over a billion people, will play an important role for developing solutions that can address challenges related to healthcare, transportation and public safety.

"We are looking at deepening cooperation in the areas of smart cities, energy, digitalisation, life sciences as well as developing our startup communities," he said.

Molin highlighted that a 'triple helix' model of innovation that involves participation of government, industry and academia would be useful as these partners can work towards using new technologies like artificial intelligence to develop solutions that help meet goals of sustainable development.

He cited the examples of Swedish companies like Volvo and Ericsson that have been present in the Indian market for many years and pointed out that new entrants like IKEA also have drawn up aggressive expansion plans to tap into the opportunity here.

Molin batted for putting in place free trade pact (FTA) saying "the need for regional and bilateral agreements is important" as industries need predictability.

Negotiations for the much-delayed pact between European Union (which Sweden is a part of) and India have been on for many years now.

(Source: Times of India, 12/4/2019)

WTO sees global trade growth decelerating to 2.6% in 2019

World trade will continue to face strong headwinds in 2019 and 2020 after a slower-than-expected growth in 2018, due to rising trade tensions and increased economic uncertainty, according to the World Trade Organisation.

WTO economists expect global merchandise trade volume growth to fall to 2.6 per cent in 2019, from 3.0 per cent in 2018. Trade growth could then rebound to 3.0 per cent in 2020, depending, however, on an easing of trade tensions, it said.

Trade growth in 2018 was weighed down by several factors, including new tariffs and retaliatory measures affecting widely-traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries, among others. Consensus estimates have world GDP growth slowing from 2.9 per cent in 2018 to 2.6 per cent in both 2019 and 2020, WTO said.

"With trade tensions running high, no one should be surprised by this outlook. Trade cannot play its full role in driving growth when we see such high levels of uncertainty. It is increasingly urgent that we resolve tensions and focus on charting a positive path forward for global trade which responds to the real challenges in today's economy – such as the technological revolution and the imperative of creating jobs and boosting development," WTO Director-General Roberto Azevedo said.

"If we forget the fundamental importance of the rules-based trading system we would risk weakening it, which would be an historic mistake with repercussions for jobs, growth and stability around the world," he added.

The preliminary estimate of 3.0 per cent for world trade growth in 2018 is below the WTO's most recent forecast of 3.9 per cent issued last September. The shortfall is mostly explained by a worse-than-expected result in the fourth quarter, when world trade as measured by the average of exports and imports declined by 0.3 per cent. Until then, third quarter trade had been up 3.8 per cent, in line with WTO projections.

Nominal trade values rose in 2018 due to a combination of volume and price changes. World merchandise exports totalled $19.48 trillion, up 10 per cent from the previous year. The rise was driven partly by higher oil prices, which increased by roughly 20 per cent between 2017 and 2018. The value of commercial services trade rose nearly as much, with exports totalling $5.80 trillion in 2018, up 8 pe cent from the previous year.

There were few changes in export and import rankings among major traders in terms of dollar values.

The fastest merchandise export growth in nominal terms was recorded by oil producers, including the Kingdom of Saudi Arabia (34.8 per cent) and the Russian Federation (25.6 per cent). Merchandise import values increased most for Indonesia (20.2 per cent), Brazil (19.8 per cent), China (15.8 per cent) and Viet Nam (15.4 per cent).

Among commercial services traders, China recorded strong increases in the value of its exports (17 per cent) and imports (12 per cent). India also recorded double digit growth in commercial services trade on both the export side (11 per cent) and the import side (14 per cent).

WTO said its current trade forecast downgraded GDP projections for North America, Europe and Asia, mostly due to macroeconomic considerations, including the diminishing effect of expansionary fiscal policy in the United States, the phase-out of monetary stimulus in the euro area and the ongoing economic rebalancing of the Chinese economy away from manufacturing and investment and toward services and consumption.

WTO said the impact of trade tensions on actual trade flows is difficult to quantify since it depended on the nature of any proposed measures and whether they are implemented or only threatened. Threatened measures can still have real effects by increasing uncertainty and discouraging investment, it added.

In a worst case scenario in which international cooperation on tariffs breaks down completely and all countries set tariffs unilaterally, WTO economists expect a reduction in world GDP in 2022 of about 2 per cent and a reduction in global trade of about 17 per cent compared to baseline projections.

Other risks to the trade outlook are more difficult to quantify. For example, the effects of Brexit will depend on the nature of any agreement that might be reached between the United Kingdom and the European Union, with impacts mostly confined to these economies. Lower investment in the U.K. is likely in most foreseeable Brexit scenarios, which would tend to reduce productive capacity over time.

Developments in 2018

According to WTO, the slowdown in merchandise trade volume growth in 2018 was broad based, reflecting weaker import demand in both developed and developing countries, although some regions were more strongly affected than others.

Weakness was most evident in the fourth quarter of 2018, when export volumes declined by 0.1 per cent and import volumes dropped 0.5 per cent. On the export side, the slowdown was mostly due to reduced shipments from developed countries, which contracted year-on-year in three out of the four quarters of 2018. On the import side, developed countries recorded slow growth throughout the year, particularly in the first half. Developing economies saw imports fall sharply (-2.1 per cent) in the final quarter despite stronger growth earlier in the year, WTO pointed out.

The deceleration of trade in 2018 was driven primarily by Europe and Asia due to their large share in world imports (37 per cent and 35 per cent, respectively). After recording strong increases in 2017, Asia saw its trade growth moderate in 2018. Meanwhile, Europe's exports stagnated throughout the year while its imports declined gradually.

And, despite heightened trade tensions, a buoyant US economy contributed to strong import growth of 5.0 per cent in 2018. "Other regions", encompassing Africa, the Middle East and Commonwealth of Independent States saw export growth accelerate to 2.7 per cent. South America's trade flows have continued to recover gradually but have been buffeted by weaker external demand and domestic economic shocks.

World commercial services trade recorded strong growth in 2018 for the second consecutive year. Goods related services registered the strongest expansion, with a 10.6 per cent increase in current dollar terms. The weakest growth was in transport, which rose by 7.1 per cent. Commercial services overall grew 7.7 per cent in 2018.

WTO’s forward-looking trade indicators have turned negative in recent months, including the WTO's World Trade Outlook Indicator (WTOI).

WTO’s index of economic policy uncertainty, mostly based on the frequency of press reports, has risen consistently over time, peaking at 341 in December 2018, coinciding with the US government shutdown and US trade negotiations with China. To the extent that economic uncertainty deters investment, WTO said, it can have a negative impact on trade since capital goods tend to have high import content. Conversely, a lowering of trade tensions would be expected to stimulate both investment and trade.

If current GDP forecasts are realised, the WTO expects the volume of world merchandise trade to grow by 2.6 per cent in 2019, with stronger expansion in developing economies (3.4 per cent for exports, 3.6 per cent for imports) than in developed ones (2.1 per cent for exports, 1.9 per cent for imports). World trade growth should pick up slightly in 2020 to 3.0 per cent, with growth in developing economies (3.7 percent for exports, 3.9 percent for imports) again outpacing developed countries (2.5 per cent for exports, 1.9 per cent for imports). Most risks remain firmly on the downside, with upside potential hinging on a relaxation of trade tensions, WTO added.

(Source: domain-b.com 3/4/2019)

New government to announce the proposed industrial policy; key things to know

The ministry has planned to set up an elaborate machinery including a steering committee for effective implementation of the policy.

Commerce and Industry Minister Suresh Prabhu on April 4 said the proposed new industrial policy has been finalised and the new government would announce that.

"We have finalised the industry policy. I am sure that the new government will announce that soon," Prabhu said here at CII's Annual session 2019.

Though the ministry has sent the final proposal of the policy to the Cabinet, but it was not taken up for consideration.

It aims at promoting emerging sectors and modernising existing industries. It will also look to reduce regulatory hurdles, cut paper work and support emerging and new sectors.

The ministry has planned to set up an elaborate machinery including a steering committee for effective implementation of the policy.

This will be the third industrial policy after the ones released in 1956 and 1991. It will replace the industrial policy of 1991 which was prepared in the backdrop of the balance of payment crisis.

Talking about increasing foreign direct investment (FDI) into India, he emphasised on the need to have a proper strategy to attract overseas inflows in greenfield as well as brownfield projects.

"We are trying to bring in more FDI. FDI will come either in greenfield area or it could be through acquisition. So, we must prepare a strategy on both... We should target those companies that can invest because they have investable surplus and same time, we must have a matching sectoral strategy wherein inbound investments can be absorbed," he said.

FDI in India during April-December 2018 declined by 7 per cent to USD 33.5 billion.

He also listed out steps which the ministry has taken to boost exports and further improve ease of doing business particularly as district level.

He said that in 2018-19, India's exports of goods and services would touch about USD 540 billion.

The country's exports grew 8.85 percent to USD 298.47 billion during the April-February period of the current financial year.

Further, he added that thousands of start-ups have been recognised by the ministry and it is also working on removing hurdles in their path to promote budding entrepreneurs.

Talking about free trade agreements (FTAs), Prabhu said the ministry is in the process of preparing a template to negotiate future agreements by involving all concerned stakeholders.

Industry has raised concern that FTAs which was signed by India is not benefitting domestic players.

On a question that ease of doing business is not visible on the ground, the minister said they are working at district levels to improve business environment.

(Source: PTI, 5/4/2019)

India, Denmark to cooperate in offshore wind energy projects

India and Denmark will cooperate in the field of renewable energy, with special focus on offshore wind projects, under a strategic sector cooperation agreement signed between the two countries.

A meeting of the union cabinet, chaired by Prime Minister Narendra Modi on Monday gave its approval for a cooperation agreement between the ministry of new and renewable energy and Demark's ministry for energy, utilities and climate.

The two countries also signed a letter of intent to establish an Indo-Danish Centre of Excellence for renewable energy in India.

The cooperation agreement, signed last month, aims to promote cooperation between the two countries in the field of renewable energy with special focus on off-shore wind. The areas of cooperation include technical capacity building for management of off-shore wind projects, measures to develop and sustain a highly efficient wind industry, onshore as well as offshore; measures to 'ensure high quality of wind turbines, components, and certification requirements; forecasting and scheduling of off-shore wind.

The Indo-Danish Centre of Excellence in Integrated Renewable Power would work on renewable energy resource assessments with focus on onshore and offshore wind; hybridisation of wind, solar, hydro and storage technologies; integration of renewable energy inch high level of wind energy, testing and R&D; and skill development / capacity building.

The signing of the documents will help in strengthening bilateral cooperation between the two countries, an official release said.

(Source: PTI, 16 April 2019)

(Source: Domain-b, 16/4/2019)

European Commission - Press release

EU foreign investment screening regulation enters into force

Brussels, 10 April 2019

The new EU framework for the screening of foreign direct investments has officially entered into force on 10 April 2019.

The new framework is based on proposal tabled by the European Commission in September 2017 and will be instrumental in safeguarding Europe's security and public order in relation to foreign direct investments into the Union.

President of the European Commission, Jean-Claude **Juncker** said: "*This new framework will help Europe defend its strategic interests. We need scrutiny over purchases by foreign companies that target Europe's strategic assets. I want Europe to remain open for business, but I have said time and again that we are not naïve free traders. The adoption and entry into force of this proposal in an almost record time shows that we mean business and that when it comes to defending Europe's interests we will always walk the talk.*"

The new framework will:

- create a cooperation mechanism where Member States and the Commission will be able to exchange information and raise concerns related to specific investments;
- allow the Commission to issue opinions when an investment poses a threat to the security or public order of more than one Member State, or when an investment could undermine a project or programme of interest to the whole EU, such as Horizon 2020 or Galileo;
- encourage international cooperation on investment screening, including sharing experience, best practices and information on issues of common concerns;
- set certain requirements for Member States who wish to maintain or adopt a screening mechanism at national level. Member States also keep the last word whether a specific investment operation should be allowed or not in their territory;
- take into account the need to operate under short business-friendly deadlines and strong confidentiality requirements.

Starting today, EU Member States are required to notify their national investment screening mechanisms to the Commission. At present, 14 Member States have national screening mechanisms in place. Several Member States are in the course of reforming their screening mechanisms, or adopting new mechanisms.

Over the next 18 months, the Commission and EU Member States will take the necessary steps to make sure that the EU can fully apply the Investment Screening Regulation as of 11 October 2020. These steps concern, in particular, the setting up of the new EU-wide mechanism for cooperation, enabling Member States and the Commission to exchange information and raise concerns related to specific foreign investments. Upcoming tasks include:

- Creating formal contact points in each Member State and in the Commission to allow for the exchange of information and analysis;
- Establishing secure channels between Member States and the Commission to exchange information on FDI transactions;

- Putting in place the necessary procedures for Member States and the Commission to react quickly to FDI concerns and to issue opinions;
- Pursuing policy cooperation on FDI screening with relevant partner countries.

Background

The proposal to create the first EU-wide framework for the screening of foreign direct investments was presented by President Juncker during the 2017 State of the Union address. Following its adoption by the European Parliament and by the Council on 19 March 2019, the new EU legislation has now entered into force.

The EU has one of the world's most open investment regimes, as acknowledged by the OECD in its investment restrictiveness index. The EU is the main destination for foreign direct investment in the world: foreign direct investment stocks held by third country investors in the EU amounted to €6,295 billion at the end of 2017, providing Europeans with 16 million direct jobs.
